

CONDITIONS OF BONDS

These Conditions of Bonds shall apply to the issue of COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK NEDERLAND) JAPANESE YEN SUBORDINATED BONDS –FIRST SERIES (2014) (the "**Bonds**") pursuant to lawful authorisation by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) (the "**Issuer**").

1 **Aggregate Principal Amount, Date of Issuance, Amount of each Bond and Form**

- (1) The aggregate principal amount of the Bonds is ¥50,800,000,000.
- (2) The Bonds will be issued on 19 December 2014 (the "**Issue Date**").
- (3) The amount of each of the Bonds shall be ¥100,000,000.
- (4) The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") adopted from time to time by the Book-Entry Transfer Institution (as defined in Condition 4).

The certificates for the Bonds (the "**Bond Certificates**") shall not be issued except in such exceptional events as provided under the Book-Entry Transfer Law where the holders of the Bonds (the "**Bondholders**") may make a request for the issue of Bond Certificates. In the event that the Bond Certificates are issued, such Bond Certificates shall be only in bearer form with unmatured interest coupons (the "**Coupons**") attached and the Bondholders may not request that the Bond Certificates be exchanged for Bond Certificates in registered form or divided or consolidated.

If the Bond Certificates are issued, the manner of the calculation and payment of principal of and interest on the Bonds, the exercise of the rights under the Bonds by the Bondholders and the transfer of the Bonds, and all other matters in respect of the Bonds shall be subject to the then applicable Japanese laws and regulations. In the event of any inconsistency between the provisions of these Conditions of Bonds and the then applicable Japanese laws and regulations as aforesaid, such Japanese laws and regulations shall prevail.

All expenses incurred in connection with the issue of the Bond Certificates shall be borne by the Issuer.

2 **Status of the Bonds**

- (1) The Bonds and the Coupons (if issued) constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The rights and claims of the Bondholders and the holders of a Coupon (if issued) (the "**Couponholders**") are subordinated as described in Condition 2(2).

- (2) Subject to exceptions provided by mandatory applicable law, the payment obligations under the Bonds and Coupons (if issued) constitute unsecured obligations of the Issuer and shall, in the case of (i) the bankruptcy of the Issuer, (ii) a Moratorium or (iii) dissolution (*ontbinding*) as a result of the insolvency of the Issuer, rank, in accordance with applicable laws of the Netherlands:
- (a) subordinated and junior only to present or future unsubordinated indebtedness of the Issuer;
 - (b) *pari passu* with Parity Securities and any other present or future indebtedness of the Issuer which ranks by or under its own terms or otherwise *pari passu* with the Bonds; and
 - (c) senior to any other present or future obligation of the Issuer which constitutes or is eligible to constitute Tier 1 Capital or which otherwise ranks by or under its own terms or otherwise, subordinate or junior to the Bonds.

By virtue of such subordination, payments to the Bondholders and Couponholders will, in the case of the bankruptcy or dissolution as a result of the insolvency of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to the Bonds and Coupons (if issued) have been satisfied in full. In addition, any right of set-off by the Bondholders or Couponholders in respect of any amount owed to such Bondholders or Couponholders by the Issuer under or in connection with such Bond or Coupon (if issued) shall be excluded and each Bondholder or Couponholder shall, by virtue of being the Bondholder or Couponholder, as the case may be, be deemed to have waived all such rights of set-off in full.

"Moratorium" means a situation in which an "emergency regulation" (*noodregeling*) as contemplated in Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, is applicable to the Issuer.

"Parity Securities" means the Issuer's EUR1,000,000,000 5.875 per cent. Subordinated Notes 2009 due 20 May 2019 (ISIN: XS0429484891), EUR1,000,000,000 3.75 per cent. Subordinated Notes due 9 November 2020 (ISIN: XS0557252417), GBP500,000,000 5.25 per cent. Subordinated Notes due 2027 (ISIN: XS0827563452), EUR1,000,000,000 4.125 per cent. Subordinated Notes due 2022 (ISIN: XS0826634874), USD1,500,000,000 3.95 per cent. Subordinated Notes due 2022 (ISIN: US21685WDF14), EUR1,000,000,000 3.875 per cent. Subordinated Notes due 2023 (ISIN: XS0954910146), USD1,750,000,000 4.625 per cent. Subordinated Notes due 2023 (ISIN: US21684AAA43), USD1,250,000,000 5.750 per cent. Subordinated Notes due 2043 (ISIN: US21684AAB26), EUR 2,000,000,000 2.5 per cent. Subordinated Notes 2014 due 26 May 2026 (XS1069772082) and GBP 1,000,000,000 4.625 per cent. Subordinated Notes 2014 due 23 May 2029 (XS1069886841).

"Tier 1 Capital" means, at any time, all items classified as Tier 1 Capital (as defined at such time, in the Solvency Rules) of the Rabobank Group.

"Solvency Rules" means the solvency rules from time to time pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (as amended from time to time) or any other rules or regulations relating to capital to which the Issuer and the Rabobank Group are subject, which at the Issue Date shall include, without limitation, CRD IV (as defined in Condition 6(4)).

"**Rabobank Group**" means the Issuer together with its branches and consolidated subsidiaries and the Issuer's local member banks.

3 Appointment of Fiscal Agent, Issuing Agent and Paying Agent and Non-appointment of Commissioned Companies for Bondholders

- (1) Mizuho Bank, Ltd. acts as fiscal agent, issuing agent and paying agent (the "**Fiscal Agent**", unless the context otherwise requires, the term "**Fiscal Agent**" means an agent acting in all these capacities) of the Issuer in connection with the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal, Issuing and Paying Agency Agreement (the "**Fiscal Agency Agreement**") dated 12 December 2014 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement, to which these Conditions of Bonds are attached, shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned companies for bondholders are appointed in respect of the Bonds.
- (3) The Issuer may vary the appointment of the Fiscal Agent; provided that the appointment of the Fiscal Agent shall continue until a replacement Fiscal Agent (provided that such replacement Fiscal Agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) shall be effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement Fiscal Agent (provided that such replacement Fiscal Agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.

4 Book-Entry Transfer Institution

In relation to the Bonds, Japan Securities Depository Center, Incorporated (the "**Book-Entry Transfer Institution**") acts as book-entry transfer institution (*furikae kikan*) under the Book-Entry Transfer Law.

In these Conditions of Bonds, all references to the Book-Entry Transfer Institution shall be deemed to include any successor book-entry transfer institution as designated by a competent minister pursuant to the Book-Entry Transfer Law.

5 Interest

The Bonds bear interest at the rate of 1.429% per annum of their principal amount.

The Bonds bear interest from and including 20 December 2014 to and including 19 December 2024 (subject to the third paragraph of this Condition 5), payable in Japanese Yen semi-annually in arrears on 19 June and 19 December of each year in respect of the six-month period to and including each such date. Whenever it is necessary to compute an

amount of interest for a period of other than six months, such interest shall be calculated for the actual number of calendar days of the period from (and including) the first day of that period to (and including) the last day of that period on the basis of a 365-day year.

The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption at maturity or otherwise; provided, however, that should the Issuer fail to redeem any of the Bonds when due, then the Issuer shall pay accrued interest on the unpaid principal amount in Japanese Yen for the actual number of days of the period from but excluding the due date to and including the date of the actual redemption of such Bonds, computed on the basis of a 365-day year at the rate specified in the first paragraph of this Condition 5. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules) allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts to make book-entry transfer of the Bonds at the Book-Entry Transfer Institution (*kiko kanyusha*) (the "**Institution Participants**"); provided that if such overdue allocation is not permitted under the Business Rules, such period shall not exceed the 14th day counting from the date on which the last public notice is given by the Fiscal Agent in accordance with Condition 7(3).

6 Redemption and Purchase

(1) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in Condition 6(3), (4), (5) or (6), each Bond shall be finally redeemed on 19 December 2024 at a price equal to its principal amount.

(2) Conditions to Redemption and Purchase

Any redemption or purchase of the Bonds in accordance with Condition 6(3), (4) or (5) is subject to the Issuer (i) obtaining the prior written consent of the Competent Authority, provided that at the relevant time such consent is required to be given; and (ii) except in the case of any purchase of the Bonds in accordance with Condition 6(5), giving notice to the Fiscal Agent and public notice to the Bondholders (which notice and public notice shall be given no less than 30 nor more than 60 days prior to the proposed redemption date and irrevocable).

Prior to the public notice of redemption pursuant to this Condition 6, the Issuer shall deliver to the Fiscal Agent a certificate signed by the Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

"Competent Authority" means De Nederlandsche Bank N.V., and/or such other authority or authorities having relevant supervisory authority with respect to the Rabobank Group.

"Authorised Signatories" means any two of the members of the Executive Board (*raad van bestuur*) of the Issuer.

(3) Redemption for Tax Reasons

If the Issuer demonstrates to the satisfaction of the Competent Authority that, as a result of a Tax Law Change which could lead to changes in applicable tax treatment of the Bonds in which (a) or (b) could occur:

- (a) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts (as defined in Condition 8) with respect to payments on the Bonds; or
- (b) Interest payable on the Bonds when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes,

then the Issuer may, subject to Condition 6(2), having delivered to the Fiscal Agent a copy of an opinion of an independent nationally recognised law firm or other tax adviser in the Netherlands experienced in such matters to the effect set out in (a) or, as applicable, (b) above, and having given the notice required by Condition 6(2) specifying the date fixed for redemption, at any time redeem all, but not some only, of the Bonds at their principal amount together with any accrued and unpaid interest on the relevant date fixed for redemption.

"Tax Law Change" means (i) any amendment to, or clarification of, or change (including any announced prospective change) in, the laws or treaties (or any regulations promulgated thereunder) of the Netherlands or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any Administrative Action or (iii) any amendment to, clarification of, or change in the official position or the interpretation of such Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective, or which pronouncement or decision is announced, on or after the Issue Date and which in any such case the Issuer demonstrates to the satisfaction of the Competent Authority was material and not reasonably foreseeable as at the Issue Date.

"Administrative Action" means any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation.

(4) Redemption for Regulatory Purposes

If a Capital Event has occurred and is continuing, then the Issuer may, subject to Condition 6(2) and having given the notice required by Condition 6(2) specifying the date fixed for redemption, at any time, redeem all, but not some only, of the Bonds at their principal amount together with any accrued and unpaid interest on the relevant date fixed for redemption.

A **"Capital Event"** is deemed to have occurred if the Issuer demonstrates to the satisfaction of the Competent Authority that, as a result only of any amendment to, or change in the regulatory classification of the Bonds under the Solvency Rules which results in full exclusion of the whole of the outstanding principal amount of the Bonds from Tier 2 Capital and in any such case the relevant amendment or change is one which the Competent Authority is satisfied was not reasonably foreseeable as at the Issue Date. For the avoidance of doubt, there shall be no Capital Event if all or part of the Bonds are eligible by their terms to be included in Tier 2 Capital by reason of any transitional or grandfathering provisions under CRD IV.

"Tier 2 Capital" means, at any time, all items classified as Tier 2 Capital (as defined at such time, in the Solvency Rules) of the Rabobank Group.

"**CRD IV**" means, taken together, (i) the CRD IV Directive, (ii) the CRD IV Regulation and (iii) the Future Capital Instruments Regulations.

"**CRD IV Directive**" means the Directive (2013/36/EU) of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and amending Directive 2002/87/EC of the European Parliament and of the Council on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate.

"**CRD IV Regulation**" means the Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms.

"**Future Capital Instruments Regulations**" means any regulatory capital rules implementing the CRD IV Regulation or the CRD IV Directive which may from time to time be introduced after the Issue Date including, but not limited to, delegated or implementing acts (regulatory technical standards) adopted by the European Commission, national laws and regulations, and regulations and guidelines issued by the Competent Authority, the European Banking Authority or other relevant authority, which are applicable to the Issuer (on a solo or consolidated basis) and which lay down the requirements to be fulfilled by financial instruments for their inclusion in the regulatory capital of the Issuer (on a solo or consolidated basis) to the extent required by (i) the CRD IV Regulation or (ii) the CRD IV Directive.

(5) Purchases

The Issuer or any other member of the Rabobank Group may at any time, subject to Condition 6(2) and to applicable laws and regulations (which at the Issue Date shall include, without limitation, CRD IV) as in effect at the relevant time, purchase the Bonds in any manner and at any price (provided that, if they should be cancelled under Condition 6(6) below, they are purchased together with all unmatured Coupons (if issued) relating to them).

(6) Cancellation

All Bonds and Coupons (if issued) purchased by or on behalf of the Issuer or any other member of the Rabobank Group may be held, reissued, resold or, at the option of the Issuer, cancelled or caused to be cancelled except otherwise provided for by applicable laws and regulations (which at the Issue Date shall include, without limitation, CRD IV) and in the Business Rules.

(7) Except as otherwise provided in these Conditions of Bonds, the Issuer may not redeem or repay the principal of the Bonds in whole or in part prior to the maturity date thereof.

(8) The certificate and the opinion given under this Condition 6 shall be kept at the head office of the Fiscal Agent promptly after it receives them up to the expiry of one year after the redemption date, and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 6 shall be borne by the Issuer.

7 Payment

- (1) Payment of principal of and interest on the Bonds shall be made by the Fiscal Agent (acting in its capacity as paying agent under the Business Rules) to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other case through the relevant account management institution (*kouza kanri kikan*) (the "**Account Management Institution**") with which the relevant Bondholder has opened its account to have the relevant Bond recorded in accordance with the Book-Entry Transfer Law and the Business Rules.
- (2) If any due date for payment of principal of or interest on the Bonds falls on a day which is not a day on which banks are open for business in Tokyo, Japan (the "**Business Day**"), the Bondholders shall not be entitled to payment of the amount due until the next following Business Day and shall not be entitled to the payment of any further interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Fiscal Agent (acting in its capacity as paying agent under the Business Rules) after such due date, the Fiscal Agent shall give public notice to the Bondholders of receipt of such amount and method and date for the payment as soon as practicable but not later than 14 days after receipt of such amount by the Fiscal Agent (acting in its capacity as such paying agent). If at the time when the Fiscal Agent (acting in its capacity as such paying agent) receives such amounts either of the method or the date for such payment (or both) is not determinable, the Fiscal Agent shall give public notice of receipt of such amount and of the method and/or date for such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date for such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

8 Taxation

All payments of principal and interest in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Bondholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any Bond or Coupon (if issued) held by or on behalf of a Bondholder or a Couponholder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying, or procuring that any third party complies, with any statutory requirements.

All references in these Conditions of Bonds to the principal of or interest on the Bonds shall be deemed also to refer to any Additional Amounts in respect thereof which may be payable under this Condition 8.

All expenses necessary for the procedure under this Condition 8 shall be borne by the Issuer.

9 Events of Default

- (1) If an Event of Default occurs, each Bondholder may by giving written notice together with the certificate issued by the Book-Entry Transfer Institution or the relevant Account Management Institution, certifying holding of the relevant Bonds (the "**Certificate**") to the Fiscal Agent at its head office on behalf of the Issuer declare the Bonds held by such Bondholder to be forthwith due and payable, whereupon the principal of the Bonds held by such Bondholder together with accrued interest to the date of payment shall become immediately due and payable, provided that repayment will only be effected after the Issuer has obtained the prior written consent of the Competent Authority, if required under the Solvency Rules at that time.

"**Event of Default**" means the Issuer becomes bankrupt or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a Bondholders' meeting) or a declaration in respect of the Issuer is made under Article 3:163(1)(b) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time which qualifies as a winding-up of the business of the Issuer (*liquidatie van het bedrijf van de kredietinstelling*).

- (2) If an Event of Default with respect to the Bonds shall occur and be continuing, the Issuer shall no later than the following Business Day after it becomes aware thereof notify the Fiscal Agent in writing, and give public notice to the Bondholders, of such Event of Default with respect to the Bonds.

All expenses necessary for the procedure under this Condition 9 shall be borne by the Issuer.

10 Bondholders' Meetings

- (1) The Issuer shall convene a Bondholders' meeting to consider any matters which relate to the interests of Bondholders in the event: that Bondholders holding at least one tenth (1/10) of the aggregate principal amount of the Bonds then outstanding, acting either jointly or individually, so request in writing to the Fiscal Agent at its head office, provided that such Bondholders shall have presented to the Fiscal Agent the Certificates; or that the Issuer should deem it necessary to hold a Bondholders' meeting by giving written notice at least 35 days prior to the proposed date of the meeting to the Fiscal Agent; provided, however, that any modification of these Conditions of Bonds shall require consent of the Issuer except for waiver of rights of the Bondholders under the Bonds.

When a Bondholders' meeting is to be convened, the Issuer shall give public notice of the Bondholders' meeting at least 21 days prior to the date of such meeting; and ensure that the Fiscal Agent, on behalf of the Issuer, shall take the steps necessary for the convocation of the Bondholders' meeting and to expedite the proceedings thereof.

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds for the time being outstanding held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and shall be presented to the Issuer or the Fiscal Agent at such

meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless such Bondholder returns the Certificate so issued to the Book-Entry Transfer Institution or the relevant Account Management Institution which issued the Certificate. The Issuer may have its representative attend such meeting and express its opinion thereat.

- (3) Resolutions at such Bondholders' meeting shall be passed by a majority vote of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution is required with respect to the following items:
- (a) a procedural act to be made with respect to all the Bonds, or all acts pertaining to bankruptcy, corporate reorganisation or similar proceedings; and
 - (b) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them.

"**Extraordinary Resolution**" means a resolution passed at a Bondholders' meeting by one-fifth (1/5) or more of the aggregate amount of the voting rights held by the Voting Rights Holders representing the aggregate principal amount of the Bonds then outstanding and two-thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

For the purposes of calculating the number of votes exercised at a Bondholders' meeting, the Bondholders who have exercised their votes by proxy or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method shall be deemed to have attended and voted at such meeting.

- (4) The resolution passed pursuant to Condition 10(3) shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 10, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.
- (7) All expenses necessary for the procedures under this Condition 10 shall be borne by the Issuer.

11 **Registration Book**

The registration book for the Bonds shall be prepared and administered by the Fiscal Agent on behalf of the Issuer, and kept at the head office of the Fiscal Agent.

12 Prescription

The period of extinctive prescription shall be 10 years for the principal of the Bonds and 5 years for the interest on the Bonds.

13 Public Notices

All public notices to the Bondholders shall be valid if published once in the Japanese Official Gazette (*kampo*), if possible, and once in a daily Japanese newspaper published in both Tokyo and Osaka reporting on general affairs (which is expected to be the *Nihon Keizai Shimbun*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Direct notification to individual Bondholders need not be made. Such public notices to be given by the Issuer shall, upon the request and at the expense of the Issuer, be given by the Fiscal Agent on behalf of the Issuer.

14 Currency Indemnity

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese Yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered by such Bondholder in Japanese Yen and the Issuer undertakes to pay to such Bondholder the amount necessary to make up any deficiency arising or resulting from any variation in rates of exchange between (i) the date as of which any amount expressed in Japanese Yen is (or is to be treated as) converted for the purposes of any such judgment or order, and (ii) the date or dates of discharge of such judgment or order (or part thereof). To the extent permitted by any applicable law, the above undertaking shall constitute a separate and independent obligation of the Issuer from its other obligations, shall give rise to a separate and independent cause of action against the Issuer, shall apply irrespective of any indulgence granted by any Bondholder from time to time and shall continue in full force and effect notwithstanding any judgment or order.

15 Agreement with Respect to the Exercise of Dutch Bail-in Power

- (1) By purchasing the Bonds, each Bondholder (including each beneficial owner), agrees to be bound by and consents to the exercise of any Dutch Bail-in Power by the Resolution Authority that may result in (i) the cancellation of all, or a portion, of the principal amount of, or interest on, the Bonds and/or (ii) the conversion of all, or a portion, of the principal amount of, or interest on, the Bonds into shares or other securities or other obligations of the Issuer or another person, which the Dutch Bail-in Power may be exercised by means of a variation to the terms of the Bonds solely to give effect to the above. Each Bondholder (including each beneficial owner) further acknowledges and agrees that the rights of the holders under the Bonds are subject to, and will be varied, if necessary, solely to give effect to, the exercise of any Dutch Bail-in Power by the Resolution Authority.

For these purposes, a "**Dutch Bail-in Power**" means any statutory write-down and/or conversion power existing from time to time under any laws, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms established in The Netherlands in effect and applicable in The Netherlands to the Issuer, including but not limited to any such laws, regulations, rules or requirements that are implemented, adopted or enacted within the context of the Bank Recovery and Resolution Directive and/or within the context of a Dutch resolution regime under the Special Measures Financial Institution Act (*Intervetiewet*) (as amended from time to time), or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or other obligations of the Issuer or any other person and the "**Resolution Authority**" means any authority with the ability to exercise a Dutch Bail-in Power).

"**Bank Recovery and Resolution Directive**" means any relevant laws and regulations applicable to the Issuer at the relevant time pursuant to, or which implement, or are enacted within the context of, a directive and/or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms.

- (2) Upon the exercise of the Dutch Bail-in Power by the Resolution Authority with respect to the Bonds, the Issuer shall notify in writing the Fiscal Agent or cause the Fiscal Agent to be notified, in writing as soon as possible thereafter.

The Fiscal Agent shall give a public notice to the Bondholders on behalf of the Issuer as soon as practicable in accordance with Condition 13 of the Dutch Bail-in Power being exercised.

- (3) Upon the exercise of the Dutch Bail-in Power with respect to the Bonds by the Resolution Authority (unless, at the time that such repayment or payment, respectively, is scheduled to become due, such repayment or payment would be permitted to be made by the Issuer under the laws and regulations of The Netherlands and the European Union applicable to the Issuer), the Issuer shall be released from its payment obligations (in relation to repayment of the principal amount, payment of interest and any other payments due) under the Bonds, to the extent that outstanding principal amounts under the Bonds have been subject to the exercise of the Dutch Bail-in Power by the Resolution Authority.
- (4) Notwithstanding that the Issuer may be delayed in giving or fail to give any of the public notices referred to Condition 15(2) above, such delay or failure shall not affect the validity and enforceability of the Dutch Bail-in Power.
- (5) Any repayment of the principal amount and payments of interest on the Bonds made to the Bondholders after the exercise of the Dutch Bail-in Power in the excess of the amount permitted to be paid by the Issuer under the laws and regulations of The Netherlands and the European Union applicable to the Issuer, shall be null and void, and the Bondholders who received the payments shall return the received amounts to the Issuer immediately.
- (6) No Bondholders shall be entitled, after the exercise of the Dutch Bail-in Power, to set off any of their former rights and entitlements to repayment of the principal amount or payments of interest in respect of the Bonds against any other obligations which they may owe to the Issuer at that time, to the extent that those rights and entitlements in respect of the Bonds have been cancelled, reduced or converted by operation of the Dutch Bail-in Power.

- (7) The exercise of the Dutch Bail-in Power by the Resolution Authority with respect to the Bonds shall not constitute an Event of Default (as defined in Condition 9 above) with respect to the Bonds.
- (8) By purchasing the Bonds, each Bondholder (including each beneficial owner) shall be deemed to have authorised, directed and requested the relevant securities firm, financial institution or other intermediary through which it holds such Bonds to take any and all necessary action, if required, to implement the exercise of any Dutch Bail-In Power with respect to the Bonds as it may be imposed, without any further action or direction on the part of such Bondholder or beneficial owner.
- (9) All expenses necessary for the procedures under this Condition 15, including, but not limited to, those incurred by the Issuer and the Fiscal Agent shall be borne by the Issuer.
- (10) By its acquisition of the Bonds, each Bondholder (including each beneficial owner) will acknowledge and agree that, upon the exercise of any Dutch Bail-in Power with respect to the Bonds, the Fiscal Agency Agreement shall impose no duties upon the Fiscal Agent whatsoever with respect to the exercise of any Dutch Bail-in Power. Notwithstanding the foregoing, if, following the completion of the exercise of any Dutch Bail-in Power, Bonds remain outstanding (for example, if the exercise of the Dutch Bail-in Power results in only a partial write-down of the principal of the Bonds), then the Fiscal Agent's duties under the Fiscal Agency Agreement shall remain applicable with respect to the remaining outstanding principal amount of Bonds to the extent that the Issuer and the Fiscal Agent shall agree.

16 Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with the laws of Japan, other than the subordination provisions contained in Condition 2 (Status of the Bonds) which is governed by the laws of The Netherlands.

Except as otherwise provided in these Conditions of Bonds, the place of performance of obligations pertaining to the Bonds is Tokyo, Japan.

Any legal action or other court procedure against the Issuer arising from or relating to the Bonds or these Conditions of Bonds may be instituted, on a non-exclusive basis, in the Tokyo District Court, to the jurisdiction of which the Issuer hereby expressly, unconditionally and irrevocably agrees to submit.

The Issuer hereby designates the address from time to time of Rabobank Nederland, Tokyo Representative Office, currently at Atago Green Hills MORI Tower 17F, 5-1, Atago 2-chome, Minato-ku, Tokyo 105-6217, Japan, as the address for the purpose of accepting service of process and other court documents in Japan in connection with any such legal action or other court procedure arising from or relating to the Bonds or these Conditions of Bonds that may be instituted in Japan from time to time and designates the Chief Representative of Rabobank Nederland, Tokyo Representative Office (or if such person ceases to so act hereunder, any one of the personnel who then holds the same or equivalent position at Rabobank Nederland, Tokyo Representative Office shall be deemed to be so designated), as its authorised person to accept such service of process and other court documents.

The Issuer agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such designation in full force and effect. If at any time such person shall not, for any reason, serve as such

authorised person, the Issuer shall immediately designate, and it undertakes to take any and all action that may be necessary to effect the designation of, a successor authorised person in Tokyo, Japan. The Issuer shall promptly notify the Fiscal Agent of the designation of such successor person and give a public notice thereof to the Bondholders.

Nothing in this Condition 16 shall affect the right of the Bondholders to institute legal action or other court procedure against the Issuer in any court of competent jurisdiction under applicable laws or to serve process and other court documents in any manner otherwise permitted by law.