

PROSPECTUS

## dbInvestor Solutions plc

*(Incorporated with limited liability in the Republic of Ireland)*

**Programme  
for the  
issuance of Secured Securities**

**Series 9  
Up to EUR150,000,000 Secured Notes due 2013 relating to  
a Basket of Shares**

**Arranger**

**Deutsche Bank AG London Branch**

This Prospectus (the "**Prospectus**") dated 20 June 2008 constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**").

This Prospectus is available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

The Securities to which this Prospectus relates are as specified above (the "**Securities**"). The Prospectus comprises four sections: (a) Part A (Summary and General Description of the Programme Section), (b) Part B (Risk Factors Section), (c) Part C (Securities Section) and (d) Part D (Programme Section) referred to as the "**Summary Section**", "**Risk Factors Section**", "**Securities Section**" and "**Programme Section**", respectively.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**") to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Securities to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The CSSF has been requested to provide the competent authority in the Republic of Italy (*Commissione Nazionale per le Società e la Borsa – CONSOB*) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive and the Prospectus Regulation and the relevant implementing measures in Luxembourg for the purposes of offering the Securities in the Republic of Italy ("**Italy**").

Any person (an "**Investor**") intending to acquire or acquiring any securities from any person (an "**Offeror**") should be aware that, in the context of an offer of securities to the public as defined under the Prospectus Directive, the Issuer may be responsible to the Investor for the Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each European Economic Area Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

Dated 20 June 2008

## IMPORTANT

*Subject as set out herein, the Issuer accepts responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The previous paragraph should be read in conjunction with the second paragraph on the second page of the Prospectus.*

*The only persons authorised to use the Prospectus in connection with the offering of the Securities are the Arranger and the Distributors (as defined in "Sales Restrictions – Public Offer" in the Programme Section).*

*An Investor intending to acquire or acquiring any of the Securities from an Offeror will do so, and offers and sales of the Securities to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Arranger) in connection with the offer or sale of the Securities and, accordingly, the Prospectus does not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an Investor in respect of such information.*

*Neither the delivery of the Prospectus nor any sale made in connection herewith shall at any time imply that the information contained herein is correct at any time subsequent to the date of the Prospectus or that any further information supplied in connection with the Securities is correct as of any time subsequent to the date indicated in the document containing the same. No person has been authorised to give any information or to make representations other than those contained in the Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Arranger.*

*None of the Prospectus and any further information supplied in connection with the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer and/or the Arranger and/or the Trustee that any recipient of the Prospectus or any further information supplied in connection with the Securities should purchase any Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the risks involved in an investment in the Securities. Neither the Prospectus nor any other information supplied in connection with the Securities constitutes an offer by or on behalf of the Issuer and/or the Arranger or any other person to purchase any Securities.*

*Neither the Arranger nor the Trustee has separately verified the information contained herein and accordingly neither the Arranger nor the Trustee makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Securities or their distribution and none of them accepts any responsibility or liability therefor. Neither the Arranger nor the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by the Prospectus nor to advise any investor or potential investor in any Securities of any information coming to the attention of either the Arranger or the Trustee.*

*The distribution of the Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Neither the Issuer, the Arranger nor the Trustee represents that this document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance*

*with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering. In particular, except as indicated in "Sales Restrictions – Public Offer" in the Programme Section, no action has been taken by the Issuer, the Arranger or the Trustee which is intended to permit a public offering of the Securities or the distribution of the Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and none of the Prospectus, any advertisement relating to any Securities and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Securities in the United States, the European Economic Area (including the United Kingdom and Ireland), see "Sales Restrictions" in the Programme Section.*

*The Prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") other than offers (the "**Permitted Public Offers**") which are made prior to the Issue Date, and which are contemplated in the Prospectus in Italy once the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Italy will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of the offering contemplated in the Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Issuer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Arranger have authorised, nor do they authorise, the making of any offer (other than Permitted Public Offers) of Securities in circumstances in which an obligation arises for the Issuer or the Arranger to publish or supplement a prospectus for such offer.*

*This document may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this document that states the Issuer's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of the Issuer. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Securities to differ materially from those contained in any forward-looking statement.*

## TABLE OF CONTENTS

<b>PART A</b>	<b>SUMMARY AND GENERAL DESCRIPTION OF THE PROGRAMME SECTION.....</b>	<b>6</b>
	<b>SUMMARY.....</b>	<b>6</b>
	<b>GENERAL DESCRIPTION OF THE PROGRAMME .....</b>	<b>15</b>
<b>PART B</b>	<b>RISK FACTORS SECTION .....</b>	<b>15</b>
	<b>SECURITIES.....</b>	<b>15</b>
	<b>PROGRAMME .....</b>	<b>15</b>
<b>PART C</b>	<b>SECURITIES SECTION .....</b>	<b>15</b>
	<b>PRODUCT CONDITIONS OF THE SECURITIES .....</b>	<b>15</b>
	<b>INFORMATION RELATING TO THE UNDERLYING.....</b>	<b>15</b>
	<b>STRUCTURE AND CASH FLOW .....</b>	<b>15</b>
	<b>CHARGED PROPERTY.....</b>	<b>15</b>
	<b>ADDITIONAL INFORMATION .....</b>	<b>15</b>
<b>PART D</b>	<b>PROGRAMME SECTION.....</b>	<b>15</b>
	<b>GENERAL CONDITIONS.....</b>	<b>15</b>
	<b>DESCRIPTION OF THE ISSUER.....</b>	<b>15</b>
	<b>TAXATION.....</b>	<b>15</b>
	<b>SALES RESTRICTIONS.....</b>	<b>15</b>
	<b>DOCUMENTS INCORPORATED BY REFERENCE .....</b>	<b>15</b>
	<b>GENERAL INFORMATION.....</b>	<b>15</b>
	<b>SCHEDULE – DIRECTORS' REPORT AND FINANCIAL STATEMENTS.....</b>	<b>15</b>

## PART A

### SUMMARY AND GENERAL DESCRIPTION OF THE PROGRAMME SECTION

#### SUMMARY

##### I: The Securities

This Summary Section should be read as an introduction to the Prospectus. Any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by investors. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of the Member State where the claim is brought, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Words or expressions not otherwise defined herein shall have the meanings given in the Risk Factors Section, the Securities Section or the Programme Section, as the case may be.

Type of Securities:	Notes
Form of Securities:	Bearer
Status of Securities:	The Securities will represent secured, limited recourse obligations of the Issuer, which are secured in the manner described in General Condition 6 and recourse in respect of which is limited in the manner described in General Condition 6.8
Number of Securities:	Up to 150,000
Underlying:	Shares in each of Pfizer Inc., AT&T Inc., Suez SA., Diageo PLC, Astellas Pharma Inc., Nissan Motor Co., Ltd. and ENI S.p.A (the " <b>Shares</b> "), as further described in the Product Conditions
Issue Price:	EUR1,000 (100%) per Security.
Offer Price:	EUR1,000 per Security.
Issue Date:	3 October 2008
Nominal Amount per Security:	EUR1,000
Aggregate Nominal Amount of the Securities:	Up to EUR150,000,000. The precise Aggregate Nominal Amount of the Securities to be issued will be published on the Luxembourg Stock Exchange's website ( <a href="http://www.bourse.lu">www.bourse.lu</a> ) in accordance with Article 10 of the Prospectus Act 2005 on or around 2 October 2008.

Primary Market End Date:	1 October 2008
Interest Rate:	3.25% per annum
Day Count:	30/360
Interest Amount on each Interest Payment Date:	(a) In respect of an Unadjusted Interest Period, EUR 32.50 and (b) in respect of the Final Interest Period, an amount in EUR calculated by multiplying the product of the Interest Rate and the Nominal Amount of the Security by the Day Count Fraction for the relevant Interest Period.
Interest Period(s)	The period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each successive period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.
Interest Accrual Date(s):	(a) 3 October in each year from (and including) 3 October 2009 to (but excluding) the Scheduled Maturity Date and (b) the Maturity Date.
Interest Payment Date(s):	(a) Each date falling five Business Days following each Interest Accrual Date in the period from (and including) 3 October 2009 to (but excluding) the Maturity Date and (b) the Maturity Date.
Unadjusted Interest Period:	Each Interest Period other than the Interest Period ending on (but excluding) the Maturity Date (the " <b>Final Interest Period</b> ").
Redemption Amount:	With respect to each Security: <ul style="list-style-type: none"> <li>(a) the Nominal Amount; or</li> <li>(b) if the Bonus Condition is satisfied, EUR 1,250.</li> </ul>
Bonus Condition:	If the Reference Level for each Share in respect of each Bonus Observation Date in respect of such Share is greater than the Bonus Level in respect of such Share.
Bonus Level:	In respect of a Share, the product of (a) 65 per cent. and (b) the Initial Reference Level in respect of such Share.

Details of valuation date(s):

Each Share will be valued on the Initial Reference Valuation Date and each Bonus Observation Date for such Share.

Initial Reference Valuation Date:

In respect of a Share, the Issue Date or, if such day is not a Trading Day, the next following Trading Day in respect of such Share unless, in the opinion of the Calculation Agent, such day is a Disrupted Day for such Share. If such day is a Disrupted Day for such Share, the Initial Reference Valuation Date for such Share shall be the first succeeding Trading Day in respect of such Share that is not a Disrupted Day relating to such Share unless each of the eight Trading Days in respect of such Share immediately following the Scheduled Initial Reference Valuation Date for such Share is a Disrupted Day relating to such Share. In that case, (A) that eighth Trading Day shall be deemed to be the Initial Reference Valuation Date for such Share, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Initial Reference Level for such Share in accordance with its good faith estimate of the relevant Initial Reference Level as of the Valuation Time on that eighth Trading Day.

Bonus Observation Date(s):

In respect of a Share, each Valid Date in respect of such Share in the period from but excluding the Issue Date to and including the Scheduled Maturity Date.

Initial Reference Level:

In respect of a Share and subject to Product Condition 7 (Adjustment Provisions) and as provided in the definition of "Initial Reference Valuation Date", an amount equal to the official closing price on the Initial Reference Valuation Date for the Share quoted on the relevant Reference Source for the Share as determined by or on behalf of the Calculation Agent and subject to any subsequently published correction as provided in Product Condition 7 (Adjustment Provisions – Correction to Reference Levels) (or if, in the opinion of the Calculation Agent, no such official closing price can be determined at such time and the Initial Reference Valuation Date is not a Disrupted Day in relation to the Share, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price and the closing fair market selling price for the Share based, at the Calculation



Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide).

Reference Level:

In respect of a Share and a Bonus Observation Date for such Share and subject to Product Condition 7 (Adjustment Provisions), an amount equal to the official closing price on such Bonus Observation Date of the Share quoted on the relevant Reference Source for the Share as determined by or on behalf of the Calculation Agent and subject to any subsequently published correction as provided in Product Condition 7 (Adjustment Provisions – Correction to Reference Levels) (or if, in the opinion of the Calculation Agent, no such official closing price can be determined at such time, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price and the closing fair market selling price for the Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Share or on such other factors as the Calculation Agent shall decide).

Scheduled Maturity Date:

3 October 2013

Maturity Date:

The fifth Business Day following the Scheduled Maturity Date.

Settlement:

Cash Settlement

Early cancellation:

(A) Early termination of the Hedging Agreement

If there is early termination of the Hedging Agreement, then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each Security as more fully described in the Conditions. The Hedging Agreement may be terminated in a number of circumstances as set out in the

Product Conditions. See "General Conditions – Early Cancellation, Purchases and Options".

(B) Collateral repayment or payment default

If all or some of the Collateral becomes repayable prior to the stated maturity date of such Collateral or there is a payment default in respect of any such Collateral, then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each Security as more fully described in the Conditions.

(C) Adjustment provisions

The Securities may be subject to cancellation pursuant to Product Condition 7 (Adjustments Provisions) following an Additional Disruption Event, Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency. If the Securities are so cancelled, the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for payment in respect of each Security as more fully described in the Conditions.

Early Termination Amount:

(I) Following the occurrence of an early termination of the Hedging Agreement or the Collateral becoming repayable prior to its stated maturity date or a payment default occurring in respect of the Collateral, the Early Termination Amount (if any) due in respect of each Security shall be equal to such Security's *pro rata* share of an amount (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

$$(A - B)$$

Where:

"A" is the Market Value Collateral; and

"B" is the Early Redemption Unwind Costs.

Holders of the Securities should note however that in such circumstances the security will become enforceable and that the aggregate of all sums secured on the Charged Property in

priority to the claims of the Securityholders may represent a considerable portion of proceeds of realisation of the Collateral.

For these purposes:

**"Early Redemption Unwind Costs"** means the sum (the result of which may be positive or zero) of:

- (a) an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position and the replacement of the embedded equity option under the Securities and the Hedging Agreement; and (without duplication)
- (b) all legal and other ancillary costs (including, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1, 5.2 or Product Condition 7;

**"Market Value Collateral"** means an amount in EUR calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Dealers for the Collateral on the Valuation Date, PROVIDED THAT if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent and may in certain circumstances be zero.

The Calculation Agent shall attempt to obtain firm bid quotations as aforesaid from each of the Reference Dealers;

**"Reference Dealers"** means at least five leading dealers, banks or banking corporations, which deal in obligations of the type of the Collateral selected by the Calculation Agent and including Deutsche Bank AG, London Branch; and

**"Valuation Date"** means the third Business Day immediately preceding the due date for cancellation.

(II) For the purposes of Product Condition 7 (Adjustments Provisions) the Early Termination Amount (if any) due in respect of each Security shall be an amount (which may never be less than zero) equal to the fair market value of such Security taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation, Insolvency or Additional Disruption Event less such Security's *pro rata* share of the Early Redemption Unwind Costs, all as calculated by the Calculation Agent.

Hedging Agreement:

The Issuer will enter into a Hedging Agreement with the Hedging Counterparty the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Securities. The Hedging Agreement will be a limited recourse obligation of the Issuer and will be on the terms described in the Product Conditions.

Charged Property:

On the Issue Date, the Collateral will comprise a nominal amount of Floating Rate Euro Medium Term Notes due 2013 issued by Citigroup Funding Inc. and guaranteed by Citigroup Inc. equal to the Aggregate Nominal Amount of the Securities. If subsequent to the Issue Date and prior to the Maturity Date the initial Collateral matures, the proceeds of redemption received upon maturity of the initial Collateral may be applied in the purchase of Eligible Securities or by crediting such redemption proceeds to an interest bearing deposit account.

Calculation Agent:

Deutsche Bank AG, London Branch

Listing and Admission to Trading:

Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the Bourse de Luxembourg and to be listed on the Official List of the Luxembourg Stock Exchange with effect from 3 October 2008.

Listing Agent:

Deutsche Bank Luxembourg S.A.

ISIN:

XS0371002931

Common Code:

037100293

Selling and Transfer Restrictions:

There are restrictions on the sale of Securities and the distribution of offering materials in various jurisdictions. See "Sales Restrictions".

Use of Proceeds:

The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer or the issue of the Securities.

For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer acting as offeror (within the meaning provided for under relevant Italian laws and regulations) on the Issue Date. They are not a reflection of the fees payable to the Distributors.

Estimated total expenses of the Issue:

The expenses related to the admission to trading of the Securities on the Luxembourg Stock Exchange are estimated to be EUR2,875.

## **The Offer Period**

Applications to subscribe for the Securities may be made until the Primary Market End Date. The Offer Period starts on 26 June 2008.

## **Cancellation of the Issuance of the Securities**

The Issuer reserves the right for any reason to cancel the issuance of the Securities.

The issuance of the Securities is conditional, amongst other matters, on the Issuer receiving valid subscriptions for Securities amounting to an aggregate subscription value of at least EUR20,000,000 in aggregate Nominal Amount of the Securities on or prior to the Primary Market End Date. In the event that this condition is not satisfied, the Issuer may cancel the issuance of the Securities as of the Primary Market End Date.

## **Early Closing of the Subscription of the Securities**

The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR150,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time, without any prior notification.

## **Distributors**

With reference to the offering in Italy the Securities will be distributed by Deutsche Bank S.p.A and Finanza & Futuro Banca S.p.A.

For the avoidance of doubt, neither the Issuer nor the Arranger will act as a Distributor.

The Arranger will pay to the Distributors the Upfront Placement Fee and the Deferred Placement Fee (together, the "**Placement Fees**") as described below which represent distribution-related commissions. Either or both of the Distributors may, if agreed with the Arranger, instead of receiving the Upfront Placement Fee and the Deferred Placement Fee on the dates provided for below, receive on the Issue Date a single aggregate placement fee (the "**One-off Placement Fee**") that is the economic equivalent of those amounts. As at 16 June 2008, the aggregate amount of the One-off Placement Fee would be equivalent to 6.49 per cent. of the Aggregate Nominal Amount.

For these purposes:

"**Upfront Placement Fees**" means a one-off fee in an amount equal to 4.76 per cent. of the Aggregate Nominal Amount accruing and payable on the Issue Date; and

"**Deferred Placement Fees**" means a fee payable on each Interest Payment Date falling in August 2009, August 2010, August 2011 and August 2012 in an amount equal to 0.50 per cent. of the Aggregate Nominal Amount.

## **II: The Programme**

### **Issuer:**

dbInvestor Solutions plc. (with reference to the public offer of the Securities in Italy also acting as offeror (within the meaning provided for under relevant Italian laws and regulations)).

<b>Description:</b>	Programme for the issuance of Secured Securities.
<b>Arranger:</b>	Deutsche Bank AG, London Branch.
<b>Risk Factors</b>	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme. These are set out under Part II ( <i>The Programme</i> ) of the Risk Factors Section. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme (see Part II ( <i>The Programme</i> ) of the Risk Factors Section). Part I ( <i>The Securities</i> ) of the Risk Factors Section contains additional Risk Factors in relation to the Securities.
<b>Secured Parties:</b>	The parties entitled to the benefit of the security for the Securities are specified in the Product Conditions.
<b>Status of Securities:</b>	The Securities will be secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and secured in the manner described in "General Conditions". Claims against the Issuer by Securityholders and the Hedging Counterparty and each Secured Party will be limited to the Charged Property. If the net proceeds of the enforcement of the Charged Property are not sufficient to make all payments due in respect of the Securities and due to the Hedging Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of the holders of the Securities and the Hedging Counterparty or Secured Party in respect of any such shortfall shall be extinguished and no party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer as a consequence of any such shortfall. Claims of Securityholders and the Hedging Counterparty in respect of the Securities and any other persons entitled to the benefit of the security for the Securities shall rank in accordance with General Condition 6.4.
<b>Negative Pledge/Restrictions:</b>	There is no negative pledge. However, so long as any of the Securities remains outstanding, the Issuer will not, without the prior written consent of the Trustee and the Hedging Counterparty incur any indebtedness for moneys borrowed or raised other than in

respect of Permitted Investments or Permitted Indebtedness (each as defined in General Condition 8.1.1), engage in any activity other than certain activities related to the Securities or any Permitted Investment or Permitted Indebtedness, as described in General Condition 8, have any subsidiaries or employees, purchase, own or otherwise acquire any real property (other than by entering into a lease in respect of office premises, on a strictly limited recourse basis) or consolidate or merge with any other person or issue any shares.

**Cross Default:**

None.

**Withholding Tax - Securities:**

All payments by the Issuer in respect of the Securities shall be made subject to any withholding or deduction for, or on account of, any applicable taxation (see General Condition 4.4).

**Withholding Tax - Hedging Agreements:**

Neither the Issuer nor the Hedging Counterparty is obliged under the Hedging Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Hedging Agreement is terminable in such event.

**Fungible Issues:**

The Issuer may from time to time issue further Securities on the same terms as existing Securities and on terms that such further Securities shall be consolidated and form a single series with such existing Securities; provided that, unless otherwise approved by Extraordinary Resolution of Securityholders, the Issuer shall provide additional assets as security for such further Securities and existing Securities in accordance with General Condition 14.

**Governing Law of Securities:**

English law.

**III The Issuer**

**Issuer:**

dbInvestor Solutions plc

**Directors of the Issuer:**

Michael Whelan, Liam Quirke and Niall O'Carroll

**Nature and Business of the Issuer:**

The Issuer was established on 28 August 2003 as a public limited company in Ireland and since then has acted as a special purpose vehicle for issuing asset backed securities.



The Issuer's business is the issue of securities based on investor demand and earning fees in connection with such activity.

Other information about the Issuer is set out under "Description of the Issuer" in the Programme Section and "Additional Information in relation to the Issuer" in the Securities Section.

**Capitalisation and Indebtedness of the Issuer:**

The Issuer has authorised share capital of EUR10,000,000 divided into 10,000,000 Ordinary Shares of EUR1 each. The indebtedness of the Issuer principally comprises those issues of securities under the Programme which remain outstanding. So long as any of the Securities remain outstanding, the Issuer will be subject to the restrictions set out in General Condition 8 and each Trust Instrument.

The Issuer has issued 40,000 Shares, all of which are fully paid and are held either directly or indirectly by three charitable trust companies, Matsack Trust Limited, Matsack Nominees Limited and Raisa Limited.

The Issuer has and will have no assets other than the sum of EUR40,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Securities or the purchase, sale or incurring of other obligations and any Charged Property and any other assets on which the Securities are secured.

**Financial Information of the Issuer:**

The Issuer prepares an audited profit and loss account and balance sheet each year and a report of the directors thereon. See "Description of the Issuer" in the Programme Section for further information.

**Auditors of the Issuer:**

KPMG, Chartered Accounts and Registered Auditors whose responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and by their profession's ethical guidance.

**Documents available for Inspection:**

See "General Information – 5" in the Programme Section.

## GENERAL DESCRIPTION OF THE PROGRAMME

***The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of the Prospectus and, in relation to the terms and conditions of the Securities, the applicable General Conditions and the Product Conditions.***

This section sets out information from the General Description of the Programme section set out in the Base Prospectus dated 3 June 2008 issued by the Issuer in respect of the Programme (the "**Base Prospectus**").

Words or expressions not otherwise defined herein shall have the meanings given in the Risk Factors Section, the Securities Section or the Programme Section, as the case may be.

<b>Issuer:</b>	dblInvestor Solutions plc
<b>Description:</b>	Programme for the issuance of Secured Securities.
<b>Arranger:</b>	Deutsche Bank AG, London Branch or as otherwise specified in the relevant Product Conditions.
<b>Certain Restrictions:</b>	Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Sales Restrictions</i> ").
<b>Currencies:</b>	Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in such currency or currencies as the Issuer and the Arranger agree.
<b>Maturities:</b>	The Securities will have such maturities as may be agreed between the Issuer and the Arranger, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Settlement Currency.
<b>Issue Price:</b>	As specified in the relevant Product Conditions.
<b>Form of Securities:</b>	Each Series of Securities will be represented by a Global Security as described in the Programme Section. Definitive Securities will not be issued.
<b>Optional Cancellation:</b>	The Product Conditions in respect of each Series of Securities will state whether such Securities may be cancelled early at the option of the Issuer and, if so, the terms applicable to such cancellation, including the determination of the Early Termination Amount (if any) payable in respect of each Security as a consequence thereof.

**Mandatory Cancellation:**

If all or some of the Collateral relating to a Series of Securities becomes repayable prior to the stated maturity date of such Collateral or there is a payment default in respect of any such Collateral, or if there is early termination of any Hedging Agreement or Repurchase Agreement (if any) relating to a Series of Securities, then such Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) in respect of each Security as provided in the relevant Product Conditions. The Hedging Agreement(s) may be terminated in a number of circumstances as set out in the relevant Product Conditions. See "General Conditions – Early Cancellation, Purchases and Options".

**Nominal Amounts:**

Each Security will be issued with such Nominal Amount as may be specified in the applicable Product Conditions save that the minimum Nominal Amount of each Security admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR1,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency of such Nominal Amount.

## PART B

### RISK FACTORS SECTION

#### SECURITIES

##### I: THE SECURITIES

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and should consider the suitability of an investment in the Securities in light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Securities should refer to the risk factors below and the risk factors set out in Part II (*The Programme*) of this Risk Factors Section below.

Prospective investors should be aware that the Securities may decline in value and should be prepared to sustain a total loss of their investment in the Securities. In particular, (i) if there is an early termination of the Hedging Agreement or the Collateral becomes repayable prior to its stated maturity date or there is a payment default in respect of the Collateral (in each case as more fully described in the Conditions) or (ii) if the market value of the Collateral declines in certain circumstances, purchasers of the Securities risk losing their entire investment. Accordingly prospective investors should only invest in the Securities if they are able to bear the risk of losing their entire investment.

The Securities are not guaranteed by the Arranger or any of its affiliates and neither the Arranger nor any of its affiliates has or will have any obligations in respect of the Securities. The Securities will represent secured, limited recourse obligations of the Issuer which will rank *pari passu* in all respects with each other. See General Condition 6.8 (Shortfall after application of proceeds).

##### (A) Investor Suitability

Investment in the Securities may not be suitable for all investors and is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters to evaluate the information contained in this Prospectus and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) are acquiring the Securities for their own account for investment, not with a view to resale, distribution or other disposition of the Securities (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (4) recognise that it may not be possible to make any transfer of the Securities for a substantial period of time, if at all.

Further, each prospective purchaser of Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its

acquisition of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. Neither the Issuer, the Arranger, the Hedging Counterparty nor any other person has or will make any representation or statement as to the suitability of the Securities for investors.

**INVESTORS SHOULD OBTAIN ALL REQUIRED INDEPENDENT PROFESSIONAL ADVICE BEFORE PURCHASING THE SECURITIES.**

**(B) The Hedging Agreement**

The purpose of the Hedging Agreement is to provide funds in order to allow the Issuer to perform its scheduled obligations under the Securities and accordingly investors in the Securities will be exposed to the credit risk of the Hedging Counterparty under the Hedging Agreement.

The Securities are solely obligations of the Issuer and none of the Hedging Counterparty nor any other person has any obligation to the holders of the Securities for payment of any amount due in respect of the Securities.

The Securities are subject to early cancellation if, amongst other things, the Hedging Agreement is terminated early in accordance with its terms (see paragraph (G) below).

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

- (a) if at any time the Securities are cancelled in accordance with the Conditions prior to the Maturity Date;
- (b) at the option of one party, if there is a failure by the other party to pay any amounts due under the relevant Hedging Agreement;
- (c) if (subject as provided in the relevant Hedging Agreement) withholding taxes are imposed on payment made by the Issuer or the Hedging Counterparty under such Hedging Agreement or it becomes illegal for either party to perform its obligations under such Hedging Agreement; and
- (d) upon the occurrence of certain other events with respect to either party and the relevant Hedging Agreement, including insolvency.

**(C) Risks arising from the nature of the linkage to the Shares**

The Redemption Amount (if any) payable in respect of each Security will depend on whether the closing price of each of the Shares remains above a specified percentage of their initial closing price on specified dates, as more particularly described in the Product Conditions set out in Part C of this Prospectus.

If the price of each of the Shares remains above the specified percentage of their initial closing price the Redemption Amount in respect of the Securities will be EUR1,250 per Security.

If the closing price of any of the Shares falls to or below the specified percentage of their initial closing price the Redemption Amount will be limited to par. This will be the case even if at other times the closing price of the relevant Shares has been significantly greater than the specified percentage of their initial closing price. In such circumstances investors will have forgone the

opportunity to earn any return on their capital other than the fixed interest payable in respect of the Securities.

Accordingly, prospective investors in the Securities should ensure that they fully understand how the performance of the Shares may affect an investment in the Securities and before making an investment decision with respect to the Securities should carefully consider whether an investment linked to the Shares is suitable for them.

#### **(D) Share Risks**

The price of a Share may go down as well as up. Furthermore, the price of a Share may not reflect its performance in any prior period. Dividends paid to holders of the Shares will not be paid to the Issuer or to holders of the Securities. Consequently, the investment return on the Securities may be less than the return from a direct investment in the Shares.

#### **(E) Adjustment Provisions**

If a Potential Adjustment Event, Merger Event, Tender Offer, De-Listing, Nationalisation, Insolvency or Additional Disruption Event occurs the Issuer may (a) require the Calculation Agent to determine as appropriate adjustments to be made to any one or more of the Conditions, (b) cancel the Securities and pay an Early Termination Amount (if any) in respect of each Security of an amount (which may never be less than zero) equal to the fair market value of such Security, taking into account the relevant event, less such Security's *pro rata* share of the Early Redemption Unwind Costs, all as calculated by the Calculation Agent or, (c) in the case of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency only, substitute the Share the subject of the relevant event with a Replacement Share which meets the replacement criteria, all as set out in Product Condition 7 (Adjustment Events) (see paragraph (F) below).

Prospective investors should note that if the official closing price of a Share quoted on the Initial Reference Valuation Date or on a Bonus Observation Date by the relevant Reference Source is subsequently corrected and the Corrected Reference Level (as defined in Product Condition 7) is published by the relevant Reference Source within one Settlement Cycle for such Share after the original quotation, then such Corrected Reference Level shall be deemed to be the relevant Reference Level for such Share on such Initial Reference Valuation Date or Bonus Observation Date, as the case may be, and such Corrected Reference Level shall be used for the purposes of the Bonus Condition.

#### **(F) Substitution of a Share**

If a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to a Share, the Issuer may require the Calculation Agent to replace the Share (the "**Affected Share**") affected by the relevant event with a Replacement Share as soon as reasonably practicable following the occurrence of such event. In replacing such Affected Share, the Calculation Agent shall determine the relevant initial closing price and exchange for the Replacement Share and make such other adjustments to the Conditions as may be necessary to take account of such replacement and, to the extent reasonably practicable, to preserve the economic equivalent of the terms of the Securities after such replacement.

Prospective investors should note that if the Issuer requires the Calculation Agent to replace an Affected Share with a Replacement Share as described above, but the closing price of the Affected Share (and/or of any other Share) falls to or below the specified percentage of its initial closing price before the Calculation Agent effects such replacement, no such replacement shall be effected and the Redemption Amount in respect of each Security will be limited to par.

Prospective investors should also note that even if any such replacement is effected, the closing price of the Replacement Share (and/or of any other Share) may in the future fall to or below the

specified percentage of its initial closing price, in which case the Redemption Amount in respect of each security will be limited to par.

**(G) Mandatory Cancellation, Cancellation for other reasons and Early Termination Amount**

The Securities are subject to cancellation in the event of, amongst other things, (i) the Collateral becoming repayable, or becoming capable of being declared due to and repayable prior to its stated date of maturity, or a payment default in respect of the Collateral (see General Condition 5.1) or (ii) the termination of the Hedging Agreement in accordance with its terms prior to the Hedging Agreement Termination Date (see General Condition 5.2). In such an event, the Issuer shall cancel all Securities outstanding and investors in the Securities will receive an Early Termination Amount (if any) determined by the Calculation Agent to be such investors *pro rata* share of an amount (which may never be less than zero) equal to (a) the Market Value Collateral, less (b) the Early Redemption Unwind Costs (See Product Condition 6) and the security constituted by the Trust Instrument will become enforceable.

Prospective investors of the Securities should note that, on a cancellation as described above, they will receive only a cash payment equal to the Early Termination Amount (if any) and will not be entitled actually to receive any portion of the Collateral. Holders of the Securities should also note that they bear the risk of decline in the value of the Collateral and they also bear the risk that the Hedging Counterparty may incur certain costs in connection with unwinding its hedging arrangements and replacing the embedded equity option under the Securities and the Hedging Agreement which will be included in the calculation of the Early Redemption Unwind Costs. Declines in the value of either (or of both) of the Collateral and the Hedging Agreement will adversely impact any payment on a cancellation.

**(H) Secondary Market**

Currently no secondary market exists for the Securities. The Arranger is not under any obligation to make a market in the Securities and it is highly unlikely that any secondary market for the Securities will develop. In the unlikely event that a secondary market in the Securities does develop, there can be no assurance that it will provide the Securityholders with liquidity of investment or that it will continue for the life of the Securities. Accordingly, the purchase of the Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Investors must be prepared to hold the Securities until maturity.

In addition, the Securities are subject to significant transfer restrictions as described under "Sales Restrictions" below which further limit the liquidity of the Securities.

**(I) Risk of tax re-characterisation of the Securities as "atypical securities"**

Under Italian tax law Securities are subject to the Italian tax regime provided by the Legislative Decree No. 239 of 1 April 1996, which applies to bonds or debentures similar to bonds. For this purpose, debentures similar to bonds are securities which incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value. However, under a conservative interpretation of Italian tax law, securities must be principal protected both in the case of final maturity and of early cancellation. As a consequence, since in the case of early cancellation the Securities are not principal protected, there is a remote possibility that Securities could be recharacterised by the Italian Tax Authorities as "atypical securities". If the Securities are so recharacterised, a different Italian tax regime would be applicable to the Securities, pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 (Decree No. 512) as implemented by Law No. 649 of 25 November 1983. Pursuant to Article 8 of the Decree No. 512, payments of interest to Italian tax resident investors will be subject to an Italian withholding tax, levied at the rate of 27

per cent. The 27 per cent. withholding tax would not apply to payments made to a non-Italian resident Securityholders and to an Italian resident Securityholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial, private or public institution.



## PROGRAMME

### II: The Programme

#### General

The discussion below is of general nature and is intended to describe various risk factors associated with an investment in any Securities issued under the Programme. What factors will be of relevance to the Securities will depend upon a number of inter-related matters including, but not limited to, the nature of the Securities, the Underlying, the Collateral, the Charged Property and the Hedging Agreement.

Purchasers of Securities should conduct such independent investigation and analysis regarding the terms of the Securities, the Issuer, the Collateral, the security arrangements, each Hedging Counterparty, the Hedging Agreement or other agreement entered into by the Issuer in respect of the Securities and all other relevant market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Securities. The Issuer, the Arranger and the Trustee disclaim any responsibility to advise purchasers of Securities of the risks and investment considerations associated with the purchase of the Securities as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Securities should consider all the information set forth in the Prospectus, including the considerations set forth below in this Part II (*The Programme*) of the Risk Factors Section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Part II (*The Programme*) of this Risk Factors Section, in Part I (*The Securities*) of this Risk Factors Section, in the Programme Section and in the Securities Section and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.

In addition factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

Terms and expressions defined in the Conditions shall have the same meaning when used in this discussion.

#### A. Risks in relation to the Securities

##### 1. Introduction

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, interest rate, market volatility and political risks and any combination of these and other risks. Some of these are briefly discussed below. Prospective purchasers should be experienced with respect to transactions involving instruments such as the Securities, in terms of both the risks associated with the economic terms of the Securities and the risks associated with the way in which the issue of the Securities is structured. Prospective purchasers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial,

fiscal and other circumstances, (ii) the information set out in this document and (iii) the Underlying, the Collateral, the Charged Property and the Hedging Agreement.

**PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD RECOGNISE THAT THE SECURITIES MAY DECLINE IN VALUE AND SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE SECURITIES.**

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying, as the return of any such investment will be dependent, inter alia, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

## **2. Market Factors**

### *2.1. Valuation of the Underlying*

Prospective purchasers of the Securities should be aware that an investment in the Securities involves valuation risk as regards the Underlying. Prospective purchasers should be experienced with respect to transactions in securities with a value derived from underlying securities including equities.

The value of the Underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors and speculation.

### *2.2. The Historical Performance of the Underlying is Not an Indication of Its Future Performance*

The historical price of the Underlying does not indicate the future performance of the Underlying. Changes in the market price of the Underlying will affect the trading price of the Securities, but it is impossible to predict whether the market price of the Underlying will rise or fall.

### *2.3 Exchange Rates*

Prospective purchasers of the Securities should be aware that an investment in the Securities may involve exchange rate risks. For example (i) the Underlying may be denominated in a currency other than that of the Settlement Currency for the Securities, (ii) the Securities may be denominated in a currency other than the currency of the purchaser's home jurisdiction and/or (iii) the Securities may be denominated in a currency other than the currency in which a purchaser wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities.

### *2.4 Interest Rate*

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Securities. Fluctuations in interest rates of the currency in which the Securities are denominated and/or fluctuations in interest rates of the currency or currencies in which the Underlying is denominated may affect the value of the Securities.

## 2.5. *Market Volatility*

Market volatility reflects the degree of instability and expected instability of the performance of the Underlying. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

## 3. **Certain Hedging Considerations**

Prospective purchasers intending to purchase the Securities for the purpose of hedging their exposure to the Underlying should recognise the risks of utilising the Securities in such manner. No assurance is or can be given that the value of the Securities will correlate with movements in the value of the Underlying. Furthermore, it may not be possible to liquidate the Securities at a price which directly reflects the value of the Underlying. Therefore, notwithstanding losses suffered by investors with respect to investments on or exposure to the Underlying, it is possible that investors could also suffer substantial losses in the Securities.

Prospective purchasers of the Securities should be aware that hedging transactions in order to limit the risks associated with the Securities might not be successful.

## 4. **Collateral and Charged Property**

### 4.1 *Illiquid Collateral*

The Collateral may comprise or include securities which are not readily realisable.

### 4.2 *Country and Regional Risk*

The price and value of the Collateral may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of or obligor in respect of the Collateral is incorporated or has its principal place of business or of the country in the currency of which the Collateral is denominated. The value of securities and other assets issued by entities located in, or governments of, emerging market countries is generally more volatile than the value of similar assets issued by entities in well-developed markets. However, in certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

## 5. **Secondary Market**

Even if the securities are listed on the Official List of the Luxembourg Stock Exchange or any other stock exchange, it is not possible to predict if and to what extent a secondary market may develop in any Securities or at what price any Securities will trade in the secondary market or whether such market will be liquid or illiquid. If the Securities are so listed on the Official List of the Luxembourg Stock Exchange, no assurance is given that any such listing will be maintained. The fact that any Securities may be so listed does not necessarily lead to greater liquidity than if they were not so listed.

If the Securities are not listed or traded on any exchange, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected.

The liquidity of the Securities may also be affected by restrictions on offers and sales of the Securities in some jurisdictions.

The Arranger may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation. Since the Arranger may be the only market-maker in the Securities the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Securities to realise value for the Securities prior to the exercise, expiration or maturity date.

## **6. Potential Conflicts of Interest**

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may from time to time engage in transactions involving the Underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the Underlying and consequently upon the value of the Securities. In addition, the Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may from time to time act in other capacities with regard to the Securities. Furthermore, the Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may also issue other derivative instruments in respect of the Underlying and the introduction of such competing products into the marketplace may affect the value of the Securities.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may, in certain cases, act as market-maker for the Underlying, which might in particular be the case when the Arranger, the Hedging Counterparty, the Calculation Agent or such affiliate has also issued the Underlying. By such market-making, the Arranger, the Hedging Counterparty, the Calculation Agent or such affiliate will, to a large extent, itself determine the price of the Underlying, and consequently influence the value of the Securities. The prices quoted by the Arranger, the Hedging Counterparty, the Calculation Agent or such affiliate in its market-making function will not always correspond to the prices which would have formed without such market-making and in a liquid market.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may also act as underwriter in connection with future offerings of the Underlying or may act as financial adviser to the issuer of an Underlying or in a commercial banking capacity for the issuer of an Underlying. Such activities could present certain conflicts of interest and may affect the value of the Securities.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may acquire non-public information with respect to the Underlying, and neither the Arranger, the Hedging Counterparty, the Calculation Agent nor any of their respective affiliates undertakes to disclose any such information to any Securityholder. In addition, one or more of the Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may publish research reports with respect to the Underlying.

Such activities could present conflicts of interest and may affect the value of the Securities.

## **7. Market Disruption Events and failure of Reference Source and Related Exchange**

The Calculation Agent may determine that a Disrupted Day has occurred on any date that, but for the occurrence of such Disrupted Day, would have been an Initial Reference Valuation Date or Bonus Observation Date. Any such determination may have an effect on the value of the Securities.

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

## **8. Cancellation of Securities**

The Issuer may cancel the Securities upon the occurrence of certain adjustment events as set out in Product Condition 7 (Adjustment Provisions). If the Issuer so cancels the Securities then the Issuer will pay the Early Termination Amount to each Securityholder, determined as provided in the Product Conditions. Such amount may be zero.

## **9. Substitution or Adjustment Provisions**

An adjustment of the terms of the Securities as provided in Product Condition 7 (Adjustment Provisions) may result in a change in the quantity, composition and/or identity of the relevant Underlying and may affect the value of the Securities.

## **10. Taxation**

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Securityholders are subject to the provisions of General Condition 4.4 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of any Securityholder Expenses as provided in the Product Conditions.

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

## **B. Risks in relation to the Issuer**

### **1. Matters of Irish Law**

#### *1.1 Not a Bank Deposit*

Any investment in the Securities does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Irish Financial Services Regulatory Authority. The Issuer is not regulated by the Irish Financial Services Regulatory Authority by virtue of the issue of the Securities.

#### *1.2 Examinership*

Examinership is a court procedure available under the Irish Companies (Amendment) Act, 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at

least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Securityholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Securityholders. The primary risks to the Securityholders if an examiner were appointed to the Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Securityholders as secured by the Trust Instrument;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each Secured Party under the Securities or the transaction documents.

### *1.3 Preferred Creditors under Irish Law and Floating Charges*

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

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

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

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

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Trust Instrument may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the Issuer's account and the Collateral would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (i) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (ii) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up; and
- (iii) they rank after certain insolvency remuneration expenses and liabilities;
- (iv) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (v) they rank after fixed charges.

## **2. Limited Recourse Obligations and Related Risks**

The Securities will be direct, secured, limited recourse obligations of the Issuer payable solely out of the Charged Property secured by the Issuer in favour of the Trustee on behalf of the Securityholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the relevant Series of Securities. Securityholders will have no right to proceed directly against the Hedging Counterparty in respect of any related Hedging Agreement or take title to, or possession of, the relevant Charged Property unless the Trustee, having become bound to do so, fails to take action against the Issuer within a reasonable time. No assurance can be given that the proceeds available for and allocated to the repayment of the relevant Series of Securities at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Securities. If the proceeds of the realisation of the relevant Charged Property received by the Trustee for the benefit of the relevant Securityholders prove insufficient to make payments on the relevant Series of Securities and the other secured parties, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation in accordance with the relevant Trust Instrument, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, the Trustee and the Securityholders will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer provided that the

Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party. No person other than the Issuer will be obliged to make payments on the Securities.

Securityholders should be aware that there are a number of risks associated with the purchase of the Securities, including the risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Securities or otherwise) which are not themselves subject to limited recourse or non-petition provisions as set out above.

### **3. Further Issues of Securities by the Issuer**

Further Securities may be issued subject to the provisions of General Condition 14.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY SECURITIES.



**PART C**  
**SECURITIES SECTION**

**Subject matter of this Securities Section**

The subject matter of this Securities Section is the issue of the Securities by the Issuer under the Programme (each capitalised term having the meaning given to it below).

**The Programme**

Under its Programme for the issuance of Secured Securities (the "**Programme**"), dbInvestor Solutions plc (the "**Issuer**") may from time to time issue secured notes and secured certificates which may relate to shares and/or indices and/or debt securities and/or commodities and/or currencies and/or other assets. The terms of the Programme are set out in the Programme Section.

**The Securities**

Under the Programme the Issuer has decided to issue the Securities on the terms set out in this Securities Section.

The terms and conditions of the Securities (the "**Conditions**") are comprised of the General Conditions set out in the Programme Section, as completed, modified and amended by the Product Conditions set out in this Securities Section.

Deutsche Bank AG, London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB (the "**Arranger**") is the Arranger for the Securities.

**Sale of the Securities**

The Securities will be offered for subscription by the Issuer during the Offer Period at the Offer Price. On the Issue Date, the Securities which have been subscribed by the public will be issued to the investors by using the Distributors as intermediaries. Such Securities will be transferred through the Arranger, via the Distributor, at the Offer Price to the investors who have subscribed for them at such price during the Offer Period. Following the Offer Period, the Securities may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Issuer. Neither the Issuer nor the Arranger shall be obliged to sell all or any of the Securities.

**Currency References**

In this Securities Section, unless otherwise specified or the context otherwise requires, references to "USD" are to United States dollars, "JPY" are to Japanese yen, references to "GBP", or "pence" are to references to Great British Pounds or pence as applicable and references to "euro", "EUR" or "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union as amended by the Treaty of Amsterdam.

**Selling Restrictions**

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons as defined in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of further restrictions on the offer, sale and transfer of the Securities,

please refer to "Important" on page 3 of this Prospectus and to "Sales Restrictions" in the Programme Section.

## PRODUCT CONDITIONS OF THE SECURITIES

*The Securities shall, upon issue, have the following "Product Conditions" which shall complete, modify and amend the General Conditions (the "General Conditions") set forth in the Programme Section. The Product Conditions and the General Conditions together constitute the "Conditions" of the Securities, and will be attached to the relevant Global Security.*

Words and expressions defined or used in the Trust Instrument, the Agency Agreement or the General Conditions shall have the same meanings where used in the Product Conditions unless the context otherwise requires or unless otherwise stated.

In the event of any inconsistency between the Product Conditions and the General Conditions, the Product Conditions shall prevail.

### 1. INTRODUCTION

- |     |   |  |
|-----|---|--|
| (a) | Issuer:   | dbInvestor Solutions plc   |
| (b) | Type of Securities:   | Notes  |
| (c) | Series No.:   | 9  |
| (d) | Listing and Admission to Trading                            | Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the Bourse de Luxembourg and listing on the Official List of the Luxembourg Stock Exchange with effect from 3 October 2008  |
| (e) | Ratings:  | The Securities will not be rated   |
| (f) | Interest of Natural and Legal Persons involved in the issue | Save for any fees or commissions payable to the Arranger, the Distributors and other relevant transaction parties, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.   |
| (g) | Estimated Net Proceeds and Total expenses                   |  |
|     | (i) Reasons for the offer:                                  | The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer or the issue of the Securities.<br><br>For the avoidance of doubt, the estimated net proceeds reflect the proceeds to be received by the Issuer acting as offeror (within the meaning provided for under the relevant Italian laws and regulations) on the Issue Date. They are not a reflection of the fees payable to the Distributors. |
|     | (ii) Estimated net proceeds:                                | Up to EUR 150,000,000  |
|     | (iii) Estimated total                                       | The expenses related to the admission to trading of the  |

expenses: Securities on the Luxembourg Stock Exchange are estimated to be EUR 2,875.

(h) Yield

Indication of yield: (a) If the Bonus Condition is not satisfied, 3.2500 per cent. (annualised), or (b) if the Bonus Condition is satisfied, 7.5498 per cent. (annualised).

Calculated as the rate of interest that, when used to discount each scheduled payment of interest and principal under the Securities from the Maturity Date back to the Issue Date, yields amounts that sum to the Issue Price.

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield

(i) Security Codes: ISIN: XS0371002931

Common Code: 037100293

(j) Name and address of Calculation Agent: Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

## 2. DEFINITIONS

### (a) General Definitions

"**Affiliate**" means, in relation to any entity (the "**First Entity**"), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, "control" means ownership of a majority of the voting power of an entity.

"**Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and a day on which each Clearing Agent is open for business and, for the purpose of making payments in euro, if applicable, any day on which TARGET2 is open.

"**Clearing Agent(s)**" means Euroclear Bank SA/NV and Clearstream Banking, société anonyme.

"**Issue Date**" means 3 October 2008.

"**Issue Price**" means, per Security, EUR 1,000 (100%).

"**Nominal Amount**" means EUR 1,000 per Security.

"**Principal Agent**" means Deutsche Bank AG, London Branch.

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System.

(b) **Interest Definitions**

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

"**30/360**" being the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30.

"**Euro-zone**" means the region comprising the member states of the European Union that adopt the euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union as amended by the Treaty of Amsterdam and the Treaty of Nice, as further amended from time to time.

"**Interest Accrual Date**" means (a) 3 October in each year from (and including) 3 October 2009 to (but excluding) the Scheduled Maturity Date and (b) the Maturity Date.

"**Interest Amount**" means, in respect of an Unadjusted Interest Period, EUR32.50.

"**Interest Payment Date**" means (a) each date falling five Business Days following each Interest Accrual Date in the period from (and including) 3 October 2009 to (but excluding) the Maturity Date and (b) the Maturity Date.

"**Interest Period**" means the period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each successive period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.

"**Interest Rate**" means 3.25 per cent. per annum.

**"Maximum Interest Rate"**: Not Applicable.

**"Minimum Interest Rate"**: Not Applicable.

**"Unadjusted Interest Period"** means each Interest Period other than the Interest Period ending on (but excluding) the Maturity Date (the **"Final Interest Period"**).

References herein and/or in the General Conditions to (i) **"principal"** shall be deemed to include all Redemption Amounts and all other amounts in the nature of principal payable pursuant to provisions of the Securities and (ii) **"interest"** shall be deemed to include all Interest Amounts and all other amounts in the nature of interest payable pursuant to the provisions of the Securities.

(c) **Settlement Definitions**

**"Bonus Condition"** means that the Reference Level for each Share on each Bonus Observation Date in respect of such Share is greater than the Bonus Level in respect of such Share.

**"Bonus Level"** means, in respect of a Share, the product of (a) 65 per cent. and (b) the Initial Reference Level in respect of such Share.

**"Bonus Observation Date"** means, in respect of a Share, each Valid Date in respect of such Share in the period from (but excluding) the Issue Date to (and including) the Scheduled Maturity Date.

**"Clearance System"** means, in respect of a Share, the principal domestic clearance system customarily used for settling trades in such Share.

**"Clearance System Business Days"** means, in respect of a Clearance System, any day on which such Clearance System is (or but for a Market Disruption Event, would have been) open for acceptance and execution of settlement instructions.

**"Disrupted Day"** means, in respect of a Share, any Trading Day on which the Reference Source or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, in each case in respect of such Share.

**"Initial Reference Level"** means, in respect of a Share and subject to Product Condition 7 (Adjustment Provisions) below and as provided in the definition of "Initial Reference Valuation Date", an amount equal to the official closing price on the Initial Reference Valuation Date for such Share of such Share quoted on the relevant Reference Source for such Share as determined by or on behalf of the Calculation Agent and subject to any subsequently published correction as provided in Product Condition 7 (Adjustment Provisions – Correction to Reference Levels) (or if, in the opinion of the Calculation Agent, no such official closing price can be determined at such time and the Initial Reference Valuation Date is not a Disrupted Day in relation to such Share, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price and the closing fair market selling price for such Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide).

**"Initial Reference Valuation Date"** means, in respect of a Share, the Issue Date or, if such day is not a Trading Day, the next following Trading Day in respect of such Share unless, in

the opinion of the Calculation Agent, such day is a Disrupted Day for such Share. If such day is a Disrupted Day relating to such Share, the Initial Reference Valuation Date for such Share shall be the first succeeding Trading Day in respect of such Share that is not a Disrupted Day relating to such Share unless each of the eight Trading Days in respect of such Share immediately following the Scheduled Initial Reference Valuation Date for such Share is a Disrupted Day relating to such Share. In that case, (A) that eighth Trading Day shall be deemed to be the Initial Reference Valuation Date for such Share, notwithstanding the fact that such day is a Disrupted Day, and (B) the Calculation Agent shall determine the Initial Reference Level for such Share in accordance with its good faith estimate of the relevant Initial Reference Level as of the Valuation Time on that eighth Trading Day, of that eighth Trading Day.

**"Market Disruption Event"** means each event specified to be a Market Disruption Event in Product Condition 7 (Adjustment Provisions) below.

**"Maturity Date"** means the fifth Business Day following the Scheduled Maturity Date.

**"Redemption Amount"** means, with respect to each Security:

- (a) the Nominal Amount; or
- (b) if the Bonus Condition is satisfied, EUR 1,250.

**"Reference Level"** means, in respect of a Share and a Bonus Observation Date for such Share and subject to Product Condition 7 (Adjustment Provisions) below, an amount equal to the official closing price on such Bonus Observation Date of such Share quoted on the relevant Reference Source for such Share as determined by or on behalf of the Calculation Agent and subject to any subsequently published correction as provided in Product Condition 7 (Adjustment Provisions – Correction to Reference Levels) (or if, in the opinion of the Calculation Agent, no such official closing price can be determined at such time, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price and the closing fair market selling price for such Share based, at the Calculation Agent's discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of such Share or on such other factors as the Calculation Agent shall decide).

**"Reference Source"** means, in respect of a Share, each exchange or quotation system, if any, specified for such Share in the table under "Underlying" below, or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Reference Source).

**"Related Exchange"** means, in respect of a Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share.

**"Scheduled Maturity Date"** means 3 October 2013.

**"Scheduled Closing Time"** means, in respect of a Reference Source or Related Exchange and a Trading Day, the scheduled weekday closing time of such Reference Source or Related Exchange on such Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.



**"Scheduled Initial Reference Valuation Date"** means, in respect of a Share, any original date that, but for the occurrence of an event causing a Disrupted Day in relation to such Share, would have been an Initial Reference Valuation Date for such Share.

**"Settlement"** means cash settlement ("**Cash Settlement**").

**"Settlement Currency"** means euro.

**"Settlement Cycle"** means, in respect of a Share, the period of Clearance System Business Days for the Clearance System for such Share following a trade in such Share on the Reference Source in which settlement will customarily occur according to the rules of such Reference Source.

**"Share"** means each share specified in the definition of "Underlying" below.

**"Trading Day"** means, in respect of a Share, any day on which each Reference Source and each Related Exchange, in each case in respect of such Share, are scheduled to be open for trading for their respective regular trading sessions.

**"Underlying"** means each of the following shares:

Type of Underlying	Name of Underlying	Issuer of Underlying	Reference Source	Underlying Region
Share	Pfizer Inc.	Pfizer Inc.	New York Stock Exchange	North America
Share	AT&T Inc.	AT&T Inc.	New York Stock Exchange	North America
Share	Suez SA.	Suez SA.	Paris Stock Exchange	Europe
Share	Diageo PLC	Diageo PLC	London Stock Exchange	Europe
Share	Astellas Pharma Inc.	Astellas Pharma Inc.	Tokyo Stock Exchange	Japan
Share	Nissan Motor Co. Ltd.	Nissan Motor Co., Ltd.	Tokyo Stock Exchange	Japan
Share	ENI S.p.A.	Eni S.p.A	Milan Stock Exchange	Europe

**"Valid Date"** means, in respect of a Share, a Trading Day that is not a Disrupted Day, in each case in respect of such Share.

**"Valuation Time"** means the Scheduled Closing Time on the relevant Reference Source on the relevant Trading Day, in each case in relation to the Share to be valued. If the relevant Reference Source closes prior to its Scheduled Closing Time and the specified Valuation

Time is after the actual closing time for its regular trading session, then the Valuation Time shall be the actual closing time.

### **3. INTEREST AND REDEMPTION**

#### **(a) Interest**

The Securities are interest bearing Fixed Rate Securities.

The amount of interest payable on each Interest Payment Date in respect of the Interest Period ending on or immediately prior to such date will amount to the Interest Amount.

#### **(b) Interest Rate and Accrual**

Each Security bears interest on its Nominal Amount from the Issue 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 Security on the due date for redemption or for cancellation, as the case may be, unless upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgement) at the Interest Rate in the manner provided in this Product Condition 3 (Interest and Redemption) to 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 Securityholders in accordance with General Condition 15 (Notices) that, upon further presentation of the Global Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

#### **(c) Interest Rates and Rounding**

For the purposes of any calculations required pursuant to the provisions hereof (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up) (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up) save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "**unit**" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

#### **(d) Interest Calculations**

The amount of interest payable in respect of any Security for any period (each an "**Interest Amount**") shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Nominal Amount of such Security on the first day of such period by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in Product Condition 2(b) (Interest Definitions) above in respect of such period, in which case the amount of interest payable in respect of such Nominal Amount for such period will equal such Interest Amount (or be calculated in accordance with such formula).

The Calculation Agent shall cause the Interest Amount for the Final Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Agent, each of the Paying Agents, the Securityholders and, for so long as the Securities are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination but in no event later than (i) (except in the

case of notices to the Securityholders) the commencement of the Final Interest Period, if determined prior to such time, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Final Interest Period. If the Securities become due and payable under General Condition 10 (Events of Default), the accrued interest payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this Product Condition 3 (Interest and Redemption) but no notification of the Interest Amount so calculated needs to be made unless the Trustee otherwise requires.

**(e) Business Day Convention**

If any date referred to herein 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 Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such 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 (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last 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 Business Day, (iii) the Modified Following Business Day Convention, such 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 date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

**(f) Redemption**

Unless previously redeemed or purchased and cancelled and subject as provided in the General Conditions and herein, each Security will be redeemed by the Issuer, in respect of each Security by payment of the Redemption Amount, such redemption to occur on the Maturity Date.

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

If the Calculation Agent fails at any time for any reason to determine or calculate the Interest Rate for an Interest Period or the Interest Amount or Redemption Amount or Physical Settlement Amount or an Adjustment Amount or to comply with any other requirement of it in relation to the Securities, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Product Condition 3 (Interest and Redemption), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

**(h) Payments**

Payments in respect of the Securities will, subject as mentioned below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to or to the order of any Paying Agent. A record of each payment so made will be endorsed on the Global Security, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Securities

represented thereby. Payments will be made by transfer to an account denominated in the Settlement 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 account with a bank in the Euro-zone.

Each of the persons shown in the records of the relevant Clearing Agent as the holder of a Security represented by the Global Security must look solely to such Clearing Agent for his share of each payment made by the Issuer to the bearer of the Global Security, subject to and in accordance with the respective rules and procedures of the relevant Clearing Agent. Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for as long as the Securities are represented by the Global Security, and such obligations of the Issuer will be discharged by payment to the bearer of the Global Security in respect of each amount so paid.

If a payment of any amount to be paid to the bearer of the Global Security for onward payment to a Securityholder as provided above, according to the rules of the relevant Clearing Agent, cannot be made in the Settlement Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to securityholders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Settlement Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

If any date for payment in respect of any Security is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment.

As used above, "**Payment Day**" means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and London; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

**(i) 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 Product Condition 3 whether by the Calculation Agent or the Trustee or its appointee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Agent, the Paying Agents, the Calculation Agent and all Securityholders and no liability to the Issuer, the Securityholders or any other person shall attach to (in the absence as aforesaid) the Calculation Agent or (in the absence of wilful default) the Trustee or its appointee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4. SECURITY**

**(a) Security**

- (1) Collateral charged to Trustee.
- (2) General Condition 6.3 (General provisions relating to security) shall apply.
- (3) For the purposes of General Condition 6.4 (Application of Proceeds of Enforcement of Charged Property), Pari Passu Basis will apply.

**(b) Charged Property**

- (1) Collateral: a nominal amount of Floating Rate Euro Medium Term Notes due 2013 issued by Citigroup Funding Inc. and guaranteed by Citigroup Inc. (ISIN: XS0371479667) equal to the Aggregate Nominal Amount of the Securities.
- (2) General Condition 6.5.1 (Replacement of Collateral): shall not apply.  
General Condition 6.5.2 (Substitution of Collateral): shall apply.  
Eligible Securities: Any debt securities that are a senior obligation of Deutsche Bank AG, London Branch or Citigroup Funding Inc.
- (3) The Deposit Account shall be held with the Custodian.

**(c) Custody**

Custodian: Deutsche Bank AG, London Branch.

The Collateral will be delivered to the Custodian on or before the Issue Date.

**(d) Hedging Agreement(s)**

The Issuer has entered into a Hedging Agreement with the Hedging Counterparty, the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Securities. Accordingly, it provides that:

- (1) initially, the Issuer shall pay to the Hedging Counterparty the proceeds of issue of the Securities, in exchange for the Collateral;
- (2) over the term of the Securities and at scheduled redemption and on any early cancellation thereof the Issuer shall make payments and/or deliveries to the Hedging Counterparty equal to (i) the scheduled coupons (if any) in respect of the Collateral and (ii) such other cash amounts or assets as may be specified in the Hedging Agreement, in exchange for payments and/or deliveries by the Hedging Counterparty which correspond to those which the Issuer is scheduled to make to Securityholders under the Conditions; and
- (3) The Hedging Counterparty shall have rights thereunder corresponding to each optional early cancellation right, to select the method of settlement and any similar discretionary rights of the Issuer under the Conditions of the Securities.

Hedging Counterparty: Deutsche Bank AG, London Branch

Hedging Agreement Termination Date: the Maturity Date

Early Termination of the Hedging Agreement(s):

The Hedging Agreement(s) may be terminated early (either in whole or, in certain circumstances, in part only), among other circumstances:

- (i) if at any time the Securities are cancelled in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the relevant Hedging Agreement;
- (iii) if (subject as provided in the relevant Hedging Agreement) withholding taxes are imposed on payments made by the Issuer or the Hedging Counterparty under such Hedging Agreement or it becomes illegal for either party to perform its obligations under such Hedging Agreement; and
- (iv) upon the occurrence of certain other events with respect to either party and the relevant Hedging Agreement, including insolvency.

*The above summary is qualified in its entirety by the terms of the Hedging Agreement(s), which will be available for inspection as described in "GENERAL INFORMATION" in the Programme Section.*

**(e) Repurchase Agreement**

The Issuer has not entered into a Repurchase Agreement.

Repurchase Counterparty: Not Applicable

**5. OPTIONAL CANCELLATION**

General Condition 5.3 (Cancellation at the option of the Issuer) shall not apply.

**6. EARLY TERMINATION AMOUNT**

For the purposes of General Condition 5.1 (Mandatory Cancellation) and General Condition 5.2 (Cancellation for other reasons) the Early Termination Amount (if any) due in respect of each Security shall be equal to such Security's *pro rata* share of an amount (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

$$(A - B)$$

Where:

"A" is the Market Value Collateral; and

"B" is the Early Redemption Unwind Costs.

Holders of the Securities should note however under General Condition 5.1 and General Condition 5.2 that in such circumstances the security will become enforceable and that the aggregate of all sums secured on the Charged Property in priority to the claims of the Securityholders may represent a considerable portion of the proceeds of realisation of the Collateral.

For these purposes:

**"Early Redemption Unwind Costs"** means the sum (the result of which may be positive or zero) of:

- (a) an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position and the replacement of the embedded equity option under the Securities and the Hedging Agreement; and (without duplication)
- (b) all legal and other ancillary costs (including, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1, 5.2 or Product Condition 7;

**"Market Value Collateral"** means an amount in EUR calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Dealers for the Collateral on the Valuation Date, PROVIDED THAT if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent and may in certain circumstances be zero.

The Calculation Agent shall attempt to obtain firm bid quotations as aforesaid from each of the Reference Dealers;

**"Reference Dealers"** means at least five leading dealers, banks or banking corporations, which deal in obligations of the type of the Collateral selected by the Calculation Agent and including Deutsche Bank AG, London Branch; and

**"Valuation Date"** means the third Business Day immediately preceding the due date for cancellation.

For the purposes of Product Condition 7 (Adjustment Provisions) the Early Termination Amount (if any) due in respect of each Security shall be an amount (which may never be less than zero) equal to the fair market value of such Security taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation, Insolvency or Additional Disruption Event less such Security's *pro rata* share of the Early Redemption Unwind Costs, all as calculated by the Calculation Agent.

## 7. ADJUSTMENT PROVISIONS

### Definitions

**"Bonus Observation Date"** is as defined in Product Condition 2 (Definitions) above.

**"Disrupted Day"** is as defined in Product Condition 2 (Definitions) above.

**"Exchange Business Day"** means, in respect of a Share, any Trading Day in respect of such Share on which the Reference Source and each Relevant Exchange in respect of such Share are open for trading during their respective regular trading sessions, notwithstanding any such relevant Reference Source or Related Exchange closing prior to its Scheduled Closing Time.

"**Hedging Party**" means the Issuer and/or the Hedging Counterparty and/or any of their respective Affiliates.

"**Initial Reference Valuation Date**" is as defined in Product Condition 2 (Definitions) above.

"**Reference Level**" is as defined in Product Condition 2 (Definitions) above.

"**Reference Source**" is as defined in Product Condition 2 (Definitions) above.

"**Related Exchange**" is as defined in Product Condition 2 (Definitions) above.

"**Scheduled Closing Time**" is as defined in Product Condition 2 (Definitions) above.

"**Settlement Currency**" is as defined in Product Condition 2 (Definitions) above.

"**Share**" is as defined in Product Condition 2 (Definitions) above.

"**Share Company**" means, with respect to a Share, the issuer specified for such Share in the definition of "Share" in Product Condition 2 (Definitions) above.

"**Trading Day**" is as defined in Product Condition 2 (Definitions) above.

"**Valuation Time**" is as defined in Product Condition 2 (Definitions) above.

### **Market Disruption**

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 15 of the occurrence of a Disrupted Day on any date that, but for the occurrence of such Disrupted Day, would have been an Initial Reference Valuation Date or Bonus Observation Date, as the case may be.

"**Market Disruption Event**" means, in respect of a Share:

- (a) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time for such Share of:
  - (i) any suspension of or limitation imposed on trading by the relevant Reference Source or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or Related Exchange or otherwise:
    - (A) relating to the Share on the Reference Source; or
    - (B) in futures or options contracts relating to the Share on any relevant Related Exchange; or
  - (ii) any event (other than an event described in (b) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for the Share on the Reference Source, or (B) to effect transactions in, or obtain market values for, futures or options contracts on or relating to the Share on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

- (b) the closure on any Exchange Business Day for such Share of the relevant Reference Source or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier



closing time is announced by such Reference Source or such Related Exchange(s), as the case may be, at least one hour prior to (i) the actual closing time for the regular trading session on such Reference Source or such Related Exchange(s) on such Exchange Business Day or if earlier (ii) the submission deadline for orders to be entered into the Reference Source or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

### **Potential Adjustment Events**

Following the declaration by a Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative or other effect on the theoretical value of the relevant Share and, if so, will (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that diluting or concentrative or other effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share); and (2) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment for the purposes of (1) above by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Share traded on that options exchange. Any adjustment or replacement made to account for a Potential Adjustment Event may take into account, as the Calculation Agent deems appropriate, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in the tax consequences) for the Issuer and/or, if applicable, any Hedging Counterparty as a result of the Potential Adjustment Event. Such change in tax consequences may include, but are not limited to, any changes resulting from any hedging arrangements carried out by the Issuer and/or, if applicable, any Hedging Counterparty in relation to Securities.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 15, stating the adjustment made to the Conditions and giving brief details of the Potential Adjustment Event.

**"Potential Adjustment Event"** means any of the following:

1. a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
2. a distribution, issue or dividend to existing holders of the relevant Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Share Company as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment in cash or in other consideration at less than the prevailing market price as determined by the Calculation Agent;
3. an extraordinary dividend as determined by the Calculation Agent;
4. a call by the Share Company in respect of relevant Shares that are not fully paid;
5. a repurchase by the Share Company or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

6. in respect of a Share Company, an event that results in any shareholder rights being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustments effected as a result of such an event shall be readjusted upon any redemption of such rights; and
7. any other event that has or may have, in the opinion of the Calculation Agent, a diluting or concentrative or other effect on the theoretical value of the relevant Shares.

### **Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency**

If a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency occurs in relation to relevant Shares and/or the relevant Share Company, as the case may be, the Issuer may take any action described in (A), (B), (C) or (D) below:

- (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment. The relevant adjustments may in the case of adjustments following a Merger Event or Tender Offer include, without limitation, adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency made by an options exchange to options on the Share traded on that options exchange. Any adjustment or replacement made to account for a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency may take into account, as the Calculation Agent deems appropriate, any tax, duty, withholding, deduction or other charge whatsoever (including but not limited to a change in the tax consequences) for the Issuer and/or, if applicable, any Hedging Counterparty as a result of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency. Such change in tax consequences may include, but are not limited to, any changes resulting from any hedging arrangements carried out by the Issuer and/or, if applicable, any Hedging Counterparty in relation to Securities;
- (B) cancel the Securities by giving notice to Securityholders in accordance with General Condition 15. If the Securities are so cancelled, the Issuer will pay the Early Termination Amount (if any) to each Securityholder in respect of each Security held by such Securityholder together with interest accrued thereon to the date of payment, all as determined by the Calculation Agent;
- (C) following any adjustment to the settlement terms of options on the Shares traded on such exchange(s) or trading system(s) or quotation system(s) as the Calculation Agent shall determine (the "**Options Reference Source**") require the Calculation Agent to make a corresponding adjustment to any one or more of the Conditions, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Options Reference Source. If options on the Shares are not traded on the Options Reference Source, the Calculation Agent will make such adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate, with reference to the rules and precedents (if any) set by the Options Reference Source, to account for the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, that in the determination of the

Calculation Agent would have given rise to an adjustment by the Options Reference Source if such options were so traded; or

- (D) require the Calculation Agent to replace the Share (the **Affected Share**) affected by a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency, as the case maybe, with a Replacement Share as soon as reasonably practicable following the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, as described below.

With effect from (and including) the time of such replacement:

- (i) the Replacement Share and its issuer will be deemed to be a "Share" and a "Share Company", respectively, and to replace the Affected Share and its issuer; and
- (ii) the Calculation Agent shall determine the relevant Initial Reference Level and Reference Source for such Replacement Share for the purposes of the relevant definitions in Product Condition 2 (Definitions) above and make such other adjustments to the Conditions as may be necessary to take account of the removal of the Affected Share and the addition of the Replacement Share and, to the extent reasonably practicable, to preserve for the Securityholders the economic equivalent of the terms of the Securities after the relevant replacement. In the event that the Issuer requires the Calculation Agent to replace an Affected Share with a Replacement Share as described above, but prior to the Calculation Agent effecting such replacement in accordance with the terms herein the Reference Level for the Affected Share (and/or for any other Share) on any Bonus Observation Date for such Share is equal to or less than the Bonus Level in respect of such Share, no such replacement shall be effected and in accordance with the definition in Product Condition 2 (Definitions) above the Redemption Amount in respect of each Security shall be the Nominal Amount.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 15 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. However, Securityholders should be aware that there may necessarily be some delay between the time at which any of the above events occurs and the time at which it is reported to Securityholders.

As used herein:

**"De-Listing"** means, in respect of a Share, the Reference Source announces that pursuant to the rules of such Reference Source, such Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason (other than a Merger Event or Tender Offer) and (a) is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Reference Source; or (b) where the Reference Source is located in the United States, is not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, the American Stock Exchange or the NASDAQ National Market System (or their respective successors); or (c) where the Reference Source is located within the European Union, is not immediately re-listed, re-traded or re-quoted on any of the exchanges or quotation systems located in Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland or the United Kingdom;

**"Industry Sector"** means, in respect of any share, the industry sector allocated to such share by MSCI, as determined by the Calculation Agent or if no industry sector is allocated to such share by

MSCI or if the Calculation Agent determines the industry sector allocated to such share by MSCI to be inappropriate, such other industry sector as the Calculation Agent may deem to be appropriate;

**"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceedings affecting a Share Company (A) all the Shares of that Share Company are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that Share Company become legally prohibited from transferring them;

**"Merger Date"** means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

**"Merger Event"** means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of, or an irrevocable commitment to transfer, all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event, in each case if the Merger Date is on or before the Maturity Date;

**"MSCI"** means the Morgan Stanley Capital Index or any successor index thereto;

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

**"Replacement Share"** means, in relation to an Affected Share, any ordinary share or common share which is not already a Share, as selected by the Calculation Agent that, to the extent reasonably practicable, would in the good faith determination of the Calculation Agent preserve for Securityholders the economic equivalent of the terms of the Securities after the relevant replacement is made. The Calculation Agent shall otherwise make such selection by reference to such factors(s) as it may deem appropriate which may include, without limitation, hedging arrangements of any Hedging Party in relation to the Securities, and where reasonably practicable, from those ordinary shares or common shares from the same Region and Industry Sector as the Affected Share;

**"Region"** means, in respect of any share, the geographical region (e.g. Europe, North America, Asia or Japan) in which the issuer of such share is incorporated or, if different, in which it principally conducts its operations, all as determined by the Calculation Agent. In relation to each Share as of the Issue Date the Region shall be the Underlying Region as specified in relation to such Share in the definition of "Underlying" in Product Condition 2;

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Company, as determined by

the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant; and

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

### **Additional Disruption Events**

If a Change in Law and/or an Increased Cost of Hedging (each an **"Additional Disruption Events"**) occurs the Issuer may take the action described in (A) or (B) below:

- (A) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Conditions to account for the Additional Disruption Event and determine the effective date of that adjustment, or
- (B) cancel the Securities by giving notice to Securityholders in accordance with General Condition 15. If the Securities are so cancelled, the Issuer will pay the Early Termination Amount (if any) to each Securityholder in respect of each Security held by such Securityholder together with interest accrued thereon to the date of payment, all as determined by the Calculation Agent.

Upon the occurrence of an Additional Disruption Event, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 15 stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto. However, Securityholders should be aware that there may necessarily be some delay between the time at which any of the above events occurs and the time at which it is reported to Securityholders.

As used herein:

**"Change in Law"** means that, on or after the Trade Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines that (X) it has become illegal to hold, acquire or dispose of any relevant Share in connection with any hedging activities in relation to the Securities, or (Y) the Hedging Counterparty will incur a materially increased cost in performing its obligations in relation to the Hedging Agreement (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer);

**"Increased Cost of Hedging"** means that a Hedging Party would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to or in connection with the Securities, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party shall not be deemed to be an Increased Cost of Hedging; and

**"Trade Date"** means 12 June 2008.

### **Correction to Reference Levels**

If the official closing price of a Share quoted on the Initial Reference Valuation Date or on a Bonus Observation Date by the relevant Reference Source is subsequently corrected and the correction (the "**Corrected Reference Level**") is published by the relevant Reference Source within one Settlement Cycle for such Share after the original quotation, then such Corrected Reference Level shall be deemed to be the relevant Initial Reference Level for such Share on such Initial Reference Valuation Date or the relevant Reference Level for such Share on such Bonus Observation Date, as the case may be, and such Corrected Reference Level shall be used for the purposes of the Bonus Condition.

## **8. AMENDMENTS TO GENERAL CONDITIONS**

General Condition 5.1 (Mandatory Cancellation) and General Condition 5.2 (Cancellation for Other Reasons) shall be amended by the deletion of the words "(which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation)" and the substitution of the words "together with interest accrued to the date fixed for cancellation" therefor.

## INFORMATION RELATING TO THE UNDERLYING

### Pfizer Inc.

#### General

Pfizer Inc. ("**Pfizer**") is incorporated in the United States. Pfizer is a research-based, global pharmaceutical company that discovers, develops, manufactures, and markets medicines for humans and animals. Pfizer's products include prescription pharmaceuticals, non-prescription self-mediations, and animal health products such as anti-infective medicines and vaccines. Its registered office is 235 East 42nd Street, New York, NY, 10017, United States. The market capitalisation of Pfizer on 30 April 2008 was USD 135,236m. Financial reports are available from: [http://www.pfizer.com/investors/financia\\_reports/financia\\_reports.jsp](http://www.pfizer.com/investors/financia_reports/financia_reports.jsp).

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

#### Pfizer Shares

In Pfizer's financial report 2007, the subscribed capital of Pfizer amounted to USD 442.50 comprised of 8850 ordinary shares (the "**Pfizer Shares**") of nominal value USD 0.05 each. The Pfizer Shares are listed on the New York Stock Exchange (ISIN US7170811035, current Bloomberg Ticker PFE UN).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Pfizer Shares will actually be held by the Issuer in connection with the Securities.

#### Recent Pfizer Share Price History from 19 May 2008

The table below shows the range of closing prices of the Pfizer Shares for the period indicated.

	High (USD)	Low (USD)
-3 years	28.90	19.79
-2 years	28.47	19.79
-1 year	27.68	19.79
-6 months	24.4	19.79
-5 months	24.08	19.79
-4 months	23.63	19.79
-3 months	22.83	19.79
-2 months	21.51	19.79
-1 months	20.61	19.79

The closing price of the Pfizer Shares on 19 May 2008 was USD 20.23.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per Pfizer Share for the periods indicated.

Year		USD (quarterly dividends)
2004	.....	0.17*4
2005	.....	0.19*4
2006	.....	0.24*4
2007	.....	0.29*4
2008	.....	0.32*2

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to Pfizer

Pfizer maintains an Internet Site at the following address where further information may be available in respect of Pfizer: <http://www.pfizer.com/investors>.

Information on past and future performance and volatility of the Pfizer Share can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.



## AT&T Inc.

### General

AT&T Inc. ("**AT&T**") is incorporated in the United States. AT&T provides communications services in the United States. AT&T provides local and long-distance phone service, wireless and data communications, paging, Internet access and messaging, cable and satellite television, security services, and telecommunications equipment. AT&T also provides directory advertising and publishing. Its registered office is 175 East Houston, San Antonio, TX 78205 United States. The market capitalisation of AT&T on 30 April 2008 was USD 233,642m. Financial reports are available from <http://www.att.com/gen/investor-relations?pid=9186>.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### AT&T Shares

As of AT&T's financial statements for financial year 2007 (31 Dec 2007), the subscribed capital of AT&T amounted to USD 6,495,231,088 comprised of 6,495,231,088 common shares (the "**AT&T Shares**") of nominal value USD 1 each. The AT&T Shares are listed on the New York Stock Exchange (ISIN US00206R1023, current Bloomberg Ticker T UN Equity).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the AT&T Shares will actually be held by the Issuer in connection with the Securities.

### Recent AT&T Share Price History from 19 May 2008

The table below shows the range of closing prices of the AT&T Shares for the period indicated.

	High (USD)	Low (USD)
-3 years	42.83	22.1
-2 years	42.83	25.25
-1 year	42.83	34.36
-6 months	42.44	34.36
-5 months	42.44	34.36
-4 months	40.51	34.36
-3 months	40.51	34.65
-2 months	40.51	37.20
-1 months	40.51	38.30

The closing price of the AT&T Shares on 19 May 2008 was USD 40.51.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per AT&T Share for the periods indicated.

Year		USD (quarterly dividend)
2004	.....	0.3125*4
2005	.....	0.3225*4
2006	.....	0.3325*4
2007	.....	0.3325*4
2008	.....	0.4*2

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to AT&T

AT&T maintains an Internet Site at the following address where further information may be available in respect of AT&T: <http://www.att.com/gen/investor-relations?pid=9186>.

Information on past and future performance and volatility of the AT&T Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.

## Suez SA.

### General

Suez SA. ("**Suez**") is incorporated in France. Suez specialises in the production and distribution of electricity, natural gas and related services. Suez also provides environmental services such as water treatment, distribution and waste management. Suez offers custom solutions through the design, construction and maintenance of installations. Its registered office is 16 rue de la Ville l'Eveque, 75008 Paris, France. The market capitalisation of Suez on 30 April 2008 was EUR 59,508m. The financial reports are available from <http://www.suez.fr/en/finance/investors/2007-annual-results/2007-annual-results>.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Suez Shares

As at 31 December 2007, the subscribed capital of Suez amounted to EUR 2,614.09m comprised of 1,307,043,522 ordinary shares (the "**Suez Shares**") of nominal value EUR 2 each. The Suez Shares are listed on the EN Paris Stock Exchange (ISIN FR0000120529, current Bloomberg Ticker SZE FP Equity).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Suez Shares will actually be held by the Issuer in connection with the Securities.

### Recent Suez Share Price History from 19 May 2008

The table below shows the range of closing prices of the Suez Shares for the periods indicated.

	High (EUR)	Low (EUR)
-3 years	48.59	21.2808
-2 years	48.59	29.2
-1 year	48.59	36.17
-6 months	48.59	38.04
-5 months	48.59	38.04
-4 months	46.89	38.04
-3 months	46.89	40.10
-2 months	46.89	40.1
-1 months	46.89	43.99

The closing price of the Suez Shares on 19 May 2008 was EUR 45.36.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per Suez Share for the periods indicated.

		EUR (annual dividend)
2004	.....	0.699165
2005	.....	0.7878
2006	.....	1
2007	.....	1.2
2008	.....	1.36

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to Suez

Suez maintains an Internet Site at the following address where further information may be available in respect of Suez: <http://www.suez.fr/en/finance/investors/2007-annual-results/2007-annual-results/>.

Information on past and future performance and volatility of the Suez Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.

## Diageo PLC

### General

Diageo PLC ("**Diageo**") is incorporated in Britain. Diageo produces, distills and markets alcoholic beverages. Diageo's premium drinks brands include Smirnoff, J&B, Johnnie Walker, Jose Cuervo, Seagrams, Captain Morgan, Tanqueray, Baileys, Harp, and Guinness Stout. Its registered office is 8 Henrietta Place, London, W1G 0NB, United Kingdom. The market capitalisation of Diageo on 19 May 2008 was GBP 26,064m. Financial results are available from <http://www.diageo.com/en-row/investors/financialresults/2008/financialresults2008.htm>.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Diageo Shares

As at 13 August 2007, the subscribed capital of Diageo amounted to GBP 842m comprised of 2,911m ordinary shares (the "**Diageo Shares**") of nominal value 28 101/108 pence each. The Diageo Shares are listed on the London Stock Exchange (ISIN GB0002374006, current Bloomberg Ticker DGE LN Equity).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Diageo Shares will actually be held by the Issuer in connection with the Securities.

### Recent Diageo Share Price History from 19 May 2008

The table below shows the range of closing prices of the Diageo Shares for the period indicated.

	High (GBP/quoted in pence)	Low (GBP/quoted in pence)
-3 years	1122	775.5
-2 years	1122	867.5
-1 year	1122	943
-6 months	1116	943
-5 months	1083	943
-4 months	1081	943
-3 months	1075	980.5
-2 months	1075	1002
-1 months	1047	1008

The closing price of the Diageo Shares on 19 May 2008 was 1026 pence.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per Diageo Share for the periods indicated.

		GBP (pence) (semi-annual dividend)
2004	.....	11.77+18.8889
2005	.....	12.61+20.22
2006	.....	13.277+21.277
2007	.....	13.944+22.388
2008	.....	14.667

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to Diageo

Diageo maintains an Internet Site at the following address where further information may be available in respect of Diageo: <http://www.diageo.com/en-row/investors/financialresults/2008/financialresults2008.htm>.

Information on past and future performance and volatility of the Diageo Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.

## Astellas Pharma Inc.

### General

Astellas Pharma Inc. ("**Astellas**") is incorporated in Japan. Astellas manufactures and markets a wide variety of pharmaceuticals including prescription drugs. Astellas also produces food supplements, health foods, and personal care products. Astellas researches, develops, and promotes its products through its subsidiaries in the US, Europe, and Asia. Its registered office is 2-3-11 Nihonbashi-Honcho, Chuo-ku, Tokyo, 103-8411, Japan. The market capitalisation of Astellas on 30 April 2008 was JPY 2,205,600m. The Financial reports can be found at <http://www.astellas.com/global/ir/finance/index.html>.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Astellas Shares

As at 31 March 2007, the subscribed capital of Astellas comprised of 563,964,635 ordinary shares (the "**Astellas Shares**") without par value. The Astellas Shares are listed on the Tokyo Stock Exchange (ISIN JP3942400007, current Bloomberg Ticker 4503 JP Equity).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Astellas Shares will actually be held by the Issuer in connection with the Securities.

### Recent Astellas Share Price History from 19 May 2008

The table below shows the range of closing prices of the Astellas Shares for the period indicated.

	High (JPY)	Low (JPY)
-3 years	5520	3600
-2 years	5520	3760
-1 year	5520	3760
-6 months	5060	3760
-5 months	4900	3760
-4 months	4780	3760
-3 months	4720	3760
-2 months	4500	3820
-1 months	4500	4060

The closing price of the Astellas Shares on 19 May 2008 was JPY 4400.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per Astellas Share for the periods indicated.

		JPY (semi-annual dividends)
2004	.....	16+15
2005	.....	16+30
2006	.....	40+40
2007	.....	40+50
2008	.....	60

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to Astellas

Astellas maintains an Internet Site at the following address where further information may be available in respect of Astellas: <http://www.astellas.com/global/ir/finance/index.html>.

Information on past and future performance and volatility of the Astellas Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.



## Nissan Motor Co., Ltd.

### General

Nissan Motor Co., Ltd. ("**Nissan**") is incorporated in Japan. Nissan manufactures and markets automobiles, light trucks, and its related parts. The company has overseas production bases in the US, the UK, and Mexico. Nissan also provides financing services and produces industrial motor vehicles such as towing tractors and forklifts. Its registered office is 6-17-1 Ginza, Chuo-ku, Tokyo, 104-8023, Japan. The market capitalisation of Nissan on 30 April 2008 was JPY 4,168,099m. Financial reports are available on <http://www.nissan-global.com/EN/IR/>.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### Nissan Shares

As at 31 March 2007, the subscribed capital of Nissan comprised 4,520,715,112 common shares (the "**Nissan Shares**") without par value. The Shares are listed on the Tokyo Stock Exchange (ISIN JP3672400003, current Bloomberg Ticker 7201 JP Equity).

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the Nissan Shares will actually be held by the Issuer in connection with the Securities.

### Recent Nissan Share Price History from 19 May 2008

The table below shows the range of closing prices of the Nissan Shares for the period indicated.

	High (JPY)	Low (JPY)
<i>-3 years</i>	1541	792
<i>-2 years</i>	1541	792
<i>-1 year</i>	1381	792
<i>-6 months</i>	1388	792
<i>-5 months</i>	1265	792
<i>-4 months</i>	1025	792
<i>-3 months</i>	999	792
<i>-2 months</i>	982	803
<i>-1 months</i>	982	870

The closing price of the Nissan Shares on 19 May 2008 was JPY 979.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per Nissan Share for the periods indicated.

		JPY (semi-annual dividends)
2004	.....	11+12
2005	.....	12+14
2006	.....	15+17
2007	.....	17+20
2008	.....	20

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to Nissan

Nissan maintains an Internet Site at the following address where further information may be available in respect of Nissan: <http://www.nissan-global.com/EN/IR/>.

Information on past and future performance and volatility of the Nissan Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.

## ENI S.p.A.

### General

ENI S.p.A. ("**ENI**") is incorporated in Italy. ENI explores for and produces hydrocarbons in Italy, Africa, the North Sea, the Gulf of Mexico, Kazakhstan, and Australia. ENI produces natural gas and imports it for sale in Italy and elsewhere in Europe. ENI transports natural gas in pipelines. ENI generates and trades electricity, refines oil, and operates gasoline service stations. Its registered office is Piazzale Enrico Mattei 1, 00144 Rome, Italy. The market capitalisation of ENI on 30 April 2008 was EUR 99,213m. The financial reports can be found at [http://www.eni.it/en\\_IT/investor-relation/investor\\_swf.page?](http://www.eni.it/en_IT/investor-relation/investor_swf.page?).

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### ENI Shares

As at 31 December 2007, the subscribed capital of ENI amounted to EUR 4,005,358,876 comprised of 4,005,358,876 ordinary shares (the "**ENI Shares**") of nominal value EUR 1 each. The ENI Shares are listed on the Milan Stock Exchange ISIN IT0003132476, current Bloomberg Ticker ENI IM Equity.

The above information has been extracted from the annual reports and Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published in those sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

None of the ENI Shares will actually be held by the Issuer in connection with the Securities.

### Recent ENI Shares Price History from 19 May 2008

The table below shows the range of closing prices of the ENI Shares for the period indicated.

	High (EUR)	Low (EUR)
-3 years	28.33	20.30
-2 years	28.33	20.87
-1 year	28.33	20.87
-6 months	26.61	20.87
-5 months	26.61	20.87
-4 months	26.61	20.87
-3 months	26.61	20.87
-2 months	26.61	21.34
-1 months	26.61	24.03

The closing price of the ENI Shares on 19 May 2008 was EUR 26.35.

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Dividend Information

The table below sets out the gross dividends paid per ENI Shares for the periods indicated.

		EUR (semi-annual dividend)
2004	.....	0.75
2005	.....	0.45+0.9
2006	.....	0.6+0.65
2007	.....	0.6+0.65
2008	.....	0.7

The above information has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## Further Information Relating to ENI

ENI maintains an Internet Site at the following address where further information may be available in respect of ENI: [http://www.eni.it/en\\_IT/investor-relation/investor\\_swf.page?](http://www.eni.it/en_IT/investor-relation/investor_swf.page?)

Information on past and future performance and volatility of the ENI Shares can be obtained from various internationally recognised published or electronically displayed sources, for example Bloomberg.

## STRUCTURE AND CASH FLOW

### Structure

Interest is payable in respect of the Securities annually in arrears at a rate of 3.25 per cent. per annum.

Unless previously redeemed or purchased and cancelled, each Security will be redeemed at the Nominal Amount or, if the Bonus Condition is satisfied, EUR 1,250.

If the Securities are subject to early cancellation pursuant to General Condition 5.1 or General Condition 5.2, each Security will be cancelled an Early Termination Amount (if any) determined by the Calculation Agent to be an amount (which may never be less than zero) equal to such Security's *pro rata* share of (a) Market Value Collateral less (b) the Early Redemption Unwind Costs, together with interest accrued to the date of cancellation.

If the Securities are subject to early cancellation pursuant to Production Condition 7, each Security will be cancelled at an Early Termination Amount (if any) determined by the Calculation Agent to be an amount (which may never be less than zero) equal to the fair market value of each Security taking into account the Merger Event, Tender Offer, De-Listing, Nationalisation, Insolvency or Additional Disruption Event less such Security's *pro rata* share of the Early Redemption Unwind Costs, together with interest accrued to the date of payment, all as calculated by the Calculation Agent.

### Flow of Funds

Under the Hedging Agreement, an amount sufficient to fund the scheduled interest payments and redemption or termination amounts due under the Securities is payable from the Hedging Counterparty to the Issuer.

If the Securities are subject to early cancellation pursuant to General Condition 5.1 or 5.2, the security constituted over the Charged Property will become enforceable and the proceeds of realisation will be applied, subject to the priorities of payment specified in General Condition 6.4, to meet the Issuer's obligations in respect of the Securities.

The Issuer will appoint Deutsche Bank AG, London Branch and Deutsche Bank Luxembourg S.A. as Paying Agents to effect payments in respect of the Securities and Deutsche Bank AG, London Branch as Custodian in respect of the Collateral.

## CHARGED PROPERTY

1.	Nature of the Collateral:	The Collateral will comprise debt securities as specified in the Product Conditions. It is anticipated that such debt securities will be of a type which in normal market conditions may be readily realised in the international capital markets, if necessary by or on behalf of the Trustee in a situation where the security for the Securities is realised or enforced. It is anticipated that the Collateral will be issued on 3 July 2008.
2.	Description of Obligor(s):	

	Full Legal Name	Address	Country of Incorporation	Nature of Business	Nature of Market on which Securities are Traded
Hedging Counterparty	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB	Germany	Banking and financial services	N/A
Issuer of the Collateral	Citigroup Funding Inc. Citigroup Funding Inc. already has debt securities listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.	399 Park Avenue, New York, NY 10043, United States	State of Delaware, United States	Citigroup Funding Inc. is a fully guaranteed, first tier subsidiary of Citigroup Inc. It issues commercial paper and medium term notes to provide funding to Citigroup Inc. for its general corporate purposes.	Regulated market of the Luxembourg Stock Exchange
3.	Maturity or expiry date(s) of the Collateral		It is anticipated that the maturity or expiry date of the Collateral will be 3 October 2013		
4.	The amount of the Collateral		A nominal amount equal to the Aggregate Nominal Amount of the Securities.		
5.	The loan to value ratio or collateralisation level		The Collateral will have a nominal amount equivalent to the Aggregate Nominal Amount of the Securities.		
6.	Method of creation of the Collateral		It is anticipated that the Collateral will be issued by the issuer of the Collateral in the normal course of its business		

7.	Representations/additional collateral given to the Issuer relating to the Collateral	Not applicable
8.	Replacement and/or substitution of the Collateral	Not applicable
9.	Insurance policies relating to the Charged Property	Not applicable
10.	Material concentration with one insurer	Not applicable
11	Material relationships between the Issuer and any obligor	Other than the payment of fees and normal payments in connection with the Securities, or other issues of securities under the Programme, the Issuer has no material relationships with any obligor listed in 2. above
12.	Principal terms and conditions of the Collateral where it has not traded on a regulated or equivalent market	<p>Application will be made for the Collateral to be admitted to trading on the regulated market of the Luxembourg Stock Exchange.</p> <p>The Collateral will bear interest from the issue date at the rate equal to 3 month EUR-EURIBOR plus 1.13 per cent. per annum, payable quarterly in arrears on 3 January, 3 April, 3 July and 3 October in each year, commencing on 3 October 2008, or if such date is not a business day, the first following business day that is a business day, unless that day falls in the next calendar month, in which case that day will be the first preceding day that is a business day. Interest will be computed on the basis of the actual number of days in an interest period divided by 360.</p> <p>On the maturity date of the Collateral, the Collateral will pay for each EUR 50,000 note principal amount, EUR 50,000 <i>plus</i> any accrued but unpaid interest.</p>
13.	Details of the return on and/or repayment of the Securities if linked to the performance of credit or other assets not belonging to the Issuer	Not applicable
14.	Description of the Collateral, if the Collateral comprises equity securities that are admitted to trading on a regulated or equivalent market	Not applicable

15.	Description of Collateral if more than 10% comprises equity securities, which are not traded on a regulated market.	Not applicable
16.	Valuation report on property, if Collateral comprises real property	Not applicable
17.	Details of Charged Property, where the Charged Property is actively managed	Not applicable
18.	Details of the Portfolio Manager	Not applicable
19.	Transfer of the Collateral	It is anticipated that the Collateral will be acquired by the Issuer on or about the Issue Date from the Hedging Counterparty
20.	Originators of the Collateral	See item 2 above
21.	Governing law of the Collateral	It is anticipated that the Collateral will be governed by and will be construed in accordance with the laws of England and Wales

The Collateral has not yet been issued. Accordingly, the information set out above has been extracted from the Base Prospectus dated 22 August 2007 as amended and supplemented from time to time and the Final Terms dated 1 July 2008 issued by the obligor of and in respect of the Collateral (together, the "**Collateral Offering Circular**") and is subject to and qualified entirely by (including to the extent varied) the full terms of the Collateral once issued. The Issuer accepts responsibility for the accurate extraction of such information. So far as the Issuer is aware and is able to ascertain from information published by the intended obligor of the Collateral, no facts have been omitted which would render the reproduced information misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, none of the Issuer, the Trustee, the Arranger, the Agents or any of their affiliates (each a "**Transaction Participant**") has verified such information and, accordingly, none of them makes any representation or warranty, express or implied, as to its accuracy or completeness. None of the Transaction Participants has made any investigation of the intended obligor(s) in respect of the Collateral or has taken any steps to verify the validity and binding nature of the Collateral when issued. Prospective purchasers of the Securities should make their own investigation of the intended obligor(s) in respect of the Collateral (including, without limitation, with regard to its financial condition and creditworthiness) and, when available, the full terms of the Collateral.

The above summary is qualified in its entirety by the information contained in the Collateral Offering Circular. A copy of the Collateral Offering Circular will be available free of charge during the usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Paying Agents for the time being in London and Luxembourg.

The Issuer will prepare a supplement to this Prospectus when the Collateral is issued and the full terms of the Collateral becomes available.



## ADDITIONAL INFORMATION

### A. ADDITIONAL INFORMATION IN RELATION TO THE ISSUER

#### 1. Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Securities Section (excluding, for the avoidance of doubt, the issue of the Securities):

Shareholders' Funds:

Share capital: EUR 40,000

(Authorised EUR 10,000,000; Issued 40,000 Ordinary Shares of EUR 1 each)

#### *Indebtedness*

Series 1 Securities: EUR35,711,000

Series 2 Securities: EUR75,000,000

Series 3 Securities: EUR52,500,000

Series 4 Securities: EUR63,000,000

Series 5 Securities: EUR102,285,000

Series 6 Securities: EUR20,800,000

Save for the issues of securities described above and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

#### 2. Other

The issue of the Securities was approved pursuant to a resolution of the Board of Directors dated 19 June 2008. The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Ireland at the date of this Securities Section in connection with the issue and performance of the Securities.

The estimated amount of the expenses of the Issuer in connection with the admission to trading of the Securities on the Luxembourg Stock Exchange is €2,875, such amount to be discharged on behalf of the Issuer by the Arranger.

### B. ADDITIONAL INFORMATION FOR LUXEMBOURG

#### 1. Notices

Notices to Securityholders shall be given in accordance with General Condition 15. In addition, and for so long as the Securities are listed on the Official List of the Luxembourg Stock Exchange, notices will be given in accordance with the rules of the Luxembourg Stock Exchange which may include, if the rules of the Luxembourg Stock Exchange so require, by publication in a leading daily newspaper having general circulation in Luxembourg, which is expected to be the *Luxemburger Wort*.

## 2. Settlement and Clearing

The Global Security will be deposited with a depositary and has been accepted for clearing by Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**") under the security and clearing codes set out below.

**ISIN Code:** XS0371002931

**Common Code:** 037100293

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## 3. Paying Agent in the Grand Duchy of Luxembourg

In the Grand Duchy of Luxembourg, the Paying Agent shall be Deutsche Bank Luxembourg S.A., which shall act as the paying agent at the following address: 2 Boulevard Konrad, Adenauer L-1115, Luxembourg (Attention: Coupon Paying Department). The Issuer will maintain a paying agent in Luxembourg as long as the Securities are listed in Luxembourg.

## C. ADDITIONAL INFORMATION IN RELATION TO THE PARTIES TO THE STRUCTURE

### 1. General

Deutsche Bank AG, London Branch, which is the London branch of Deutsche Bank Aktiengesellschaft ("**DB AG**"), is the Arranger, Hedging Counterparty, Principal Agent, Custodian and Paying Agent. The Arranger's relationship with the Issuer is to act in its capacity as arranger in respect of the Securities, the Hedging Counterparty's relationship with the Issuer is to act in its capacity as counterparty under the Hedging Agreement, and the Principal Agent, Custodian and the Paying Agent's relationship with the Issuer is to act as principal agent, custodian and paying agent under the Agency Agreement in relation to the Securities.

Deutsche Trustee Company Limited is the Trustee. The Trustee's relationship with the Issuer is to act as trustee in relation to the Securities under the Trust Instrument.

Deutsche Bank Luxembourg S.A. is the Luxembourg Listing Agent and Paying Agent. The Luxembourg Listing Agent and the Paying Agent's relationship with the Issuer is to act as Luxembourg listing agent and paying agent in relation to the Securities.

DB AG is the parent company of a group consisting of banks, capital market companies, research and consultancy companies, property finance company, instalment financing companies, research and consulting companies and other domestic and foreign companies.

### 2. Calculation Agent

Deutsche Bank AG, London Branch, which is the London branch of DB AG, is the Calculation Agent. The Calculation Agent's address is Winchester House, 1 Great Winchester Street, London, EC2N 2DB. The Calculation Agent's relationship with the Issuer is to act as its calculation agent in relation to the Securities.

DB AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies.

The objects of DB AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. DB AG may realise these objectives itself or through subsidiaries and affiliated companies.

#### *Calculation Agent's Responsibilities*

The Calculation Agent is responsible for making any determination or calculation required to be made by it pursuant to the Conditions and performing such other duties as it may be required to perform pursuant to the Conditions.

#### *Termination of Appointment of Calculation Agent and Appointment of Successor Calculation Agent*

The appointment of the Calculation Agent will terminate, inter alia, if the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy.

The Issuer may appoint a successor Calculation Agent and/or terminate the appointment of any Calculation Agent by giving at least 60 days' notice to that effect provided that no such termination of the appointment of the Calculation Agent shall take effect until a successor Calculation Agent has been appointed.

### **3. The Hedging Counterparty and the Custodian**

Deutsche Bank AG, London Branch is the Hedging Counterparty and the Custodian as described above. The address of the Hedging Counterparty and the Custodian is Winchester House, 1 Great Winchester Street, London EC2N 2DB.

**PART D**  
**PROGRAMME SECTION**

## General

Under its Programme for the issuance of Secured Securities (the "**Programme**") described in this Programme Section (the "**Programme Section**"), dbInvestor Solutions plc (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes ("**Notes**") and secured certificates ("**Certificates**" and, together with Notes, "**Securities**") and in conjunction therewith may from time to time buy, sell or enter into options, swaps or repurchases, substantially on the terms set out herein, as supplemented in respect of each issue by specific terms applicable to that issue (each, the "**Product Conditions**" for that issue). The Securities may relate to shares and/or indices and/or debt securities and/or commodities and/or currencies (each an "**Underlying**").

**The terms and conditions of the Securities (the "Conditions") are comprised of the General Conditions set out in this Programme Section, as completed, modified and amended by the Product Conditions set out in the relevant Securities Section.**

## Security

Securities will be issued in Series (as defined in the "General Conditions") and, unless otherwise stated in the relevant Product Conditions, each Series will be secured by:

- 1) a first fixed charge and/or an assignment by way of first fixed charge in favour of Deutsche Trustee Company Limited as trustee (the "**Trustee**") acting under the relevant trust instrument (the "**Trust Instrument**") over or in respect of certain bonds, notes, shares, gilts, cash deposits denominated in any currency, futures, options, swaps, derivatives and similar instruments, commodity futures, commodity options, invoices, receivables, leases and loan and lease portfolios, bills of exchange, acceptance credits and all other documents of title relating to the movement of goods, commercial paper, promissory notes and any other negotiable or transferable instruments and/or any other financial obligations assigned to or acquired by the Issuer or any other agreed assets (the "**Collateral**") and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, the proceeds of sale thereof), and an assignment by way of a first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian (as defined in "General Conditions");
- 2) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each interest rate and/or currency and/or other exchange agreement (each a "**Hedging Agreement**") and/or a repurchase agreement (the "**Repurchase Agreement**") and any sums of money, securities or other property received or receivable by the Issuer thereunder;
- 3) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent (as defined in "General Conditions") and/or any Paying Agent (as defined in "General Conditions") and/or the Custodian to meet payments due in respect of the Securities, (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Hedging Agreement(s) and/or Repurchase Agreement and (iii) all of the Issuer's rights as against the Custodian in respect of any sum standing to the credit of the Deposit Account or the Repurchase Account (each as defined in "General Conditions"); and
- 4) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement (as defined in "General Conditions") and all sums derived therefrom in respect of the Securities,

together with such additional security, if any, as may be described in the relevant Product Conditions (together the "**Charged Property**").

In relation to certain Series, the Charged Property may not include Collateral and as a consequence, security for the Securities may be limited to the claims of the Issuer against each counterparty (each a "**Hedging Counterparty**") to each Hedging Agreement, or the counterparty to a Repurchase Agreement or other agreement. In respect of each Series, the respective rankings for priority of the interests of the holders of the Securities of such Series and of each Hedging Counterparty and each other party entitled to the benefit of such first fixed charge and/or assignment and/or other security interest in favour of the Trustee (each a "**Secured Party**") in the proceeds of such first fixed charge and/or assignment and/or other security interest shall be as follows: all such proceeds shall be applied first in payment of all amounts outstanding to the Trustee (including all its fees, costs, charges, expenses and liabilities), secondly in payment of any amounts owing to each Hedging Counterparty, thirdly *pro rata* in payment of any amounts outstanding to the Securityholders and fourthly in respect of any balance to the Issuer all in accordance with General Condition 6.4 and subject to the provisions of the Trust Instrument. The obligations of the Issuer under each Hedging Agreement to the relevant Hedging Counterparty under such Hedging Agreement may also be secured by certain assets comprised in the Charged Property. The Issuer may, if specified in the relevant Product Conditions in relation to the Securities of a particular Series, enter into a Repurchase Agreement subject to such terms as each Relevant Rating Agency (as defined in "General Conditions") may require if such Securities either have been or will be rated by such Relevant Rating Agency, and such other terms and conditions as are specified herein and in the terms of such Securities.

**Claims against the Issuer by holders of the Securities of a particular Series and, if applicable, each Hedging Counterparty and each other Secured Party will be limited to the Charged Property applicable to that Series. If the net proceeds of the enforcement of the Charged Property for any Series are not sufficient to make all payments due in respect of the Securities of that Series and, if applicable, due to each Hedging Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of holders of the Securities and, if applicable, any such Hedging Counterparty or Secured Party in respect of any such shortfall shall be extinguished and no such party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall.**

### **Listing and Admission to Trading**

References in this Programme Section to Securities which are intended to be "**listed**" (and all related references) shall mean that such Securities are admitted to trading on the Luxembourg Stock Exchange's regulated market and are listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

The relevant Product Conditions in respect of a Series of Securities will specify whether Securities will be listed on the Official List of the Luxembourg Stock Exchange. Securities may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets or may be unlisted and/or not admitted to trading on any market as may be specified in the applicable Securities Section relating to such Series.

### **Form**

Each Series of Securities will be represented by a global security (a "**Global Security**"). Definitive Securities will not be issued.

Each Global Security will be deposited with the relevant depository on behalf of the Clearing Agent(s) (as specified in the relevant Product Conditions) on the date of issue of the Securities.

## **Ratings**

Each Series of Securities may be rated by one or more Relevant Rating Agencies. Unrated Securities may also be issued provided that each Relevant Rating Agency has reviewed the terms of such Securities and confirmed in writing that all its current rating(s) of Securities then in force will not be adversely affected by the issue of such unrated Securities. Any rating of any Securities will be specified in the relevant Product Conditions. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency at its own discretion.

## **Currency References**

In this Programme Section, unless otherwise specified or the context otherwise requires, references to "dollars", "U.S. dollars", "USD" and "U.S.\$" are to United States dollars and references to "euro", "EUR" or "€" are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union as amended by the Treaty of Amsterdam.

## **Selling Restrictions**

The Securities will not be registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons as defined in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of further restrictions on the offer, sale and transfer of the Securities, please refer to "Sales Restrictions" below.

## GENERAL CONDITIONS

*The following (other than the text in italics) is the text of the general conditions (the "**General Conditions**" and, together with the Product Conditions, the "**Conditions**") which, together with the provisions of the relevant Product Conditions), will be applicable to such Series and will be attached to the relevant Global Security. The relevant Product Conditions will complete and supplement the General Conditions in relation to each Series and may modify and/or vary the General Conditions in relation to such Series.*

This Series of Securities is constituted and secured by the Trust Instrument.

By executing the Trust Instrument, the Issuer and the Trustee have entered into the Agency Agreement on the terms set out in and/or incorporated by reference into the Trust Instrument with the persons (if any) executing the Trust Instrument as the Principal Agent and/or as the Custodian and/or as the Calculation Agent and/or as the Selling Agent and/or in such other capacity as may be specified in the Trust Instrument.

If any person has executed the Trust Instrument in the capacity of a Hedging Counterparty, the Issuer and such Hedging Counterparty have, by executing the Trust Instrument, entered into a Hedging Agreement.

If any person has executed the Trust Instrument in the capacity of the Repurchase Counterparty, the Issuer and the Repurchase Counterparty have, by executing the Trust Instrument, entered into the Repurchase Agreement.

If any person or persons have executed the Trust Instrument in the capacity of the Purchaser, the Issuer and the Purchaser have by executing the Trust Instrument, entered into a Purchase Agreement.

These General Conditions apply in relation to the Securities, in each case as completed, modified and/or amended by the provisions of the relevant Product Conditions and the provisions of the Trust Instrument. Each reference herein to a specific numbered General Condition is to such General Condition as so completed, modified or amended. These General Conditions include summaries of, and are subject to, the detailed provisions of the Trust Instrument and the Product Conditions. Copies of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, each Hedging Agreement (if any) and the Repurchase Agreement (if any)) are available for inspection during normal office hours at the registered office of the Trustee and the specified office of each of the Paying Agents save that where this Series of Securities is unlisted, the aforementioned documents may only be inspected by a holder of such Securities and such holder must produce evidence satisfactory to the Trustee or the relevant Paying Agent, as the case may be, as to its holding of such Securities and identity. The Securityholders are deemed to have notice of, and shall be bound by, all of the provisions of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, each Hedging Agreement (if any) and the Repurchase Agreement (if any)) applicable to them.

Where no reference is made in the Product Conditions to any Hedging Agreement, Repurchase Agreement, Custodian or Selling Agent, references in these General Conditions to any such document or agreement and to any Hedging Counterparty, Repurchase Counterparty, Custodian or Selling Agent, as the case may be, shall not be applicable.



## 1. **Definitions and Interpretation**

### 1.1 **Definitions**

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

**"Additional Security Document"** has the meaning given to that term in General Condition 6.2.

**"Agency Agreement"** means the agency agreement in respect of the Securities entered into by the Issuer, the Trustee and the Agents, as amended, restated and/or supplemented from time to time.

**"Agents"** means the Principal Agent, the Paying Agents, the Custodian, the Calculation Agent, the Selling Agent or any of them and shall include such further or other person or persons as may be appointed from time to time an agent under the Agency Agreement with the prior written approval of the Trustee under the Trust Instrument.

**"Calculation Agent"** means the person (if any) executing the Trust Instrument in the capacity of calculation agent.

**"Clearing Agent"** means the person specified as such in the Product Conditions.

**"Collateral"** means, in respect of each Series of Securities, certain bonds, notes, shares, gilts, cash deposits denominated in any currency, futures, options, swaps, derivatives and similar instruments, commodity futures, commodity options, invoices, receivables, leases and loans and lease portfolios, bills of exchange, acceptance credits and all other documents of title relating to the movement of goods, commercial paper, any other negotiable or transferable instruments and/or any other financial obligations assigned to or acquired by the Issuer or any other agreed assets, as specified in the relevant Product Conditions.

**"Custodian"** means the person(s) (if any) executing the Trust Instrument in the capacity of custodian.

**"Deed of Floating Charge"** means the Deed of Floating Charge dated 10 March, 2004 between the Issuer and Deutsche Trustee Company Limited (for the benefit of all Securityholders and Hedging Counterparties for each Series), as amended and/or supplemented from time to time.

**"Delivery Date"** has the meaning given to that term in General Condition 7.2.1.

**"Deposit Account"** has the meaning given to that term in General Condition 6.5.2.

**"Early Termination Amount"** means the amount, or as the case may be, the method of determining such amount, specified in the Product Conditions.

**"Eligible Securities"** means securities or other assets of the type or types, and in the amount or amounts, specified for this purpose in the Product Conditions.

**"Entitled Beneficiary"** has the meaning given to that term in General Condition 6.7.1.

**"Equivalent Rating"** has the meaning given in Product Condition 4.

**"Event of Default"** means each of the events specified as such in General Condition 10.

**"Exercise Date"** means the date (if any) specified as such in the Product Conditions.

**"Extraordinary Resolution"** means a resolution passed at a meeting duly convened and held in accordance with the Trust Instrument by a majority of at least 75 per cent. of the votes cast or a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate Nominal Amount of the Securities for the time being outstanding.

**"Fungible Collateral"** means an amount of debt or equity securities equivalent to the Purchased Collateral the subject of the relevant Purchase Transaction (provided that, if and to the extent that such Purchased Collateral has been redeemed, such expression shall mean a sum of money equivalent to (and in the same currency as) the proceeds of such redemption) and debt or equity securities are "equivalent to" Purchased Collateral if they (i) are of the same issuer or obligor, (ii) are part of the same issue, series or class, (iii) are of an identical type, nominal value and description and amount as the Purchased Collateral and (iv) have the same terms and conditions and rank in all respects pari passu and equally with the Purchased Collateral.

**"Global Security"** has the meaning given to that term in General Condition 2.1.

**"Hedging Agreement"** means each hedging agreement between the Issuer and a Hedging Counterparty in respect of the Securities on the terms set out in and/or incorporated by reference into the Trust Instrument, as supplemented by a confirmation entered into by the Issuer and such Hedging Counterparty and dated the Issue Date and as amended, restated and/or supplemented from time to time.

**"Hedging Agreement Termination Date"** means the date specified as such in the Product Conditions.

**"Hedging Counterparty"** means a person (if any) executing the Trust Instrument in the capacity of Hedging Counterparty.

**"Income Payment"** has the meaning given to that term in General Condition 7.2.1.

**"Issue Date"** means the date specified as such in the Product Conditions.

**"Issuer"** means dbInvestor Solutions plc.

**"Maturing Collateral"** has the meaning given to that term in General Condition 6.5.2.

**"Maturing Purchased Collateral"** has the meaning given to that term in General Condition 7.2.3.

**"Maturity Date"** means, in the case of Notes, the maturity date of the Notes, as specified in the Product Conditions.

**"Net Proceeds"** means the net proceeds of the realisation of the security created pursuant to the Trust Instrument and/or any Additional Security Document.

**"Nominal Amount"** means, in relation to any Security, the nominal amount of such Security, as specified in the Product Conditions.

**"Paying Agent"** means each of the Agent and any substitute or additional paying agents appointed in accordance with the Trust Instrument.

**"Permitted Indebtedness"** has the meaning given to that term in General Condition 8.1.1.

**"Permitted Investments"** has the meaning given to that term in General Condition 8.1.1.

**"Potential Event of Default"** means an event which, with the giving of notice and/or lapse of time and/or the forming of an opinion, would become an Event of Default.

**"Principal Agent"** means the person executing the Trust Instrument in the capacity of issuing and paying agent.

**"Product Conditions"** means the product conditions relating to a Series of Securities as attached to the Global Security representing such Series.

**"Purchase Notice"** has the meaning given to that term in General Condition 7.2.1.

**"Purchase Option"** has the meaning given to that term in General Condition 7.2.1.

**"Purchase Price"** has the meaning given to that term in General Condition 7.2.1.

**"Purchase Transaction"** has the meaning given to that term in General Condition 7.2.1.

**"Purchased Collateral"** has the meaning given to that term in General Condition 7.2.1.

**"Redelivery Date"** has the meaning given to that term in General Condition 7.2.1.

**"Relevant Rating Agency"** means each rating agency specified as such in the Product Conditions.

**"Replaced Collateral"** has the meaning given to that term in General Condition 6.5.1.

**"Replaced Purchased Collateral"** has the meaning given to that term in General Condition 7.2.2.

**"Replacement"** has the meaning given to that term in General Condition 6.5.1 or, as the case may be, General Condition 7.2.2.

**"Replacement Collateral"** has the meaning given to that term in General Condition 6.5.1.

**"Replacement Purchased Collateral"** has the meaning given to that term in General Condition 7.2.2.

**"Repurchase Account"** has the meaning given to that term in General Condition 7.2.1.

**"Repurchase Agreement"** means a repurchase agreement between the Issuer and the Repurchase Counterparty in respect of the Securities on the terms set out in and/or incorporated by reference into the Trust Instrument, as amended, restated and/or supplemented from time to time.

**"Repurchase Counterparty"** means the person (if any) executing the Trust Instrument in the capacity of repurchase counterparty.

**"Repurchase Counterparty Deposit Account"** has the meaning given to that term in General Condition 7.2.3.

**"Repurchase Price"** has the meaning given to that term in Condition 7.2.1.

**"Securityholder Expenses"** means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, in each case payable by or on behalf of the Issuer and arising in connection

with (i) the exercise of such Security and/or (ii) any payment and/or delivery due following exercise, cancellation, repurchase, redemption or otherwise in respect of such Security.

**"Selling Agent"** means Deutsche Bank AG, London Branch.

**"Settlement Date"** means, in the case of Certificates, the date upon which the Cash Settlement Amount is payable, or, as the case may be, the Physical Settlement Amount is deliverable, in each case as specified in the Product Conditions.

**"Shortfall"** means the amount, if any, by which the amount of the Net Proceeds is less than the payments which would, but for the provisions of General Condition 6.8, have been due under the Securities and each Hedging Agreement and/or to any other person entitled to the benefit of the security created pursuant to the Trust Instrument and/or the Additional Security Document.

**"Substitute Collateral"** has the meaning given to that term in General Condition 6.5.2.

**"Substitute Company"** has the meaning given to that term in General Condition 12.4.

**"Substitute Purchased Collateral"** has the meaning given to that term in General Condition 7.2.3.

**"Substitution"** has the meaning given to that term in General Condition 6.5.2 or, as the case may be, General Condition 7.2.3.

**"Trustee"** means Deutsche Trustee Company Limited of Winchester House, One Great Winchester Street, London EC2N 2DB.

**"Trust Instrument"** means the trust instrument dated the Issue Date of the relevant Series made between, *inter alios*, the Issuer and the Trustee, by which the Series of Securities is constituted and secured, as amended, restated and/or supplemented from time to time.

**"Underlying"** means any underlying asset and/or basket of underlying assets and/or index comprising one or more underlying assets or other reference basis, in each case by reference to which the amount payable in relation to the Securities is determined.

## 1.2 Interpretation

Words and expressions defined in the Trust Instrument or the Agency Agreement or used in the Product Conditions shall have the same meanings where used in these General Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement and the Trust Instrument, the Trust Instrument shall prevail and in the event of inconsistency between the Agency Agreement or the Trust Instrument and the Product Conditions, the Product Conditions shall prevail.

Reference in these General Conditions to **"Securities"** means the Securities of the same Series unless express reference is made to another or more than one Series and these General Conditions therefore apply separately to each Series. A **"Series"** of Securities comprises Securities issued by the Issuer on the same date, and on the same terms (including as to interest (if any)) and identified in the Product Conditions as forming a Series, together with any Further Securities issued pursuant to General Condition 14 and being consolidated and forming a single series with such Securities.

The terms **"Securities"**, **"holder of Securities"** and **"Securityholder"** shall be construed in accordance with General Condition 2.2.

In these General Conditions, in the Trust Instrument and in the Product Conditions, the term "**outstanding**" means, in relation to a Series of Securities, all the Securities of that Series issued except (a) those which have been redeemed in accordance with the General Conditions, (b) those in respect of which the date for redemption in accordance with the General Conditions has occurred and the redemption moneys (including premium, if any, and all interest accrued thereon to the date for such redemption and any interest payable under the General Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in the Trust Instrument and remain available for payment against presentation and surrender of Securities, (c) those which have become void and those in respect of which claims have become prescribed in accordance with the General Conditions, (d) those which have been purchased and cancelled as provided in the General Conditions, (e) those mutilated or defaced Securities which have been surrendered in exchange for replacement Securities, and (f) (for the purpose only of determining how many Securities are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued; provided that for the purposes of (1) the exercise of any right of the relevant Securityholders (other than to payment), (2) the determination of how many Securities are outstanding for the purposes of the provisions in the Trust Instrument relating to the holding of meetings of Securityholders, the provision by the Securityholders of a resolution in writing, or any other direction or request thereof, or ascertaining whether a requirement under the Trust Instrument or the General Conditions for a specified percentage of the aggregate Nominal Amount of the Securities outstanding has been satisfied and (3) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those Securities which are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding.

In these General Conditions, in the Trust Instrument and in the Product Conditions, the terms "**rated**" and "**rating**" shall denote ratings by each Relevant Rating Agency.

In these General Conditions, in the Trust Instrument and in the Product Conditions, "**Charged Property**" means the Collateral and the other property, assets and/or rights of the Issuer which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Trust Instrument and/or any Additional Security Document.

## **2. Form and Title**

The Securities may be Notes or Certificates as specified in the Product Conditions and provisions in these General Conditions relating to Notes only or Certificates only shall only apply to Securities identified as such in the Product Conditions.

### **2.1 Form of Securities**

The Securities are in bearer form and in the case of Notes are in the Nominal Amount specified in the Product Conditions.

Each Series of Securities will be represented by a Global Security (a "Global Security"). No definitive Securities will be issued.

### **2.2 Global Securities**

In relation to each Series, the Global Security will be deposited with the relevant depository on behalf of the Clearing Agent(s) specified in the Product Conditions on the Issue Date of the first issue of the Securities of such Series. In the event that Euroclear and/or

Clearstream are appointed as Clearing Agent(s), Deutsche Bank AG, London Branch will act as common depositary.

Securities as represented by a Global Security will be transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent through whose books such Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of an aggregate Nominal Amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the aggregate Nominal Amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such aggregate Nominal Amount of the Securities (and the terms "**Securities**", "**holder of Securities**", "**Securityholder**" and related expressions shall be construed accordingly) for all purposes other than in relation to any payments in respect of the Securities, the right for which shall be vested, as against the Issuer and the Agents, solely in the bearer of the relevant Global Security.

### **3. Status**

The Securities are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in General Condition 6 and recourse in respect of which is limited in the manner described in General Condition 6.8.

### **4. Payments, Deliveries, Securityholder Expenses and Taxation**

#### **4.1 Payments and/or deliveries in respect of Securities**

Payments and/or deliveries, as the case may be, in respect of the Securities will be made as provided in the Product Conditions.

#### **4.2 Payments and deliveries subject to law, etc.**

All payments and/or deliveries are subject in all cases to any applicable fiscal or other laws, regulations and directives. Exercise, settlement and redemption of the Securities is subject to all applicable laws, regulations and practices in force on any relevant date of exercise, settlement or redemption, as the case may be, and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Principal Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

#### **4.3 Securityholder Expenses**

In respect of each Security, all Securityholder Expenses in respect thereof shall be for the account of the relevant Securityholder and any payment or delivery in respect of a Security shall only be made after all Securityholder Expenses in respect thereof have been paid or otherwise accounted for to the satisfaction of the Issuer.

#### **4.4 Taxation**

All payments and/or deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant

Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, any payment and/or any delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Securityholder, such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

#### 4.5 **No rights to Underlying**

The purchase and/or holding of Securities does not confer on any holder of any Securities any rights (whether in respect of voting, distributions or otherwise) in relation to the Underlying or any asset of any kind whatsoever by reference to which any amount calculated in relation to the Securities is calculated.

### **5. Early Cancellation, Purchases and Options**

#### 5.1 **Mandatory cancellation**

If:

- 5.1.1 any of the Collateral becomes repayable or becomes capable of being declared due and repayable prior to its stated date of maturity for whatever reason (provided that if any of the Collateral comprises asset-backed securities then if any amount of principal in respect thereof becomes repayable prior to the stated maturity of the security but in accordance with the terms thereof, such circumstances shall not be a relevant event for the purpose of this paragraph 5.1.1); or
- 5.1.2 (unless the Trustee otherwise agrees) there is a payment default in respect of any of the Collateral (provided that if any of the Collateral comprises asset-backed securities then any deferral of interest or other payment thereunder in accordance with the terms thereof shall not constitute a "default" for the purposes of this paragraph 5.1.2),

then such Collateral together with all remaining Collateral shall be deemed to have become immediately repayable. The Issuer shall then forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Product Conditions) to the Trustee, the Securityholders, each Hedging Counterparty, the Repurchase Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, specifying the aggregate Nominal Amount of the Securities to be cancelled and the due date for cancellation and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the outstanding Securities at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation) and (ii) (in the case of Securities secured in the manner described in General Condition 6.2.1 or 6.2.2) the security constituted by or created pursuant to the Trust Instrument over the Charged Property shall become enforceable.

In the event of such cancellation and the security constituted by or created pursuant to the Trust Instrument becoming enforceable the Trustee may take such action as is provided in General Condition 6.7.1 and shall do so if so requested or directed in accordance with the provisions of such General Condition (subject in each case to its being indemnified in accordance with such General Condition and provided always that the Trustee shall not be required to do anything which is contrary to any applicable law).

## 5.2 Cancellation for other reasons

If:

5.2.1 any Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date; and/or

5.2.2 the Repurchase Agreement is terminated as a result of a failure by the Repurchase Counterparty to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement,

then the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in Trust Instrument) to the Trustee, the Securityholders, each Hedging Counterparty, the Repurchase Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the Securities at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation) and (ii) (in the case of Securities secured in the manner described in General Condition 6.2.1 or 6.2.2) the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these General Conditions).

In the event of such cancellation and the security constituted by the Trust Instrument becoming enforceable, the Trustee may take such action as is provided in General Condition 6.7.1 and shall do so if so requested or directed in accordance with the provisions of such General Condition (subject in each case to its being indemnified in accordance with such General Condition and provided that the Trustee shall not be required to do anything which is contrary to applicable law).

## 5.3 Cancellation at the Option of the Issuer

If so provided in the Product Conditions, the Issuer may, on giving irrevocable notice (a) on a date within the Issuer's Optional Cancellation Period and/or (b) at least ten Business Days prior to an Issuer's Optional Cancellation Date (each as specified in the Product Conditions) to the Securityholders, the Trustee and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, cancel all (but not some only) of the Securities (1) in the case of (a) above, on the date specified in such notice, such date not falling prior to the date on which such notice is effective in accordance with General Condition 15 and (2) in the case of (b) above, on the relevant Issuer Optional Cancellation Date or, in each case if such day does not fall on a Business Day, then the following Business Day. Any such cancellation of Securities shall be at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation).

All Securities in respect of which any such notice is given shall be cancelled on the date specified in such notice in accordance with this General Condition.

## 5.4 Purchases

Unless otherwise provided in the Product Conditions, and subject to receipt by the Issuer of an amount (whether by sale of the Collateral (or in the case of a purchase of some only of the Securities, a proportion of the Collateral corresponding to the proportion of the Securities to be purchased) or otherwise) which, plus or minus any termination payment payable to or by the Issuer from or to any Hedging Counterparty on the termination (or as



the case may be partial termination) of each Hedging Agreement, is sufficient to fund the purchase price payable by the Issuer, the Issuer may purchase Securities in the open market or otherwise at any price.

## 5.5 Cancellation

All Securities purchased by or on behalf of the Issuer must be cancelled by surrendering for endorsement the relevant Global Security to, or to the order of, the Principal Agent and, when so surrendered, the Global Security will be endorsed to reflect such cancellation. Any Securities cancelled or so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

## 6. Security

### 6.1 Collateral

The Collateral (if any) will be identified in the Product Conditions. Except where the context otherwise requires, references in these General Conditions to the "**Collateral**" include any Replacement Collateral or Substitute Collateral (each as defined in General Condition 6.5) delivered, transferred or assigned to the Issuer in accordance with General Condition 6.5 and any Purchased Collateral (as defined in General Condition 7.2.1) or Fungible Collateral delivered to the Issuer pursuant to General Condition 7.2.

Unless otherwise specified in the Product Conditions, the Issuer will procure that the Collateral is delivered to the Custodian on the Issue Date or within the period thereafter specified in the Product Conditions and, with effect from such delivery, the Collateral will be held by the Custodian on behalf of the Issuer, subject to the security created by or pursuant to the Trust Instrument.

If the Issuer acquires Collateral after the Issue Date, until such acquisition the Securities will not be secured on the Collateral but only on the rights of the Issuer under the other Charged Property.

### 6.2 Security

6.2.1 If it is stated in the Product Conditions that the security for the Securities is "Collateral charged to Trustee", the Issuer has in the Trust Instrument created the following security:

6.2.1.1 (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee of the Collateral and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, any proceeds of the sale thereof) and (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian;

6.2.1.2 an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each relevant Hedging Agreement and/or Repurchase Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder;

6.2.1.3 a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Securities, (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Hedging Agreement and/or Repurchase Agreement and

(iii) all of the Issuer's rights as against the Custodian in respect of any sum standing to the credit of the Deposit Account (as defined in General Condition 6.5) or the Repurchase Account (as defined in General Condition 7.2); and

6.2.1.4 an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Securities.

6.2.2 If it is stated in the Product Conditions that the security for the Securities is "Collateral charged to Trustee; additional foreign law security", the Issuer has in the Trust Instrument created the security specified in General Condition 6.2.1 and has in addition, and without prejudice to the security specified in General Condition 6.2.1.1, executed in favour of the Trustee the pledge or security or other agreement or document specified in the Product Conditions (each, an "**Additional Security Document**").

### 6.3 General provisions relating to security

Unless otherwise specified in the Product Conditions, the security constituted or created pursuant to the Trust Instrument and any Additional Security Document will be granted to the Trustee for itself and as trustee under the Trust Instrument as continuing security (i) for the payment of all sums due to the Trustee or any receiver under the Trust Instrument and/or any Additional Security Document (ii) for the payment of all sums due under the Securities, (iii) for the performance of the Issuer's obligations under each Hedging Agreement, (iv) for the payment of all sums payable to the Custodian for reimbursement in respect of payments made to any Hedging Counterparty by the Custodian relating to sums receivable on or in respect of the Collateral pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Custodian for any payment made by the Custodian to any Hedging Counterparty relating to sums receivable on or in respect of the Collateral before actual payment to the Custodian of the amount receivable on or in respect of the Collateral and (v) for the payment of all sums payable to the Principal Agent pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Principal Agent for any amount paid out by the Principal Agent to the holders of Securities before receipt of the corresponding amount due from the Issuer.

#### *Enforceability*

Unless otherwise specified in the Product Conditions, the security constituted by or created pursuant to the Trust Instrument and any Additional Security Document shall become enforceable (i) in the circumstances specified in General Condition 5.1 or 5.2, (ii) upon the occurrence of an Event of Default (as defined in General Condition 10) and (iii) on the Hedging Agreement Termination Date if sums remain owing to a Hedging Counterparty under a Hedging Agreement.

#### *Holder of Collateral*

Unless otherwise specified in the Product Conditions, the Collateral will be held by the Custodian (which expression shall include any additional or other Custodians from time to time appointed) on behalf of the Issuer on and subject to the terms and conditions of the Agency Agreement and, where applicable, subject to the security referred to in General Condition 6.2.1 or 6.2.2. The Issuer reserves the right at any time with the prior written consent of the Trustee to change the Custodian, provided that, in respect of Securities which are rated by one or more Relevant Rating Agencies, each Relevant Rating Agency

will have confirmed in writing that such change will not adversely affect its current rating of such Securities. Notice of such change shall be given to the Securityholders in accordance with General Condition 15. Under the terms of the Agency Agreement, the Custodian may appoint a sub-custodian in relation to the Collateral, but such appointment shall not relieve the Custodian of any of its duties under the Agency Agreement.

#### *Deed of Floating Charge*

The obligations of the Issuer in relation to all Series of Securities will also be secured pursuant to the Deed of Floating Charge over the whole of its undertaking and assets to the extent that such undertaking and assets are not subject to any other security created by the Issuer in relation to any Series. The principal purpose of the aforementioned security is to ensure that the Trustee has security over substantially the whole of the assets of the Issuer, so allowing the Trustee to appoint an administrative receiver (as defined in Section 29 of the Insolvency Act 1986) relying on the capital markets exception (in section 72B of the Insolvency Act 1986) to the general prohibition on appointing administrative receivers. The Trustee is entitled to enforce the security created by the Deed of Floating Charge only if an Event of Default referred to in General Condition 10.3 of the Securities of any Series has occurred and the security in respect of all Series of Securities then outstanding constituted by the relevant Trust Instrument and/or Additional Security Documents has become enforceable. The obligations of the Issuer are, however, limited in recourse as provided in General Condition 11, and accordingly, even if the security created by the Deed of Floating Charge may become enforceable, the amounts due to the Securityholders and any Hedging Counterparty will not be increased as a result thereof and shall be limited to the net proceeds of realisation of the Charged Property and subject to the provisions of General Condition 6 as to application of such net proceeds and to the provisions of General Condition 11.

*The Trust Instrument provides that the Trustee shall not be bound or concerned to make any investigation into, or be responsible for:*

- (1) the creditworthiness of the Collateral or any obligor or guarantor in respect of the Collateral or of any Hedging Counterparty, Repurchase Counterparty or other person which is a party to any other agreement or document constituting or evidencing any of the Collateral or the Charged Property; or*
- (2) the validity, sufficiency or enforceability of the obligations of any such person as is referred to in sub-paragraph (1) above or of the security constituted by or pursuant to the Trust Instrument or any other agreement or document constituting the security for the Securities; or*
- (3) whether the cashflows relating to the Collateral and/or the Charged Property and the Securities are matched.*

*None of the Issuer, any Hedging Counterparty, the Custodian and the Trustee will have any responsibility for the performance by any clearing system (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations. None of the Issuer, the Trustee and any Hedging Counterparty will have any responsibility for the performance by the Custodian of its obligations under the Agency Agreement.*

#### **6.4 Application of Proceeds of Enforcement of Charged Property**

The Trustee shall (subject to the provisions of the Trust Instrument) apply all moneys received by it under the provisions of the Trust Instrument and any Additional Security Document in connection with the realisation or enforcement of the security constituted by or

pursuant to the Trust Instrument and any Additional Security Document in accordance with the following provisions of this General Condition 6.4:

- 6.4.1 first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
- 6.4.2 secondly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral);
- 6.4.3 thirdly, *pro rata* in payment of any amounts owing to the holders of the Securities (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amount owing to the Principal Agent for reimbursement in respect of any payment made to holders of the Securities or to a Clearing Agent on behalf of such holders); and
- 6.4.4 fourthly, in payment of the balance (if any) to the Issuer,

PROVIDED THAT, if the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument and any Additional Security Document has arisen as a result of any event of default (as defined in a Hedging Agreement) relating to any Hedging Counterparty, then the Trustee shall apply all moneys received by it under the provisions of the Trust Instrument and any Additional Security Document, either:

- (A) if "Pari Passu Basis" is specified in the Product Conditions:
  - (1) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
  - (2) secondly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral) and the holders of the Securities; and
  - (3) thirdly, in payment of the balance (if any) to the Issuer, or
- (B) if "Securityholder Priority Basis" is specified in the Product Conditions:
  - (1) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);

- (2) secondly, *pro rata* in payment of any amounts owing to the holders of the Securities (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amount owing to the Principal Agent for reimbursement in respect of any payment made to holders of the Securities or to a Clearing Agent on behalf of such holders);
- (3) thirdly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral); and
- (4) fourthly, in payment of the balance (if any) to the Issuer,

## 6.5 Replacement and/or Substitution of Collateral

6.5.1 If it is specified in the Product Conditions that this General Condition 6.5.1 applies to the Securities and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, the Issuer may from time to time, subject to and in accordance with the provisions of the Trust Instrument, require that any securities or other assets for the time being comprising all or part of the Collateral (but excluding any Collateral which has been transferred to the Repurchase Counterparty pursuant to an exercise of the Purchase Option (as defined in General Condition 7.2)) (hereinafter referred to as the "**Replaced Collateral**") be replaced (a "**Replacement**") by Eligible Securities ("**Replacement Collateral**"); provided however that:

- (1) upon any release of the Replaced Collateral from the security created by or pursuant to the Trust Instrument and/or any Additional Security Document, any such Replacement Collateral being substituted for the Replaced Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Replaced Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document;
- (2) in respect of rated Securities, either (x) the Replacement Collateral is comprised of Eligible Securities which have an Equivalent Rating or (y) the Issuer shall have received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by the Replacement; and
- (3) such other conditions as may be specified in the Product Conditions are satisfied.

If the Issuer has so agreed with any Hedging Counterparty, such Hedging Counterparty shall deliver the Replacement Collateral to the Issuer in exchange for the Replaced Collateral.

The Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Securityholders or any other person and the Issuer shall not be liable to the Trustee, any Hedging Counterparty or the Securityholders for any loss arising from any Replacement pursuant to the foregoing.

*The Trust Instrument provides that, in connection with any Replacement relating to Securities the security for which is as described in General Condition 6.2.1 or 6.2.2,*

*the Trustee shall receive a certificate from the Issuer (or the relevant Hedging Counterparty (acting on its behalf)) describing the Replacement and confirming that sub-paragraphs (1), (2) and (3) above have been complied with, and that it may rely absolutely upon such certificate for all purposes and need make no enquiry of any nature. By subscription for, or acquisition of, any Security, each Securityholder accepts and is bound by this provision.*

*The Trust Instrument provides that the Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Repurchase Counterparty, any Securityholder or any other person, nor shall the Issuer be liable to the Trustee, any Securityholder, any Hedging Counterparty, the Repurchase Counterparty or any other person, for any loss arising from Replacement pursuant to the foregoing.*

6.5.2 If securities and/or other assets which comprise all or part of the Collateral have a maturity date or are otherwise redeemed (in whole or in part) on a date which falls prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) ("**Maturing Collateral**") and it is provided in the Product Conditions that this General Condition 6.5.2 applies to the Securities and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, the proceeds of redemption received upon maturity of such Maturing Collateral shall be applied by the Custodian on behalf of the Issuer:

6.5.2.1 in the purchase of Eligible Securities ("**Substitute Collateral**" and each such purchase a "**Substitution**"); and/or

6.5.2.2 by crediting such proceeds of redemption to an interest bearing account with the Custodian (the "**Deposit Account**") on terms that the funds standing to the credit of such Deposit Account shall earn the rate or rates of interest (which may be a floating rate or rates) specified in the Product Conditions or, if no rate is so specified, such rate or rates as may be determined from time to time by the Custodian. The Custodian may from time to time apply the funds standing to the credit of the Deposit Account in the purchase of Eligible Securities, in which case such purchase, and the Eligible Securities so purchased, will be deemed to be a Substitution and Substitute Collateral, respectively, for the purposes of this General Condition 6.5.2. Subject to any such application by the Custodian, the Issuer and the Custodian will procure that funds credited to the Deposit Account from time to time (including capitalised interest) shall be debited from the Deposit Account as and when necessary to be applied, in accordance with the provisions of the Trust Instrument, by the Issuer in connection with paying sums when due under the Securities or as otherwise specified in the Trust Instrument.

Notwithstanding the foregoing, a Substitution may only be made if:

- (a) the Substitute Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Maturing Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document;
- (b) in respect of rated Securities, each Relevant Rating Agency is notified of the Substitution or the crediting of funds to the Deposit Account, as the case may be, and (if applicable) either (i) the Substitute Collateral is comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer has received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by the Substitution; and

- (c) such other conditions as may be specified in the Product Conditions are satisfied.

All determinations of the availability of Substitute Collateral, and all determinations and calculations of the purchase price and applicable date for purchase thereof shall be made by the relevant Hedging Counterparty in accordance with the Trust Instrument and all such determinations and calculations shall be binding on the Issuer, the Trustee, the Securityholders and all other persons. The Trustee shall not be liable to the Issuer, the Securityholders or any other person, nor shall the Issuer be liable to the Trustee or any Securityholders, for any loss arising from any Substitution pursuant to the foregoing.

*The Trust Instrument provides that, in connection with any Substitution, the Trustee shall receive a certificate from the Issuer (or the relevant Hedging Counterparty (acting on its behalf)) describing the Substitution and confirming that subparagraphs (a), (b) and (c) above have been complied with, and it may rely absolutely upon such certificate for all purposes and need make no enquiry of any nature. By subscription for, or acquisition of, any Security, each Securityholder accepts and is bound by this provision.*

*The Trust Instrument provides that the Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Repurchase Counterparty, any Securityholders or any other person, nor shall the Issuer be liable to the Trustee, any Securityholders, any Hedging Counterparty, the Repurchase Counterparty or any other person, for any loss arising from any Substitution pursuant to the foregoing.*

- 6.5.3 All rights of Replacement and/or Substitution under General Condition 6.5 shall cease forthwith upon the security constituted by the Trust Instrument becoming enforceable whether in whole or in part.

## **6.6 Purchase of Collateral maturing after the Settlement Date and/or Maturity Date**

If any securities forming all or part of the Collateral have a maturity date falling after the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes), the Issuer may agree to sell such Collateral to any Hedging Counterparty for value on the Settlement Date or, as the case may be, the Maturity Date at a price equal to the principal amount thereof.

## **6.7 Realisation of the Charged Property**

### **6.7.1 Realisation of security**

In the event of the security constituted by or created pursuant to the Trust Instrument over the Charged Property becoming enforceable, the Trustee may at its discretion and shall:

6.7.1.1 if requested in writing by the holders of at least one-fifth in aggregate Nominal Amount of the Securities then outstanding; or

6.7.1.2 if directed by an Extraordinary Resolution (as defined in the Trust Instrument) of the Securityholders; or

6.7.1.3 if directed in writing by each Hedging Counterparty but only if the Hedging Agreement(s) have each terminated in accordance with their respective terms prior to the respective Hedging Agreement Termination Dates or, on or after the latest Hedging Agreement Termination Date, if sums remain owing to any Hedging Counterparty under the Hedging Agreement(s),

do one or more of the following:

- (i) where General Condition 6.2.1 or 6.2.2 applies, instruct the Selling Agent to endeavour to sell or otherwise realise the Collateral in accordance with General Condition 6.7.2 and the provisions of the Agency Agreement;
- (ii) where General Condition 6.2.1 or 6.2.2 applies, take other steps to realise all or some of the Collateral;
- (iii) terminate and/or enforce and/or realise each Hedging Agreement, Repurchase Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Property; and
- (iv) otherwise enforce the security constituted by or pursuant to the Trust Instrument and/or any Additional Security Document,

in each case without any liability as to the consequences of such action and without having regard to the effect of such action on individual Securityholders and provided that the Trustee shall not be required to take any action without first being indemnified to its satisfaction or to do anything which is or may be contrary to any applicable law. Subject as provided in the following paragraph, any request or direction given by the person or persons ranking in priority immediately after the Trustee (the "**Entitled Beneficiary**") pursuant to the provisions of General Condition 6.4 will have priority over any conflicting direction given under this General Condition 6.7.1 and, in the absence of any such request or direction, the Trustee may at its discretion decline to act on any request or direction given by any other person.

Where there is a conflict between any request and/or direction given pursuant to General Condition 6.7.1 and "**Securityholder Priority Basis**" is specified in the Product Conditions and is applicable, any request or direction given by the Entitled Beneficiary will have priority over any conflicting request or direction given under this General Condition 6.7.1 and, in the absence of any such request or direction by the Entitled Beneficiary, the Trustee may at its discretion decline to act on any request or direction given by any other person. If "**Pari Passu Basis**" is specified in the Product Conditions and is applicable, any request of the kind referred to in General Condition 6.7.1.1 or direction of the kind referred to in General Condition 6.7.1.2 shall have priority over any conflicting request or direction under this General Condition 6.7.1 and the Trustee may at its discretion decline to act on any other request or direction.

#### 6.7.2 Selling Agent

If the Selling Agent is instructed by the Trustee in accordance with General Condition 6.7.1 to endeavour to sell or otherwise realise the Collateral, the Selling Agent shall, on behalf of and as the agent of the Trustee pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Collateral as soon as reasonably practicable on or after the date on which it receives such instruction at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Trust Instrument.

If, however, the Selling Agent determines that there is no available market for the Collateral, or if the Selling Agent otherwise determines that it is impossible to sell or otherwise realise the Collateral or any part of it, the Selling Agent will promptly notify the Issuer, the Trustee and each Hedging Counterparty of such lack of availability or impossibility and the Selling Agent shall not be required to effect the sale or other realisation of the Collateral or any further part of it. Any such determination by the Selling Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, each Hedging Counterparty and the



Securityholders. In the event that the Selling Agent makes such determination the Trustee at its discretion may, and shall if so requested or directed in accordance with General Condition 6.7.1 (but subject in each case to its being indemnified in accordance with such General Condition) realise all or part of the Collateral by other means.

In order to obtain its best execution price for the above purposes, the Selling Agent shall be required to take reasonable care to ascertain the price which is the best available for the sale or other realisation of the Collateral at the time of the sale or other realisation for transactions of the kind and size concerned and, unless circumstances require the Selling Agent to do otherwise in the interests of the Securityholders, to deal at a price which is not less advantageous to the Securityholders.

*The Trustee shall have no responsibility or liability for the performance by the Selling Agent of its duties under this General Condition 6.7.2 or for the price at which any of the Collateral may be sold or otherwise realised.*

#### **6.8 Shortfall after application of proceeds**

If the Net Proceeds are not sufficient to make all payments due in respect of the Securities and for the Issuer to meet its obligations, if any, in respect of the termination of each Hedging Agreement (or a part of any such Hedging Agreement) and/or any other obligations secured thereby, then the obligations of the Issuer in respect of the Securities and each Hedging Agreement and/or any such other obligations will be limited to such net proceeds. The other assets of the Issuer will not be available for payment of any Shortfall arising therefrom. Any Shortfall shall be borne by the Securityholders, each Hedging Counterparty and any other persons entitled to the benefit of such security according to the priorities specified in the General Conditions (as modified by the Product Conditions if applicable and applied in reverse order).

The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any right to receive any further sum in each case in respect of any Shortfall remaining after realisation of the security under General Condition 6.7 and application of the proceeds in accordance with the Trust Instrument shall be extinguished and neither the Trustee nor any Hedging Counterparty nor any Securityholders nor any other person entitled to the benefit of such security (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. In particular, no such party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under General Condition 10.

*Where General Condition 6.2.1 or 6.2.2 applies, the realisation of some only of the Collateral where there is a shortfall will not extinguish any claims in respect of the remaining Collateral.*

#### **6.9 Issuer's rights as holder of Collateral**

The Issuer may exercise any rights in its capacity as holder of the Collateral only with the prior written consent of the Trustee (which consent may be given by the Trustee in its absolute discretion) or as directed by an Extraordinary Resolution of the Securityholders and, if such consent or direction is given, the Issuer will act only in accordance with such consent or direction. In particular, the Issuer will not attend or vote at any meeting of holders of the Collateral, or give any consent or notification or make any declaration in relation to the Collateral, unless the Trustee shall give its prior written consent (which consent may be given by the Trustee in its absolute discretion) or by direction of any Extraordinary Resolution of the Securityholders.

## **7. Hedging Agreements; Repurchase Agreement**

### **7.1 Hedging Agreements**

#### *The Hedging Agreements*

The Hedging Agreement(s) is/are entered into by the execution of the Trust Instrument by the Issuer and the Hedging Counterpart(y)(ies). A summary of the terms of the Hedging Agreement(s) is set out in the Product Conditions.

#### *Termination*

Each Hedging Agreement will terminate on the Hedging Agreement Termination Date, unless terminated earlier in accordance with its terms. Unless otherwise specified in the Product Conditions, (i) each Hedging Agreement will terminate in full if all the Securities are cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) pursuant to any provision of General Condition 5 or upon the occurrence of an Event of Default and (ii) each Hedging Agreement will terminate in part (on a *pro rata* basis in a proportion of its nominal amount equal to the proportion that the Nominal Amount of the Securities being cancelled bears to the aggregate Nominal Amount of all the Securities immediately prior to such cancellation) if some of the Securities are cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) pursuant to any provision of General Condition 5. Each Hedging Agreement may also terminate in other circumstances as set out in such Hedging Agreement. In the event of an early termination of any Hedging Agreement, either the Issuer or the relevant Hedging Counterparty may be liable to make a termination payment to the other party in an amount determined in accordance with the provisions of such Hedging Agreement. The termination payment will be determined by the relevant Hedging Counterparty on the basis of such Hedging Counterparty's reasonable determination in good faith of its total losses and costs in connection with the termination of such Hedging Agreement. Unless otherwise specified in the Product Conditions, in the event of an early termination of any Hedging Agreement as a result of the cancellation of the Securities pursuant to General Condition 5.1, any obligation of the Issuer at any time to deliver the Collateral to the relevant Hedging Counterparty shall for the purposes of the calculation of such termination payment be deemed to be replaced by an obligation of the Issuer to pay to the relevant Hedging Counterparty a sum equal to the nominal amount of such Collateral.

#### *Taxation*

Neither the Issuer nor any Hedging Counterparty is obliged under any Hedging Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Hedging Agreement(s) is terminable in such event. If the Issuer, on the occasion of the next payment due under a Hedging Agreement, would be required by law to withhold or account for tax such that it would be rendered unable to make payment of the full amount due or would be required to account for tax or would suffer tax on its income in respect of the amount paid to it, the Issuer shall so inform the Trustee in writing.

#### *Downgrade*

If so specified in the Product Conditions, in respect of rated Securities, if the long-term debt rating of any Hedging Counterparty is or may be downgraded with the result that the current rating of the Securities by any Relevant Rating Agency is or may be adversely affected, such Hedging Counterparty will be entitled to transfer its rights and obligations under the relevant Hedging Agreement to another entity or to obtain a guarantee from another entity or to take such other action as may be specified in the relevant Hedging Agreement, subject as provided in this General Condition 7.1.

### *Transfer by Hedging Counterparty*

Any transfer of the rights and obligations of any Hedging Counterparty or any guarantee of the obligations of any Hedging Counterparty (or of any transferee of the rights and obligations of Hedging Counterparty) in respect of any Hedging Agreement will be subject to:

- 7.1.1 the Trustee being satisfied that such rights and obligations have been effectively transferred to and/or guaranteed by, as the case may be, the transferee and/or guarantor selected by such Hedging Counterparty and that all the Issuer's right, title, benefit and interest in, to, under and in respect of the relevant Hedging Agreement following any such transfer and/or guarantee in respect of the obligations of such Hedging Counterparty (or, as the case may be, any transferee to whom the obligations of such Hedging Counterparty are transferred), are effectively secured in favour of the Trustee for the benefit of the Securityholders, in each case in form and substance reasonably satisfactory to the Trustee;
- 7.1.2 in respect of rated Securities, the Trustee having received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by any transfer and/or guarantee as is referred to above; and
- 7.1.3 the relevant Hedging Counterparty having indemnified the Issuer and the Trustee against any stamp or other documentary charges and all expenses (if any) incurred by the Issuer and/or the Trustee in connection with such transfer.

*To the extent that any Hedging Counterparty fails to make payments due to the Issuer under a Hedging Agreement, the Issuer will be unable to meet its obligations in respect of the Securities. In such event, each Hedging Agreement will be terminated and the Securities will be cancelled in accordance with General Condition 5.2. Upon enforcement of the security in respect of the Charged Property, the net proceeds thereof may be less than the claims of the Hedging Counterparty(ies), the Securityholders and the other persons entitled to the benefit of such security.*

## 7.2 **Repurchase Agreement**

### 7.2.1 *Purchases*

If it is stated in the Product Conditions that the Issuer has entered into the Repurchase Agreement, the Repurchase Counterparty may, subject to the provisions thereof, at any time and from time to time prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) (and provided that the Securities have not been cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes)), by giving written notice to the Issuer, the Trustee and the Custodian (a "**Purchase Notice**"), request the Issuer (the "**Purchase Option**") to transfer any amount of the assets comprised in the Collateral (the "**Purchased Collateral**") to the Repurchase Counterparty against payment to the Issuer of the purchase price (the "**Purchase Price**") (if any) specified in, or determined in accordance with the provisions of, the Product Conditions.

Such transfer shall be on terms that:

- (a) full legal and beneficial ownership of such Purchased Collateral shall vest in the Repurchase Counterparty on the date specified in the Purchase Notice (the "**Delivery Date**") free and clear of all charges, liens and encumbrances created by the Trust Instrument with respect thereto or otherwise by the Issuer and together

with the benefit of all the Issuer's rights and entitlements thereto and therein subsisting at the time the Purchase Option is exercised

- (b) the Repurchase Counterparty shall be obliged to deliver the Purchased Collateral or Fungible Collateral to the Issuer on the date specified in the relevant Purchase Notice or, if no date is so specified, on the date specified in the absolute discretion of the Repurchase Counterparty (each, a "**Redelivery Date**") against payment of the repurchase price (the "**Repurchase Price**") (if any) specified in, or determined in accordance with the provisions of, the Product Conditions; and
- (c) until the Purchased Collateral or Fungible Collateral is so delivered, all payments of principal, interest or other sums in respect of the Purchased Collateral will be made to the Repurchase Counterparty (each, a "**Purchase Transaction**").

Unless otherwise provided in the Product Conditions, the Repurchase Price may not exceed the amount for the time being standing to the credit of the Repurchase Account (as defined below).

Notwithstanding the foregoing, in the case of Securities which are rated by one or more Relevant Rating Agencies the Issuer may enter into a Repurchase Agreement only if the Trustee shall have received written confirmation from each such Relevant Rating Agency that (i) its current rating of the Securities will not be adversely affected by the Issuer entering into the Repurchase Agreement and (ii) the Repurchase Agreement satisfies such conditions as such Relevant Rating Agencies may have specified as a condition of such rating(s).

#### *Income Payments*

Under the Repurchase Agreement, the Repurchase Counterparty in respect of a Purchase Transaction will be required to make payments to the Issuer equal to each payment of principal, interest, dividends or other distributions made by an obligor of the relevant Purchased Collateral (each an "**Income Payment**") on the date on which such payments under such Purchased Collateral are made by the obligor of such Purchased Collateral.

#### *Release of Collateral*

Unless otherwise specified in the Product Conditions, if the Issuer agrees to the terms of a Purchase Notice, the Issuer will be deemed to be authorised by the Trustee (and by all other persons entitled to the benefit of the security created by or pursuant to the Trust Instrument) to release from the security created by or pursuant to the Trust Instrument the Collateral which is the subject of the Purchase Transaction. If any Purchased Collateral or Fungible Collateral is redelivered to the Issuer pursuant to the Repurchase Agreement, the right of the Issuer to receive payments from the Repurchase Counterparty equal to the Income Payments made on or in respect of such Purchased Collateral or Fungible Collateral shall terminate and, upon redelivery of such Purchased Collateral or Fungible Collateral, such Purchased Collateral or Fungible Collateral shall be subject to the security constituted by or created pursuant to the Trust Instrument.

#### *Repurchase Account*

Any amount of Purchase Price paid by the Repurchase Counterparty to the Issuer pursuant to the Repurchase Agreement shall be credited to an interest bearing account with the Custodian (the "**Repurchase Account**") on terms that the funds standing to the credit of the Repurchase Account shall earn the rate or rates of

interest (which may be a floating rate) specified in the Product Conditions. Funds credited to the Repurchase Account from time to time (including capitalised interest) shall be debited from the Repurchase Account on each Repurchase Date to be applied in payment of the Repurchase Price then due or as otherwise provided in the Trust Instrument.

#### *Termination*

To the extent that the Repurchase Counterparty fails to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement, the Issuer will be unable to meet its obligations in respect of the Securities. In such event, the Repurchase Agreement will be terminated and the Early Termination Amount in respect of each Security will become payable in accordance with General Condition 5.2. Upon enforcement of the security in respect of the Charged Property, the net proceeds thereof may be less than the claims of the Hedging Counterparty(ies), the Securityholders and the other persons entitled to the benefit of such security.

#### *Trustee not liable*

The Trustee shall not be liable to the Issuer, the Securityholders, any Hedging Counterparty or any other person for any loss arising from the exercise of any Purchase Option, any Purchase Transaction or any release of Charged Property in connection therewith.

- 7.2.2 If it is specified in the Product Conditions that General Condition 6.5.1 applies to the Securities, and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, and unless otherwise specified in the Trust Instrument, the Repurchase Counterparty may request authorisation from the Issuer that any securities or other assets for the time being comprising all or part of the Purchased Collateral (hereinafter referred to as the "**Replaced Purchased Collateral**") be replaced (a "**Replacement**") by other securities or assets of a type or types (or combination thereof), having the features specified in respect of Replacement Collateral in the Trust Instrument (or, if no features are so specified, having such features as the Repurchase Counterparty shall in its sole discretion determine) ("**Replacement Purchased Collateral**") and on terms that such other conditions as may be specified in the Trust Instrument in respect of a Replacement (as defined herein) are satisfied.

Any Replacement in respect of rated Securities is further conditional on either (i) the Replacement Purchased Collateral being comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer having received written confirmation from each Relevant Rating Agency that its current ratings of the Securities will not be adversely affected by the Replacement. Subject to the Issuer authorising the Replacement (and subject as provided in respect of rated Securities), any such Replacement Purchased Collateral shall (to the extent delivered by the Repurchase Counterparty to the Issuer when required under the Repurchase Agreement) constitute Replacement Purchased Collateral.

Subject as provided in respect of rated Securities, if the Issuer has determined (acting in its sole discretion) that it will authorise the Replacement, the Issuer shall forthwith notify the Trustee, each Hedging Counterparty, the Principal Agent, the Custodian, the Calculation Agent and, in accordance with General Condition 15, the Securityholders of the Replacement.

The Trustee shall not be liable to the Issuer, the Securityholders, any Hedging Counterparty or any other person and the Issuer shall not be liable to the Trustee, the Securityholders, any Hedging Counterparty or any other person for any loss arising from any Replacement pursuant to the foregoing.

7.2.3 If it is specified in the Product Conditions that General Condition 6.5.2 applies to the Securities, and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, and securities and/or other assets which comprise all or part of the Purchased Collateral have a maturity date which falls prior to the Settlement Date (in the case of Certificates) or, the Maturity Date (in the case of Notes) ("**Maturing Purchased Collateral**"), then unless provided otherwise in the Trust Instrument, the proceeds of redemption received upon maturity of such Maturing Purchased Collateral may, upon request to the Issuer and if such request is authorised, be applied by the Repurchase Counterparty:

7.2.3.1 in the purchase of further securities and/or other assets of a type or types (or combination thereof) identified by the Repurchase Counterparty and having the features (if any) specified in respect of Substitute Collateral in the Trust Instrument (or, if no features are so specified, having such features as the Repurchase Counterparty shall in its sole discretion determine), but subject as provided below in respect of rated Securities ("**Substitute Purchased Collateral**" and each such purchase a "**Substitution**"). Any such Substitute Purchased Collateral so specified shall (to the extent delivered by the Repurchase Counterparty to the Issuer when required under the Repurchase Agreement) constitute Substitute Purchased Collateral for the purposes of the Securities; and/or

7.2.3.2 by crediting such proceeds of redemption to an interest bearing account in the name of the Repurchase Counterparty (the "**Repurchase Counterparty Deposit Account**") opened by the Repurchase Counterparty with a bank or other financial institution selected by the Repurchase Counterparty in respect of the proceeds of redemption of Substitute Purchased Collateral. Subject to any contrary provision in the Product Conditions or in the Purchase Notice, the Repurchase Counterparty will procure that funds credited to the Repurchase Counterparty Deposit Account from time to time (including capitalised interest) shall be debited from the Repurchase Counterparty Deposit Account as and when necessary and paid to the Issuer for application by the Issuer in connection with paying sums when due under the Securities.

Notwithstanding the foregoing, a Substitution may only be made if such conditions as are specified in the Trust Instrument in respect of a Substitution (as defined herein) are satisfied and, in respect of rated Securities if, each Relevant Rating Agency is notified of the Substitution or the credit of funds to the Repurchase Counterparty Deposit Account, as the case may be, and either (i) (if applicable) the Substitute Purchased Collateral is comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer has received written confirmation from each Relevant Rating Agency that its current ratings of the Securities will not be adversely affected by the Substitution.

## **8. Restrictions**

The Issuer has covenanted in the Trust Instrument that, *inter alia*, so long as any of the Securities remains outstanding, it will not, without the consent of the Trustee and each Hedging Counterparty:

- 8.1 engage in any activity or do any thing whatsoever except:
- 8.1.1 issue Securities (which as defined in the Trust Instrument include further securities) which are subject to the enforcement and limited recourse provisions contained in the Trust Instrument ("**Permitted Investments**") or otherwise incur indebtedness in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is secured on specified assets of the Issuer (other than its share capital) which do not form part of the Charged Property and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets on which such indebtedness is secured ("**Permitted Indebtedness**");
  - 8.1.2 enter into any agency agreement, trust instrument, hedging agreement, repurchase agreement, deed of floating charge or any deed or agreement of any other kind related to any Permitted Investment or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder are secured on specified assets of the Issuer (other than its share capital) which do not form part of the Charged Property and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured;
  - 8.1.3 acquire, or enter into any agreement constituting, the Collateral in respect of any Permitted Investment or the assets securing any Permitted Indebtedness;
  - 8.1.4 perform its obligations under each Permitted Investment or Permitted Indebtedness, agency agreement, trust instrument, hedging agreement, repurchase agreement, deed of floating charge or other deeds or agreements incidental to the issue and constitution of, or the granting of security for, any Permitted Investment or Permitted Indebtedness;
  - 8.1.5 enforce any of its rights under each agency agreement, trust instrument, hedging agreement, repurchase agreement, the deed of floating charge or any other deed or agreement entered into in relation to any Permitted Investment or Permitted Indebtedness;
  - 8.1.6 perform any act incidental to or necessary in connection with any of the above;
  - 8.1.7 as permitted by the Conditions;
- 8.2 have any subsidiaries or employees;
- 8.3 subject to General Condition 8.1 above, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the General Conditions relating to any Permitted Investment or the terms and conditions of any Permitted Indebtedness);
- 8.4 issue or create any other Series of Securities unless either (a) the trustee thereof is the same person as the Trustee for the Securities or (b) the Trustee has received legal advice satisfactory to it from reputable legal advisers in England and the jurisdiction of incorporation of the Issuer to the effect that the appointment of a person other than the Trustee as trustee of such Series of Securities will not adversely affect the ability of the Trustee to appoint an administrative receiver over

the assets of the Issuer pursuant to the Deed of Floating Charge, unless in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating(s) of any of the rated Securities issued by the Issuer;

- 8.5 purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), unless in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating of such Securities;
- 8.6 consolidate or merge with any other person;
- 8.7 issue any shares (other than such shares as were in issue on the date of the first Trust Instrument executed by the Issuer and the Trustee);
- 8.8 declare or pay any dividend or make any other distribution to its members; or
- 8.9 incur any indebtedness for borrowed money other than in respect of the Securities or any Permitted Investment or any Permitted Indebtedness.

## **9. Prescription**

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within 10 years or, where applicable, five years (in the case of interest) from 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 notice is duly given to the Securityholders in accordance with General Condition 15 that, upon further presentation of the Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

## **10. Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate Nominal Amount of the Securities then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that, in respect of each such Security, the Early Termination Amount (which, for the avoidance of doubt, shall include accrued interest (if any) thereon to the date of payment) is, and shall accordingly forthwith become, immediately due and payable, and the security constituted by or created pursuant to the Trust Instrument shall become enforceable, as provided in the Trust Instrument, in any of the following events (each an "**Event of Default**"):

- 10.1 if default is made for a period of 14 days or more in the payment of any sum due in respect of the Securities or any of them; or
- 10.2 if the Issuer fails to perform or observe any of its other obligations under the Securities or the Trust Instrument and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or



- 10.3 if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or formal notice is given of an intention to appoint an administrator or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Issuer; or
- 10.4 if an examiner is appointed in respect of the Issuer.

The Issuer has undertaken in the Trust Instrument that, on each anniversary of the date of first entry into of a Trust Instrument between the Issuer and the Trustee and also within 14 days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that, after making all reasonable enquiries by such Director, to the best of the knowledge, information and belief of the Issuer there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the Trust Instrument or the date of the last such certificate if any, any Event of Default or Potential Event of Default or, if such an Event of Default or Potential Event of Default did then exist or had existed, specifying the same and to such other effect as the Trustee may require.

*The Trust Instrument provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing.*

## **11. Enforcement**

At any time after any of the Securities becomes due and payable or in any of the circumstances specified in General Condition 6.3, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Instrument and the Securities and, to the extent provided in the Trust Instrument, to enforce the security constituted by the Trust Instrument, but it shall not be obliged to take any such proceedings unless (a) it shall have been so requested or directed by any person entitled to make such request or give such direction pursuant to General Condition 6.7.1 and (b) it shall have been indemnified to its satisfaction and provided that it shall not be obliged to take any action if it would be against any applicable law.

Only the Trustee (or, to the extent provided in General Condition 6.7.2, the Selling Agent) may pursue the remedies available under the Trust Instrument to enforce the rights of the Securityholders and/or any Hedging Counterparty and/or the Custodian in respect of the security and no Securityholder, no Hedging Counterparty, the Custodian or the Principal Agent is entitled to proceed against the Issuer with respect to the security unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Instrument, fails or neglects to do so.

The Trustee, each Hedging Counterparty, the Securityholders, the Custodian and the Principal Agent shall have recourse only to the Charged Property and the Selling Agent or the Trustee having realised the same and distributed the net proceeds in accordance with Condition 6.4, the Trustee, each Hedging Counterparty, the Securityholders, the Custodian, the Principal Agent or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer or the Trustee to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, any Hedging Counterparty, the Custodian, the Principal Agent, any Securityholder nor any other

party to the Trust Instrument shall be entitled to petition or take any other step for the winding-up of the Issuer or the appointment of an examiner in respect of the Issuer, nor shall any of them have any claim in respect of any asset of the Issuer not forming part of the Charged Property.

## **12. Meeting of Securityholders; Modifications; Waiver; and Substitution**

### **12.1 Meetings of Securityholders**

The Trust Instrument contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Securities (including these General Conditions or the provisions of the Trust Instrument insofar as the same may apply to such Securities). The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in aggregate Nominal Amount of the Securities for the time being outstanding or, at any adjourned such meeting, one or more persons being or representing Securityholders, whatever the aggregate Nominal Amount of the Securities so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity of the Securities, or any date for any payment in respect thereof, (ii) to cancel any Security or reduce the Nominal Amount of any Note or reduce any amount payable on redemption or cancellation of, the Securities, (iii) to reduce the rate or rates of interest or where applicable, to modify, except where such modification will, in the opinion of the Trustee, result in an increase, the method of calculating the amount payable or to modify of the date of payment or, where applicable the method of calculating the date of payment in respect of any principal, premium or interest (if any) in respect of the Securities, (iv) if a Minimum and/or a Maximum Interest Rate is shown in the Product Conditions, to reduce any such Minimum and/or Maximum Interest Rate, (v) to change any method of calculating the Early Termination Amount or, any other amount payable in respect thereof, (vi) to change the currency or currencies of payment or denomination of the Securities, (vii) to modify or amend or cancel the exercise rights in respect of any Certificate, (viii) to take any steps which as specified in the Trust Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (ix) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution, (x) to modify the provisions of the Trust Instrument concerning this exception or (xi) to modify any other provisions specifically identified for this purpose in the Trust Instrument, will only be binding if passed at a meeting of the Securityholders, the quorum at which shall be one or more persons holding or representing 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in aggregate Nominal Amount of the Securities for the time being outstanding.

### **12.2 Modification**

The Trustee may, without the consent of the Securityholders but only with the prior written consent of each Hedging Counterparty agree to (i) any modification to the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) any modification of any of the provisions of the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which in the opinion of the Trustee is not materially prejudicial to the interests of the Securityholders and provided that, in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that its current rating of such Securities will not be

adversely affected and (iii) any modification of the provisions of the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which is made to satisfy any requirement of (in the case of rated Securities) any Relevant Rating Agency or any stock exchange on which the Securities are or are proposed to be, listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Securityholders. The Trust Instrument provides that the Issuer shall not agree to any amendment or modification of the Trust Instrument without first obtaining the consent in writing of each Hedging Counterparty, which consent shall not be unreasonably withheld or delayed.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with General Condition 15.

### 12.3 **Waiver**

The Trustee may, without the consent of the Securityholders but only with the prior written consent of each Hedging Counterparty and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Securityholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer of any of the covenants or provisions in the Trust Instrument or these Securities or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this General Condition 12.3 in contravention of any express direction given by an Extraordinary Resolution of the Securityholders but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Securityholders and each Hedging Counterparty.

### 12.4 **Substitution**

The Trust Instrument contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Instrument and such other conditions as the Trustee may require but without the consent of the Securityholders but subject to the prior written consent of each Hedging Counterparty, to the substitution of any other company (a "**Substitute Company**") in place of the Issuer or of any previous substituted company, as principal obligor under the Trust Instrument and all of the Securities then outstanding (subject, in the case of rated Securities, to each Relevant Rating Agency having confirmed in writing that its current rating of such Securities will not be adversely affected by such substitution) provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Securityholders. In the case of such a substitution the Trustee may agree, without the consent of the Securityholders but subject to the prior written consent of each Hedging Counterparty, to a change of the law governing the Securities and/or the Trust Instrument provided that (i) such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Securityholders and (ii) in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating of such Securities.

The Trust Instrument provides that, if a Director or other authorised officer of any Substitute Company certifies that the Substitute Company will be solvent immediately after the time at which the substitution is to be effected, the Trustee shall not have regard to the financial condition, profits or prospects of such Substitute Company or compare the same with those of the Issuer (or any previously substituted company).

## **12.5 Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this General Condition) the Trustee shall have regard to the interests of the holders of the Securities as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Securities.

## **13. Replacement of Securities**

If a Security is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws at the specified office of the Principal Agent in London or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders in accordance with General Condition 15, 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 and otherwise as the Issuer may require. Mutilated or defaced Securities must be surrendered before replacements will be issued.

## **14. Further Issues**

The Issuer may from time to time without the consent of the Securityholders, create and issue further securities so as to be consolidated and form a single series with the existing Securities subject to General Condition 8 and subject, (1) in the case of rated Securities, to each Relevant Rating Agency having confirmed in writing that its current rating of such Securities will not be adversely affected and (2) in the case of unrated Securities, the Trustee being satisfied that the value of the Charged Property relating to the relevant Series is correspondingly increased.

Any such securities shall be constituted in accordance with the Trust Instrument.

## **15. Notices**

For so long as the Securities are all represented by one or more Global Securities, notices to the Securityholders will be valid if delivered to the Clearing Agent(s) for communication by them to the Securityholders, provided that so long as the Securities are listed on any stock exchange or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange and each such jurisdiction.

Notices given pursuant to the preceding paragraph will become effective on, if delivered to the relevant Clearing Agent(s), the third day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one) or, if published (whether or not also so given), on the date of such publication, or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers.

## **16. Agents**

The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder. Subject as provided in General Condition 6.5 relating to the Custodian the Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any of the Agents and to appoint additional or other Paying Agents, provided that the Issuer will at

all times maintain (i) a Principal Agent, (ii) a Calculation Agent where the Product Conditions so require one, (iii) a Paying Agent having a specified office in a European city approved by the Trustee, (iv) a Custodian where the Product Conditions so require, and (v) a Selling Agent where the Product Conditions so require. If and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, a Paying Agent will be maintained in each country required by the rules and regulations of each such stock exchange and each such jurisdiction. Notice of any such change or any change of any specified office of any Paying Agent will promptly be given to the Securityholders in accordance with General Condition 15.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Product Conditions whether by the Calculation Agent or the Trustee or its appointee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Agent, the Paying Agents, the Calculation Agent and all Securityholders and no liability to the Issuer, the Securityholders or any other person shall attach to (in the absence as aforesaid) the Calculation Agent or (in the absence of wilful default) the Trustee or its appointee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

#### **17. Indemnification and Obligations of the Trustee; Replacement of the Trustee**

The Trust Instrument contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Charged Property. The Trustee is not obliged to take any action under the Trust Instrument unless indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, any issuer or guarantor (where applicable) of any of the Collateral, any Hedging Counterparty, or any of their subsidiary, holding or associated companies without accounting to the Securityholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Collateral is held in an account with Euroclear, Clearstream or any other clearance system in accordance with that system's rules or otherwise held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

The Trust Instrument provides that the Trustee will be under no obligation or duty to act on any directions of the Securityholders or the Hedging Counterparty(ies) (save in each case as expressly provided in the Trust Instrument) and (save as aforesaid) in the event of any conflict between directions given by the Securityholders and the Hedging Counterparty(ies) (in any case where it is expressly provided in the Trust Instrument that the Securityholders and the Hedging Counterparty(ies) are entitled to give directions to the Trustee) it shall be entitled to act in accordance only with the directions of the Securityholders (but without prejudice to the provisions concerning the enforcement of security under General Conditions 6.7 and 11 and the Trust Instrument and to the provisions concerning the application of moneys received by the Trustee upon such enforcement under General Condition 6.4 and the Trust Instrument).

The Trust Instrument provides that the Issuer may replace the Trustee subject to the prior approval by Extraordinary Resolution of the Securityholders and by each Hedging Counterparty.

## **18. Governing Law and Jurisdiction**

### **18.1 Governing Law**

The Trust Instrument and the Securities are governed by, and shall be construed in accordance with, English law.

### **18.2 Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any legal action or proceedings arising out of or in conjunction with the Securities may be brought in such courts. The Issuer has in the Trust Instrument irrevocably submitted to the jurisdiction of such courts.

### **18.3 Agent for Service of Process**

The Issuer has irrevocably appointed the person specified in the Trust Instrument as its Agent for Service of Process, at its registered office for the time being, as its agent to receive, for it and on its behalf, service of process in any proceedings in England.

## DESCRIPTION OF THE ISSUER

### General

The Issuer was incorporated in Ireland as a public limited company with unlimited duration on 28 August 2003, and registered at the Companies Registration Office, Dublin, Ireland, under number 375106 under the name dbInvestor Solutions public limited company, under the Companies Acts 1963 to 2001.

The registered office of the Issuer is at 5 Harbourmaster Place, Dublin 1, Ireland and the telephone number of the Issuer is +353 1680 6000. The Issuer has been established, inter alia, as a special purpose vehicle. The authorised share capital of the Issuer is EUR 10,000,000 divided into 10,000,000 Ordinary Shares of EUR 1 each ("**Shares**" and each a "**Share**").

The Issuer has issued 40,000 Shares, all of which are fully paid. Each is held either directly or indirectly by three charitable trust companies, Matsack Trust Limited, Matsack Nominees Limited and Raisa Limited.

Each of the issued Shares are held on trust by the holders thereof (each holder a "**Share Trustee**" and, together, the "**Share Trustees**") under the terms of a declaration of trust (each a "**Declaration of Trust**" and, together, the "**Declarations of Trust**") dated 28 August 2003, under which the relevant Share Trustee holds its Shares on trust for charitable purposes. The Share Trustees have no beneficial interest in and derive no benefit (other than any fees for acting as Share Trustee) from their holding of the Shares.

### Business

So long as any of the Securities remain outstanding, the Issuer will be subject to the restrictions set out in General Condition 8 and each Trust Instrument.

The Issuer has, and will have, no assets other than the sum of EUR 40,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Securities or the purchase, sale or incurring of other obligations and any Charged Property and any other assets on which the Securities are secured. Save in respect of the fees generated in connection with each issue of Securities, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Issuer has made no principal investments since 31 December 2006 and the management body of the Issuer has made no firm commitments for any principal future investments, in each case other than issuing Securities, if applicable, and entering into related arrangements. The objects of the Issuer are set out in its Memorandum and Articles of Association, which are available as described in "General Information". The Issuer's business is the issue of securities based on investor demand and earning fees in connection with such activity.

The Securities are obligations of the Issuer alone and not of, or guaranteed in any way by, the Share Trustees or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Arranger, any Hedging Counterparty, any Repurchase Counterparty or any Agent.

There are no recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.

## Capitalisation

The capitalisation of the Issuer as at the date of this Programme Section is as follows.

### *Shareholders' Funds:*

Share capital: EUR 40,000

(Authorised EUR 10,000,000; Issued 40,000 Ordinary Shares of EUR 1 each). Save for the issues of Securities described in the Securities Section and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

## Directors and Company Secretary

The Directors of the Issuer are as follows:

<i>Director</i>	<i>principal outside activities</i>
Michael Whelan	Employee of Deutsche International Corporate Services (Ireland) Limited
Liam Quirke	Solicitor, Matheson Ormsby Prentice
Niall O'Carroll	Retired Accountant and Company Director

The business address of Liam Quirke is 70 Sir John Rogerson's Quay, Dublin 2, Ireland, the business address of Niall O'Carroll is "Thurleigh", Upper Churchtown Road, Dundrum, Dublin 14, Ireland and the business address of Michael Whelan is c/o Deutsche International Corporate Services (Ireland) Limited, 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland.

The Company Secretary is Deutsche International Corporate Services (Ireland) Limited.

Deutsche International Corporate Services (Ireland) Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

## Financial Statements

The financial year of the Issuer is the calendar year. The Issuer will not prepare interim financial statements.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the specified office of the Principal Paying Agent. The Issuer must hold an annual general meeting in each calendar year and the gap between its annual general meetings must not exceed 15 months.

The auditors of the Issuer are KPMG Chartered Accountants and Registered Auditors, 1 Harbourmaster Place, IFSC, Dublin 1, Ireland whose responsibilities, as independent auditors, are



established in Ireland by statute, the Auditing Practices Board and by their profession's ethical guidance. The auditors of the Issuer have audited the Issuer's accounts, without qualification, in accordance with generally accepted auditing standards in Ireland for each of the two financial years ended on 31 December 2005 and 31 December 2006 and have no material interest in the Issuer.

The audited financial statements of the Issuer for the financial years ended 31 December 2005 and 31 December 2006 are included in the form and context in which they are included in Part A and Part B, respectively, of the Schedule to this Programme Section, with the consent of the auditors who have authorised the contents of that part of this Programme Section. The audited financial statements of the Issuer for the financial year ended 31 December 2007 have not yet been published.

## TAXATION

### Country Specific Taxation

Potential purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities. In addition to the information below potential purchasers of Securities should consider the section "Additional Information" set out in the relevant Securities Section (if such section is included).

### Irish Taxation

***The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Securities. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities. The summary relates only to the position of persons who are the absolute beneficial owners of the Securities and may not apply to certain other classes of persons such as dealers in securities.***

***The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Programme Section, which are subject to prospective or retroactive change. Prospective investors in the Securities should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local tax laws.***

#### *Income Tax*

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

A Security issued by the Issuer in bearer form should not be regarded as property situate in Ireland (and hence Irish source income) once it is not physically located in Ireland.

#### *Withholding Taxes*

In general, withholding tax at the rate of 20 per cent. must be deducted from interest payments made by an Irish company. However, Section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, inter alia, interest payments made by the Issuer to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (being an EU member state other than Ireland, or a country that has entered into a double tax treaty with Ireland). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "quoted Eurobond" without deduction of tax in certain circumstances. A quoted Eurobond is defined in Section 64 as a security which:

- (i) is issued by a company;
- (ii) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established); and

(iii) carries a right to interest.

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

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
  - (i) the quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream Banking AG, Clearstream and the Depository Trust Company of New York have been designated as recognised clearing systems); or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently 20 per cent.) from interest on any quoted Eurobond, where such interest is collected by a person in Ireland.

The return on the Securities will not be subject to Irish interest withholding tax where such return is not a payment of interest.

#### *Capital Gains Tax*

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

#### *Capital Acquisitions Tax*

If the Securities are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponer or if the disponer's successor is resident or ordinarily resident in Ireland, or if any of the Securities are regarded as property situate in Ireland, the disponer's successor may be liable to Irish capital acquisitions tax. As stated above, Securities issued by the Issuer will not, in general, be regarded as property situate in Ireland.

#### *Stamp Duty*

For as long as the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Securities, provided that the money raised by the issue of the Securities is used in the course of the Issuer's business.

#### **Taxation in Luxembourg**

***The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.***

***Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the***

*present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (impôt de solidarité) as well as personal income tax (impôt sur le revenu) generally. Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.*

#### *Withholding Tax*

##### (i) Non-resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Securities, nor on accrued but unpaid interest in respect of the Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Securities held by non-resident holders of Securities.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Laws would at present be subject to withholding tax of 15%.

##### (ii) Resident holders of Securities

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 (the "**Law**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Securities coming within the scope of the Law would be subject to withholding tax of 10%.

### *Income Taxation*

#### (i) Non-resident holders of Securities

A non-resident corporate holder of Securities or an individual holder of Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Securities are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Securities and on any gains realised upon the sale or disposal, in any form whatsoever, of the Securities.

#### (ii) Resident holders of Securities

A corporate holder of Securities must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Securities, acting in the course of the management of a professional or business undertaking.

A holder of Securities that is governed by the law of 31 July 1929, on pure holding companies, as amended, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds or that is a capital company governed by the law of 15 June 2004 on venture capital vehicles is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Securities.

An individual holder of Securities, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Securities, except if withholding tax has been levied on such payments in accordance with the Law. A gain realised by an individual holder of Securities, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Securities were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if withholding tax has been levied on such interest in accordance with the Law.

### *Net Wealth Taxation*

A corporate holder of Securities, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Securities are attributable, is subject to Luxembourg wealth tax on such Securities, except if the holder of Securities is governed by the law of 31 July 1929 on pure holding companies, as amended, or by the law of 11 May 2007 on family estate management companies or by the law of 20 December 2002 on undertakings for collective investment, as amended, and the law of 13 February 2007 on specialised investment funds or is a securitisation company governed by the law of 22 March 2004 on securitisation, or a capital company governed by the law of 15 June 2004 on venture capital vehicles.

An individual holder of Securities, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Securities.

## *Other Taxes*

Neither the issuance nor the transfer of Securities will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of Securities is a resident of Luxembourg for tax purposes at the time of his/her death, the Securities are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Securities if embodied in a Luxembourg deed or recorded in Luxembourg.

## **Taxation in Italy**

***The statements herein regarding taxation are based on the laws in force in Italy as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.***

### *Tax treatment of the Securities*

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at maturity, an amount not lower than their nominal value.

However, under a conservative interpretation of Italian tax law, Securities can qualify as bonds and debentures similar to bonds only to the extent that the capital protection is guaranteed at their maturity date and in the case of early cancellation. Therefore, since the Securities in the case of early cancellation do not guarantee the full redemption of the Nominal Amount per Security, there is a remote possibility that Securities could be treated as atypical securities and therefore subject to a final 27 per cent. withholding tax (for more details refer to the risk factor "Risk of tax re-characterisation of the Securities as 'atypical securities'" under the Risk Factors Section above.

### *Italian resident investors*

Where an Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected (unless he has opted for the application of the *risparmio gestito* regime – see "Capital Gains Tax" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Securities, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 12.50 per cent. In the event that the Securityholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Securityholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Securities are effectively connected and the Securities are deposited with an authorised intermediary, interest, premium and other income from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Securityholder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Securities made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund (a "**Fund**") or a SICAV, and the Securities are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Securities will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund or SICAV accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50 per cent. rate.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Securities are deposited with an authorised intermediary, interest, premium and other income relating to the Securities and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Securities. For the purpose of the application of the *imposta sostitutiva*, a transfer of Securities includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Securities or in a change of the Intermediary with which the Securities are deposited.

Where the Securities are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Securityholder.

#### *Early Cancellation*

Without prejudice to the above provisions, in the event that Securities having an original maturity of at least 18 months are cancelled, in full or in part, prior to 18 months from their issue date, Italian resident Securityholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the cancellation of the Securities, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early cancellation.

#### *Non-Italian Resident Securityholders*

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Securityholder of interest or premium relating to the Securities provided that, if the Securities are held in Italy, the non-Italian resident Securityholder declares itself to be a non-Italian resident according to Italian tax regulations.

### *Capital Gains Tax*

Any gain obtained from the sale, early cancellation or redemption of the Securities would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Securityholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Securities are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

Where an Italian resident Securityholder is an individual not holding the Securities in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Securityholder from the sale, early cancellation or redemption of the Securities would be subject to an *imposta sostitutiva*, levied at the current rate of 12.50 per cent. Securityholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Securities are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder holding Securities not in connection with an entrepreneurial activity pursuant to all sales, early cancellation or redemptions of the Securities carried out during any given tax year. Italian resident individuals holding Securities not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Securities not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early cancellation or redemption of the Securities (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Securities being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Securityholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, early cancellation or redemption of the Securities (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the *risparmio amministrato* regime, where a sale, early cancellation or redemption of the Securities results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Securityholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Securities not in connection with an entrepreneurial activity who have entrusted the management of their financial assets,



including the Securities, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Securityholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50 per cent. substitute tax.

Any capital gains realised by a Securityholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Securityholders from the sale, early cancellation or redemption of the Securities are not subject to Italian taxation, provided that the Securities (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy.

#### *Inheritance and gift taxes*

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;
- (ii) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and
- (iii) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

#### *Transfer Tax*

Article 37 of Law Decree No. 248 of 31 December 2007 (Decree No. 248), published on the Italian Official Gazette No. 302 of 31 December 2007, has abolished the Italian transfer tax provided for by the Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

#### *Implementation in Italy of the EU Savings Directive*

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (the Decree No. 84). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

## SALES RESTRICTIONS

### General

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Issuer will enter into a Purchase Agreement with the Arranger in respect of the Securities, pursuant to which the Arranger will agree, among other things, to procure purchasers for the Securities.

The Securities will be offered for subscription by the Issuer during the Offer Period at the Offer Price. On the Issue Date, the Securities which have been subscribed by the public will be issued to the investors by using the Distributors as intermediaries. Such Securities will be transferred through the Arranger via the Distributors at the Offer Price to the investors who have subscribed for them at such price during the Offer Period. Following the Offer Period, the Securities may then be sold by the Arranger at such times and at such prices as the Arranger may select provided that where the Securities are listed on any stock exchange this shall be subject to applicable regulations of any such stock exchange. The Securities may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Arranger. Neither the Issuer nor the Arranger shall be obliged to sell all or any of the Securities.

Unless otherwise provided in the Purchase Agreement, the Arranger will in the Purchase Agreement agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Prospectus or any part thereof or any other offering material in all cases at its own expense unless otherwise agreed and the Issuer shall have no responsibility therefor.

### United States

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Any offer or sale for the Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder. Trading in the Securities has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act, as amended (the "**Commodity Exchange Act**"). No Securities, or interest therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to or for the account or benefit of any U.S. person or to others for offer, sale, resale or delivery, directly or indirectly, in the United States" or to, or for the account or benefit of, any U.S. Person. As used herein, "**United States**" 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, and "**U.S. person**" means any person who is either a U.S. person as defined in Regulation S under the Securities Act or a person who does not come within the definition of a non-United States person under CFTC Rule 4.7.

Without limitation upon the foregoing, the Arranger has agreed that, except as permitted by the Purchase Agreement, it will not offer, sell or deliver Securities (i) as part of their distribution as any time or (ii) otherwise until 40 days after the later of the commencement of the offering of such Securities and the completion of distribution of the offering (or such other period as may be determined in accordance with Regulation S under the Securities Act) of such Securities as determined and certified by the Arranger, within the United States, or to or for the account or benefit of U.S. persons, and that it will have sent to each dealer to which it sells such Securities during the restricted period a confirmation or other notice setting forth the restrictions on offers and

sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act.

In addition, an offering or sale of Securities within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") and in the Purchase Agreement, the Arranger will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State other than the offers contemplated in the Prospectus in Italy from the time the Prospectus has been approved by the competent authority in Luxembourg and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Italy until the Issue Date, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

### **United Kingdom**

In the Purchase Agreement the Arranger will agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**"), received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

## **Ireland**

In the Purchase Agreement the Arranger will agree that:

- (a) it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite any Securities to the public in Ireland prior to the publication of a prospectus in relation to the Securities, which has been approved by the Irish Financial Services Regulatory Authority (the "**IFSRA**") pursuant to the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, except in circumstances which do not require the publication of a prospectus pursuant to Article 3(2) of the Prospectus Directive;
- (b) to the extent applicable, it has complied with and will comply with all applicable provisions of the Irish Companies Acts 1963-2006;
- (c) to the extent applicable, it will not offer, sell, underwrite the issue of, place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (S.I. No. 60 of 2007) (as amended), and it will conduct itself in accordance with any codes or rules of conduct and any conditions or requirements, or any other enactment, imposed or approved by IFSRA with respect to anything done by it in relation to the Securities; and
- (d) to the extent applicable, it will not offer, sell, underwrite the issue of, place or otherwise act in Ireland in respect of the Securities, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by IFSRA pursuant thereto.

## **Public Offer**

Upon submission of the Prospectus to the CSSF for approval, the Issuer intends to request that the CSSF provides to the competent authority (*Commissione Nazionale per le Società e la Borsa-CONSOB*) in Italy (the "**Public Offer Jurisdiction**") a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Upon provision of such certificate, an offer of the Securities may be made by Deutsche Bank S.p.A. and Finanza & Futuro Banca S.p.A. (the "**Distributors**") other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction during the period set out in paragraph (a) below. The Securities may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdiction), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdiction.

- (a) Offer Period:

From 26 June 2008 to the Primary Market End Date.

The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR150,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time, without any prior notification.

In the event that during the Offer Period the requests exceed the amount of the offer destined to prospective investors, equal to 150,000 Securities, the Issuer will proceed to early terminate the Offer Period and will immediately suspend the acceptance of further requests.

(b) Primary Market End Date:

1 October 2008.

(c) Offer Price:

EUR1,000 per Security.

(d) Conditions to which the offer is subject:

Offers of the Securities are conditional on their issue.

(e) Description of the application process:

Applications for the Securities can be made in Italy through the Distributors in accordance with the Distributors' usual procedures.

During the Offer Period described above, the public in Italy and qualified investors can accept the offer during normal banking hours in Italy.

During the Offer Period no undertakings have been made by third parties to guarantee the subscription of the Securities.

A prospective investor should contact the Distributors in Italy prior to the end of the Offer Period. A prospective investor will subscribe for the Securities by signing a subscription application of the Distributors for the Securities. Such application must be specific for the Securities and drafted in accordance with the arrangements existing between the Distributors and its customers relating to the subscription of securities generally. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for the Securities.

(f) Details of the minimum and/or maximum amount of application:

The minimum allocation per investor will be EUR 1,000 in nominal amount of the Securities. The maximum allocation of Securities will be subject only to availability at the time of the application.

(g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable

(h) Details of the method and time limits for paying up and delivering the Securities:

Investors will be notified by the Distributors of their allocations of Securities and the settlement arrangements in respect thereof.

The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.

(i) Manner and date in which results of the offer are to be made public:

The results of the offer will be available from the Distributors following the end of the Offer Period and prior to the Issue Date. The precise Aggregate Nominal Amount of Securities to

be issued will be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) in accordance with Article 10 of the Prospectus Act 2005 on or around 2 October 2008.

- (j) Categories of potential investors to which the Securities are offered:

Offers may be made by the Distributors in the Public Offer Jurisdiction to any person during the Offer Period. Qualified Investors as defined in Article 2 of the Prospectus Directive may be assigned only those Securities remaining after the allocation of all Securities requested by the public in Italy during the Offer Period.

Offers may not be made by the Arranger in the Public Offer Jurisdiction to any person during the Offer Period.

In other EEA countries and in all jurisdictions (including the Public Offer Jurisdiction) outside of the Offer Period, offers will only be made by the Arranger and Distributors (the "**Financial Intermediaries**") pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus.

- (k) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

There are no pre-identified allotment criteria. The Distributors will adopt allotment criteria that ensures equal treatment of prospective investors. All of the Securities requested through the Distributors during the Offer Period will be assigned up to the maximum amount of the offer.

No dealings in the Securities may take place prior to the Issue Date.

- (l) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights:

Not Applicable

- (m) Name(s) and address(es) of the placers in the various countries where the offer takes place:

With reference to the offering in Italy the Securities will be distributed by Deutsche Bank S.p.A (via San Prospero 2, 20126 – Milano – Italy) and Finanza & Futuro Banca S.p.A., (Piazza del calendario 3, 20126 – Milano – Italy).

For the avoidance of doubt, the Issuer will not act as a Distributor.

- (n) Lead manager (*responsabile del collocamento*) in Italy

With reference to the offer of the Securities in Italy, the role of lead manager (*responsabile del collocamento*) is performed by Deutsche Bank S.p.A.

- (o) Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

The Issuer is not aware of any expenses and taxes specifically charged to the subscriber or purchaser.

For the Offer Price, which indirectly includes the commissions payable by the Arranger to the Distributors, see paragraph (c) "Offer Price" above.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or filed with the CSSF shall be deemed to be incorporated in, and to form part of, this Prospectus:

the Memorandum and Articles of Association of the Issuer  (for information purposes only)	pages 1 to 6, and 7 to 26 respectively
---	--

Following the publication of the Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in the Prospectus or in a document which is incorporated by reference in the Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are deemed to be incorporated herein by reference (to the extent that they relate to the Issuer) unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the principal office of the Issuer, being in the case of the Issuer, the address set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified offices of the Paying Agents for the time being in London and Luxembourg and from the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Securities, prepare a further supplement to this Prospectus.



## GENERAL INFORMATION

- (1) The issue of the Securities was authorised by a resolution of the Board of Directors passed on 19 June 2008.
- (2) Save as disclosed herein, there has been no material adverse change in the financial position or prospects of the Issue, since 31 December 2006.
- (3) Save as disclosed herein, the Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had during the previous 12 months, a significant effect on its financial position or profitability, nor is the Issuer aware that such proceedings are pending or threatened.
- (4) The Securities have been accepted for clearance through the Clearing Agent stipulated as such in the Product Conditions. The International Securities Identification Number (ISIN) is set out in the Product Conditions.
- (5) The following documents (when executed and/or published, as applicable) will be available, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at the specified offices of each of the Paying Agents and at the specified office of the Issuer (and copies of the documents specified in sub-paragraphs (iii), and (v) below may be obtained free of charge from the specified office of each of the Paying Agents):
  - (i) the Memorandum and Articles of Association of the Issuer;
  - (ii) the Declarations of Trust;
  - (iii) this Prospectus and the Base Prospectus;
  - (iv) the Trust Instrument and each document incorporated by reference into such Trust Instrument (including, for the avoidance of doubt, the Hedging Agreement and details of the terms and conditions on which the Trustee has been appointed);
  - (v) the published annual audited financial statements of the Issuer in respect of the financial years ended 31 December 2005 and 31 December 2006 in each case together with the audit reports prepared in connection therewith; and
  - (vi) such other documents (if any) as may be required by the rules of any stock exchange on which the Securities are at the relevant time listed.
- (6) The Issuer does not intend to provide any post-issuance information in relation to any underlying assets for the Securities.
- (7) The Issuer does not intend to provide any post-issuance transaction information in relation to the Securities or the performance of the Collateral.
- (8) The Base Prospectus has been published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). The Prospectus will be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). The Prospectus and the Italian translation of the Summary will also be published on the following website: [www.it.investmentprodukte.db.com](http://www.it.investmentprodukte.db.com).

**SCHEDULE -  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**PART A**  
**YEAR ENDED 31 DECEMBER 2005**

**PART B**  
**YEAR ENDED 31 DECEMBER 2006**

**REGISTERED OFFICE OF THE ISSUER**

**dbInvestor Solutions plc**  
5 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

**ARRANGER**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**PRINCIPAL AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**CUSTODIAN**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**CALCULATION AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
England

**LEGAL ADVISERS**

*to the Arranger and the Trustee  
as to English law*

*to the Issuer as to Irish law*

**Allen & Overy LLP**  
One Bishops Square  
London E1 6AD  
England

**Matheson Ormsby Prentice**  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**LUXEMBOURG LISTING AGENT AND PAYING AGENT**  
**Deutsche Bank Luxembourg S.A.**  
2 boulevard Konrad  
Adenauer L-1115  
Luxembourg

Printed by Allen & Overy LLP

ICM:6677289.5