

SMILE 2005 SYNTHETIC B.V.

(incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam)

€4,280,000,000 Class A1 Asset-Backed Credit Linked Notes due 2015

€2,000,000,000 Class A2 Asset-Backed Credit Linked Notes due 2015

€135,000,000 Class B Asset-Backed Credit Linked Notes due 2015

€100,000,000 Class C Asset-Backed Credit Linked Notes due 2015

€100,000,000 Class D Asset-Backed Credit Linked Notes due 2015

€135,000,000 Class E Asset-Backed Credit Linked Notes due 2015

Class	Initial Principal Amount (€)	Reference Interest Rate	Margin (% per annum)	Issue Price (%)	Expected Ratings (S&P, Moody's and Fitch)	Weighted Average Life (years)	Scheduled Redemption Date	Final Redemption Date
A1	4,280,000,000	3 month EURIBOR	0.14	100	AAA/Aaa/AAA	2.2	Jan 2012	Jan 2015
A2	2,000,000,000	3 month EURIBOR	0.18	100	AAA/Aaa/AAA	6.0	Jan 2012	Jan 2015
B	135,000,000	3 month EURIBOR	0.23	100	AA/Aa2/AA+	4.2	Jan 2012	Jan 2015
C	100,000,000	3 month EURIBOR	0.37	100	A/A2/AA-	4.2	Jan 2012	Jan 2015
D	100,000,000	3 month EURIBOR	0.75	100	BBB/Baa2/BBB+	4.2	Jan 2012	Jan 2015
E	135,000,000	3 month EURIBOR	3.25	100	BB/Ba3/BB-	4.2	Jan 2012	Jan 2015

The Notes

On 20 December 2005 (or such other date as Smile 2005 Synthetic B.V. (the "Issuer") and the Lead Managers agree (the "Closing Date"), the Issuer will issue the €4,280,000,000 Class A1 Asset-Backed Credit Linked Notes due 2015 (the "Class A1 Notes"), the €2,000,000,000 Class A2 Asset-Backed Credit Linked Notes due 2015 (the "Class A2 Notes"), and together with the Class A1 Notes, the "Class A Notes"), the €135,000,000 Class B Asset-Backed Credit Linked Notes due 2015 (the "Class B Notes"), the €100,000,000 Class C Asset-Backed Credit Linked Notes due 2015 (the "Class C Notes"), the €100,000,000 Class D Asset-Backed Credit Linked Notes due 2015 (the "Class D Notes") and the €135,000,000 Class E Asset-Backed Credit Linked Notes due 2015 (the "Class E Notes" and, together with the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "Notes").

Application to the Irish Financial Services Regulatory Authority and the Irish Stock Exchange

Application has been made to the Irish Financial Services Regulatory Authority (the "Irish Financial Services Regulatory Authority" or "IFSRA"), in its capacity as competent authority under Directive 2003/71/EC (the "Prospectus Directive"), for this Prospectus to be approved. This Prospectus constitutes a "prospectus" for the purposes of the Prospectus (Directive 2003/71/EC) Regulations (the "Prospectus Regulations") (which implement the Prospectus Directive in Ireland). Application has been made to the Irish Stock Exchange Limited (the "Irish Stock Exchange") for the Notes to be admitted to the official list of the Irish Stock Exchange (the "Official List") and trading on its regulated market.

Obligations of Issuer Only

The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any of the other parties to the transactions described in this Prospectus and any suggestion otherwise, express or implied, is expressly excluded.

Ratings

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or more of the Rating Agencies. Each credit rating should be evaluated independently of any other credit rating.

Form of Notes

The Notes of each Class will each initially be represented on issue by a temporary global note in bearer form (each, a "Temporary Global Note") without interest coupons attached. Each Class of Notes (save for the Class A2 Notes) will be deposited on or about the Closing Date with a common depository for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"). The Class A2 Notes will be deposited on or about the Closing Date with Nederlands Centraal Instituut Giraal Effectenverkeer B.V. ("Euroclear Netherlands") and will be eligible for trading in Clearstream, Luxembourg and Euroclear. Each Temporary Global Note will be exchangeable for interests in a permanent global note in bearer form (each, a "Permanent Global Note") representing the same Class of Notes, without interest coupons attached, not earlier than 40 days after the Closing Date (provided that certificates as to non-U.S. beneficial ownership have been received). Ownership interests in the Temporary Global Notes and the Permanent Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by Clearstream, Luxembourg, Euroclear and Euroclear Netherlands and their respective participants. Interests in the Permanent Global Notes will be exchangeable for Definitive Notes in bearer form only in certain limited circumstances as set forth therein.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered, directly or indirectly, in the United States or to any U.S. persons except under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes are being offered for sale outside the United States in accordance with Regulation S ("Regulation S") under the Securities Act. See "Subscription and Sale".

Risk Factors

Each person contemplating making an investment in the Notes must make its own investigation and analysis of the creditworthiness of the Issuer and the Reference Portfolio and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience and any other factors which may be relevant to it in connection with such investment. A prospective investor who is in any doubt whatsoever as to the risks involved in investing in the Notes should consult its own independent professional advisors.

A discussion of certain factors, which should be considered by prospective Noteholders in connection with an investment in the Notes, is set out in the section entitled "Risk Factors".

Arrangers and Lead Managers

ABN AMRO

Credit Suisse First Boston

Manager

IXIS CORPORATE & INVESTMENT BANK

The date of this Prospectus is 19 December 2005

Responsibility Statements

Except for the ABN AMRO Bank Information as described below, the Issuer accepts responsibility for the information contained in this 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 this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

ABN AMRO Bank N.V. accepts responsibility for the information in the sections headed "*The Reference Portfolio*", "*Overview of the Dutch Loan Market*", "*Loan Underwriting and Servicing*" and "*ABN AMRO Group*" (the "**ABN AMRO Bank Information**"). To the best of the knowledge and belief of ABN AMRO Bank N.V., the ABN AMRO Bank Information is in accordance with the facts and does not omit anything likely to affect the import of such information. ABN AMRO Bank N.V. accepts no responsibility with regard to the contents of this Prospectus other than ABN AMRO Bank Information.

Representations about the Notes

No person is or has been authorised in connection with the issue and sale of the Notes to make any representation or provide any information other than as contained in this Prospectus and, if given or made, such representation or information should not be relied upon as having been authorised by or on behalf of the Issuer, the Issuer Management, the Holding, the Arrangers, the Lead Managers, the Trustee, the Paying Agents, the Agent Bank, the Swap Counterparty, the Cash Deposit Bank, the Issuer Account Bank, the Cash Administrator, the Calculation Agent, the Loan Originator or the Trustee Management (the "**Transaction Parties**") (each as described in this Prospectus) or any person affiliated with them.

None of the Transaction Parties or any person affiliated with them have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Transaction Parties or any person affiliated with them as to the accuracy or completeness of the information contained in this Prospectus or any other information supplied in connection with the Notes, their distribution or the future performance and adequacy of the Notes. Each person receiving this Prospectus acknowledges that such person has not relied on the Transaction Parties or any other person affiliated with them in connection with any investigation of the accuracy of the information on its investment decision.

Financial condition of the Issuer

Neither the delivery of this Prospectus nor the offer, sale, allocation, solicitation or delivery of any Note shall, in any circumstances, create any implication or constitute a representation that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or in any other information contained herein since the date of this Prospectus or that the information contained herein is correct as at any time subsequent to the date of this Prospectus.

Selling Restrictions

Other than the approval of the Irish Financial Services Regulatory Authority of this Prospectus as a prospectus in accordance with the Prospectus Directive, no action has been or will be taken to permit a public offering of the Notes or the distribution of this Prospectus in any jurisdiction. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus (or any part thereof) comes are required by the Issuer and the Lead Managers to inform themselves about and to observe any such restrictions.

Neither this Prospectus nor any part hereof constitutes an offer of, or an invitation by, or on behalf of, the Issuer or the Lead Managers to subscribe for or purchase any of the Notes. Neither this Prospectus, nor any part hereof, may be used for or in connection with an offer to, or solicitation by, any person in any jurisdiction or in any circumstance in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any part hereof nor any other prospectus, form of application, advertisement, other offering material or other information may be issued, distributed or published in any country or jurisdiction (including The Netherlands), except in circumstances that will result in compliance with all applicable laws, orders, rules and regulations.

None of the Issuer, the Lead Managers or any of their representatives is making any representation to any offeree or purchaser of the Notes offered by this Prospectus regarding the legality of an investment by such an offeree or purchaser under appropriate legal, investment or similar laws. Prospective purchasers should consult with their advisers as to the legal, tax, business, financial and related aspects of a purchase of the Notes.

For a further description of certain restrictions on offers and sales of the Notes and distribution of this Prospectus, see "*Subscription and Sale*" below.

Any individual intending to invest in any instrument described in this Prospectus should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

Withholding Tax

Payments of interest, principal and premium (if any) in respect of the Notes will be made subject to any applicable withholding taxes and none of the Issuer, the Paying Agents nor any other person will be obliged to pay additional amounts as a consequence thereof. See "*Taxation In The Netherlands*".

Interpretation

References in this Prospectus to "€", "EUR" and "euro" are to the single currency introduced in the Member States of the European Community at the third stage of European Economic

and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

Certain figures included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown for the same category in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meaning set out in this Prospectus. An index of defined terms appears at the end of this Prospectus.

Any website mentioned herein does not form part of this Prospectus.

Stabilisation

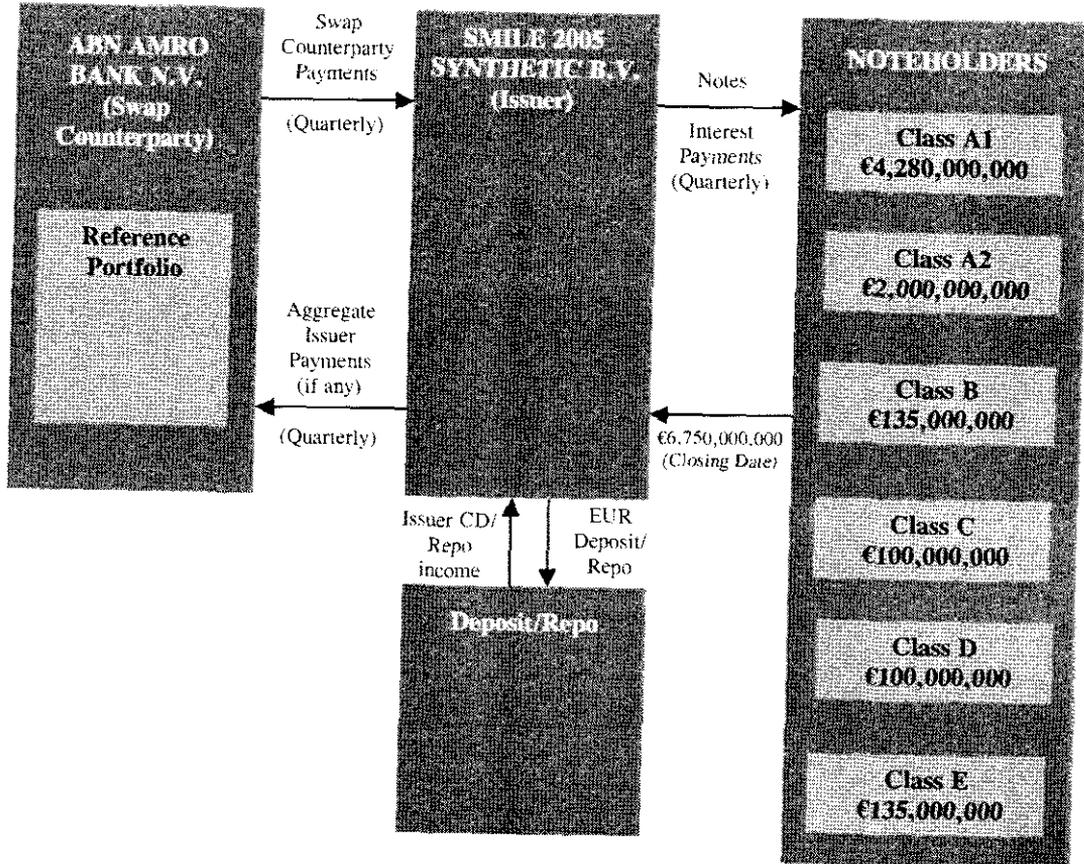
In connection with the issue of the Notes, ABN AMRO (acting through its London Branch) (in such capacity the "**Stabilising Manager**") (or any person acting on behalf of any Stabilising Manager) may over-allot Notes (provided that the aggregate principal amount of the Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Class) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made, and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue of the Notes and 60 days after the date of the allotment of the Notes.

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TRANSACTION DIAGRAM

This summary of terms and transaction overview is qualified in its entirety by reference to the detailed information appearing elsewhere in this Prospectus. In the event of any inconsistency between this summary of terms and transaction overview and the information provided elsewhere in this Prospectus, such information shall prevail.



SUMMARY OF TERMS

Overview of the Transaction

The Issuer will, concurrently with the issuance of the Notes, enter into a Credit Default Swap with the Swap Counterparty in respect of the Reference Portfolio. Except for changes to the Reference Portfolio to reflect successors to any Reference Entity, no substitutions may be made to the composition of the Reference Portfolio on or after the Closing Date.

On the Closing Date, the Issuer will utilise the proceeds of the issue of the Notes to make a deposit into the Cash Deposit Account.

Pursuant to the terms of the Credit Default Swap, the Swap Counterparty is required to pay to the Issuer on the Note Business Day prior to each Note Payment Date the Swap Counterparty Payment calculated pursuant to the terms of the Credit Default Swap and referable in part to the amount of interest payable by the Issuer on such Note Payment Date in relation to the Notes.

In return for payment of the Swap Counterparty Payments, the Issuer has agreed under the terms of the Credit Default Swap that if a Credit Event occurs and the Conditions to Credit Protection are satisfied in respect of a Reference Obligation (or the Reference Entity which relates to that Reference Obligation), the Issuer will pay to the Swap Counterparty on each Note Payment Date an amount equal to the excess (if any) of the aggregate Credit Protection Payment Amount determined in respect of the Calculation Period ending prior to such Note Payment Date over the amount of the Synthetic Excess Spread Balance for such Calculation Period.

The satisfaction of the Conditions to Credit Protection may (depending on the availability of, amongst other factors, the Synthetic Excess Spread Balance and Recoveries in respect of the Reference Obligations) result in the Adjusted Principal Balance of the Notes being reduced.

If the Adjusted Principal Balance of the Notes is reduced, any subsequent Synthetic Excess Spread Balance (to the extent not used to reduce Aggregate Issuer Payments) will be applied towards the reinstatement of the Adjusted Principal Balance of the Notes.

In addition, if any Reference Obligation ceases to be the obligation of the Reference Entity or the amount of the Reference Obligation Notional Amount for any Reference Entity is reduced as a result

of a prepayment, repayment or cancellation, the Notes shall be redeemed by an amount equal to such Reference Obligation Notional Amount (if it has ceased to be an obligation of the Reference Entity) or (as the case may be) the amount by which such Reference Obligation Notional Amount has been reduced and the Reference Obligation Notional Amount in the Credit Default Swap shall be amended accordingly.

THE TRANSACTION PARTIES

Issuer	Smile 2005 Synthetic B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>), incorporated under the laws of The Netherlands, having its corporate seat (<i>statutaire zetel</i>) at Amsterdam, The Netherlands and having its registered office at Frederik Roeskestraat 123 IHG, 1076 EE Amsterdam, Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, the Netherlands, under number 34237687 (the " Issuer "). The Issuer has been established for the purpose of entering into a credit default swap (the " Credit Default Swap ") with ABN AMRO Bank N.V., a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under the laws of The Netherlands, having its corporate seat (<i>statutaire zetel</i>) at Amsterdam, The Netherlands and its registered and head office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 33002587 (" ABN AMRO "), issuing the Notes and entering into the Transaction Documents.
Issuer Management	ATC Management B.V. will act as managing director of the Issuer and will be responsible for the management and administration of the Issuer pursuant to the Issuer Management Agreement.
Holding	Stichting Holding Smile 2005 Synthetic (the " Holding "), being a foundation (<i>stichting</i>) established under the laws of The Netherlands and holding all of the outstanding shares in the capital of the Issuer.
Swap Counterparty	ABN AMRO (acting through its Business Unit Netherlands head office (defined herein as " BU NL head office ")) (in such capacity, the " Swap Counterparty ") will act as the Swap Counterparty.
Cash Administrator	ABN AMRO (acting through its BU NL head office) will be appointed as Cash Administrator for the Issuer pursuant to the Cash Administration Agreement with the right to sub-contract its duties to any third parties (initially, such duties are expected to be sub-contracted to ATC Financial Services B.V.) without the approval of other parties or the Rating Agencies being required.
Cash Deposit Bank	ABN AMRO (acting through its head office) will act as initial account bank (the " Cash Deposit Bank ") in relation to the Cash Deposit Account (into which the Cash Deposit shall be deposited) and the Cash Deposit Agreement.

Issuer Account Bank	ABN AMRO (acting through its BU NL head office) (in such capacity, the " Issuer Account Bank ") will act as initial account bank in relation to the Issuer Account (into which payments by the Swap Counterparty under the Credit Default Swap and the Repo Counterparty under any Repo Agreement and all income thereon shall be credited).
Trustee	Stichting Trustee Smile 2005 Synthetic, being a foundation established under the laws of The Netherlands, and having its registered office at Herengracht 420, 1017 BZ Amsterdam, Netherlands, in its capacity as trustee (the " Trustee ") for the Swap Counterparty, the Noteholders and the other Secured Parties in accordance with the terms of the Trust Deed and the Security Documents and as holder of the Security, on the basis of a parallel debt, owed to the Trustee itself, corresponding to the obligations of the Issuer to the Swap Counterparty, the Noteholders and the other Secured Parties (as such terms are defined in the Conditions) under (i) a Dutch law governed pledge (the " Accounts Pledge ") dated the Closing Date between the Issuer and the Trustee relating to the Cash Deposit Account, the Custody Accounts (if any) and the Issuer Account, (ii) a Dutch law governed pledge (the " Rights Pledge ") dated the Closing Date between the Issuer and the Trustee relating to the Issuer's rights under the Transaction Documents and (iii) certain other security documents executed in relation to the Repo Securities.
Trustee Management	N.V. Algemeen Nederlands Trustkantoor ANT will act as managing director of the Trustee pursuant to the Trustee Management Agreement effective as of 19 December 2005.
Agent Bank	ABN AMRO (acting through its Breda office) (in such capacity, the " Agent Bank ") will act as agent bank in accordance with the terms of the Paying Agency and Agent Bank Agreement.
Principal Paying Agent	ABN AMRO (acting through its Breda office) (in such capacity, the " Principal Paying Agent ") will act as principal paying agent in respect of the Notes in accordance with the terms of the Paying Agency and Agent Bank Agreement.
Irish Paying Agent	ABN AMRO (acting through its Dublin Branch).
Rating Agencies	S&P, Moody's and Fitch.
Arrangers/Lead Managers	ABN AMRO (acting through its London Branch), in its capacity as joint arranger of the transaction and joint-lead manager of the issue of the Notes and Credit Suisse First Boston (Europe) Limited, in its capacity as joint arranger of the transaction and

joint-lead manager of the issue of the Notes (each a "**Joint Lead Manager**" and together, the "**Lead Managers**").

Manager

IXIS Corporate & Investment Bank acting as manager (the "**Manager**" and together with the Lead Managers, the "**Managers**")

Loan Originator

ABN AMRO is the loan originator (the "**Loan Originator**").

Calculation Agent

ABN AMRO (acting through its BU NL head office) will act as calculation agent under the Credit Default Swap with the right to sub-contract its duties to any third parties (initially such duties are expected to be sub-contracted to ATC Financial Services B.V.) without the approval of other parties or the Rating Agencies being required, provided, however, that if ABN AMRO shall delegate its responsibilities as Calculation Agent to any third party, ABN AMRO shall retain primary responsibility for ensuring that the Calculation Agent's duties are properly discharged.

Common Depositary

Société Générale Bank & Trust S.A. will act as Common Depositary for the Class A1 Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes deposited with Euroclear and Clearstream, Luxembourg. The Class A2 Notes will be deposited directly with Euroclear Netherlands and will be eligible for trading in Clearstream, Luxembourg and Euroclear.

Independent Accountants

Ernst & Young or such other firm of accountants of internationally recognised standing as may be selected by the Swap Counterparty from time to time to perform certain obligations under the Credit Default Swap.

Listing Agent

Arthur Cox Listing Services Limited

Class	S&P	Moody's	Fitch
Class A1 Notes	AAA	Aaa	AAA
Class A2 Notes	AAA	Aaa	AAA
Class B Notes	AA	Aa2	AA+
Class C Notes	A	A2	AA-
Class D Notes	BBB	Baa2	BBB+
Class E Notes	BB	Ba3	BB-

The ratings address the timely payment of interest and the repayment of principal by the Final Redemption Date.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or all of the Rating Agencies.

Weighted Average Life

Assuming a constant prepayment rate ("**CPR**") of 8% and on the basis of other assumptions as set out in the section "*Estimated Weighted Average Life of the Notes*", the approximate weighted average life of each Class of Notes is expected to be as follows:

Class	Weighted Average Life (years)
Class A1 Notes	2.2
Class A2 Notes	6.0
Class B Notes	4.2
Class C Notes	4.2
Class D Notes	4.2
Class E Notes	4.2

Status and Ranking

The Notes will constitute direct and unconditional obligations of the Issuer and will be secured, through the parallel debt, by the Security held by the Trustee. The Notes of each Class rank *pari passu* without any preference or priority amongst Notes of the same Class.

The Notes represent the right to receive interest and principal payments from the Issuer in accordance with the Conditions and the Trust Deed.

All payments of interest due on the Class A Notes will rank in priority to payments of interest due on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; all payments of interest due on the Class B Notes will rank in priority to payments of interest due on the Class C Notes, the Class D Notes and the Class E Notes; all payments of interest due on the Class C Notes will rank in priority to payments of

interest due on the Class D Notes and the Class E Notes; and all payments of interest due on the Class D Notes will rank in priority to payments of interest due on the Class E Notes. All payments of interest in respect of the Class A Notes shall be made *pari passu* and *pro rata* among the Class A Notes at all times.

Except as provided in *Unscheduled Redemption* below, all payments of principal due on the Class A Notes will rank in priority to payments of principal due on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; all payments of principal due on the Class B Notes will rank in priority to payments of principal due on the Class C Notes, the Class D Notes and the Class E Notes; all payments of principal due on the Class C Notes will rank in priority to payments of principal due on the Class D Notes and the Class E Notes; and all payments of principal due on the Class D Notes will rank in priority to payments of principal due on the Class E Notes. As between the Class A Notes, payments of principal shall, for so long as payments are being made otherwise than in accordance with the *Post-Enforcement Priority of Payments*, be applied firstly to the Class A1 Notes and then to the Class A2 Notes. Payments of principal in respect of the Class A Notes in accordance with the *Post-Enforcement Priority of Payments* shall be made *pari passu* and *pro rata* among the Class A Notes.

The obligations of the Issuer in respect of the Notes are limited recourse obligations of the Issuer.

Cash Deposit

On 20 December 2005 (the "**Closing Date**"), the Issuer will utilise the proceeds of the issue of the Notes to make a deposit (the "**Cash Deposit**") into an account in the name of the Issuer (the "**Cash Deposit Account**") which expression shall include any replacement Cash Deposit Account, with a bank (the "**Cash Deposit Bank**") which expression shall include any replacement bank in respect thereof, and (which initially shall be ABN AMRO) which has a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1+ from Fitch and a long-term credit rating of at least A1 from Moody's (the "**Cash Deposit Bank Required Rating**"). Such Cash Deposit will be made pursuant to a cash deposit agreement (the "**Cash Deposit Agreement**"), which expression shall include any cash deposit agreement replacing (and on the same terms as) the initial Cash Deposit Agreement upon the replacement of the initial Cash Deposit by a cash deposit with a third party other than ABN

AMRO. The Cash Deposit Agreement and any Repo Agreement which replaces the Cash Deposit Agreement provides for periodic income payments to be made to the Issuer (collectively, the "**Issuer CD/Repo Income**").

**Replacement of Cash
Deposit Bank or Entry of
First Repo under Repo
Agreement**

In the event that (1) the Swap Counterparty elects to do so at least five Note Business Days prior to any Note Payment Date, or (2) the Cash Deposit Bank is downgraded below the Cash Deposit Bank Required Rating, then on the next Note Payment Date which is at least five Note Business Days following such election or on any date which is within 30 days of such downgrade, as applicable (such replacement date following the election or downgrade, the "**CD Replacement Date**"), the Issuer will liquidate the Cash Deposit and use the proceeds thereof to either (at the option of the Swap Counterparty) (a) enter into a replacement Cash Deposit Agreement with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating, or (b) subject to the approval of the Rating Agencies, enter into a Repo transaction (the "**Repo Agreement**") with a counterparty (the "**Repo Counterparty**", which expression shall include any counterparty replacing the initial Repo Counterparty) which has a rating satisfactory to the Rating Agencies (the "**Repo Counterparty Required Rating**").

In the event that the Swap Counterparty elects to replace the Cash Deposit with securities under a Repo Agreement (the terms of which have been approved by the Rating Agencies), the Issuer and the Repo Counterparty will enter into a transaction (the "**First Repo**") pursuant to which the Issuer will purchase securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement are required to satisfy the Repo Securities Eligibility Criteria which shall be set out in the Repo Agreement.

Security for the Notes

Pursuant to the Accounts Pledge and the Rights Pledge, the Security will be granted to the Trustee for the benefit of the Swap Counterparty and the Noteholders and the other Secured Parties, as security for a parallel debt owed by the Issuer to the Trustee, which parallel debt shall correspond to the obligations of the Issuer to each of the Swap Counterparty, the Noteholders and the other Secured Parties. To the extent that the Cash Deposit is replaced by securities delivered under the Repo Agreement, the Issuer shall grant security over such securities in favour of the Trustee.

Maturity

The Notes are expected to mature on the Note Payment Date scheduled to fall in January 2012 (the "**Scheduled Redemption Date**"). In the event that the Notes are not redeemed in full on the Scheduled Redemption Date, the Issuer shall give notice thereof to the Trustee and the Noteholders and the Notes shall remain outstanding until the date (the "**Final Redemption Date**") which is the earlier of (a) the Note Payment Date upon which the Notes have been redeemed in full, (b) the later of (i) the Note Payment Date upon which the Adjusted Principal Balance of the Notes has been reduced to zero, (ii) the Note Payment Date falling on or immediately after the date on which the report by the Independent Accountants has been delivered in respect of the final Annual Reporting Period and (iii) the date on which the final Issuer Payment Adjustment Amount has been dealt with in accordance with the Conditions, and (c) the Note Payment Date scheduled to fall in January 2015.

Principal payments shall (subject as provided in Maturity Extension below) be made on the Scheduled Redemption Date or (as the case may be) the Final Redemption Date only to the extent the Issuer has funds available for the purpose and in accordance with the Pre-Enforcement Available Redemptions Funds Priority of Payments or (as the case may be) the Post-Enforcement Priority of Payments. The Notes will be limited recourse obligations of the Issuer, secured through the parallel debt by the Security held by the Trustee with recourse limited to the proceeds of enforcement of the Security. Any claims of Noteholders remaining after application of the proceeds of enforcement of the Security shall be extinguished.

Maturity Extension/ Early Redemption Note Extension

If, on the Scheduled Redemption Date, the Conditions to Credit Protection have been satisfied in respect of a Reference Obligation (a "**Defaulted Reference Obligation**") but the relevant Defaulted Reference Obligation has not become a Worked Out Obligation, a portion of the most junior Class (or Classes, as applicable) of the Notes equal to the Note Extension Amount shall remain outstanding until the earlier of the Note Payment Date following such Defaulted Reference Obligation becoming a Worked Out Obligation and the end of the Extension Period. In this case, the Extension Period shall run from and including the Scheduled Maturity Date to but excluding the Final Redemption Date.

If, on an Early Redemption Date resulting from the delivery of a Note Enforcement Notice, the Conditions to Credit Protection have been satisfied but the relevant Defaulted Reference

Obligation has not become a Worked Out Obligation, a portion of the most junior Class (or Classes, as applicable) of the Notes equal to the Note Extension Amount shall remain outstanding until the earlier of the Note Payment Date following such Defaulted Reference Obligation becoming a Worked Out Obligation and the end of the Extension Period. In this case, the Extension Period shall run from and including the Early Redemption Date to but excluding the day which is 55 Note Business Days falling immediately after such Early Redemption Date.

To the extent that the Note Extension Amount when recalculated during the Extension Period is reduced from one Note Payment Date to the next following Note Payment Date, the Issuer shall redeem, in accordance with the Order of Seniority, but only to the extent of an amount equal to such reduction, each Class of Notes at its then Adjusted Principal Balance.

Calculation of Interest

Each Class will bear interest on its outstanding Adjusted Principal Balance at the per annum rates described below (plus, in each case, the relevant margin specified). Interest on each Class of Notes will be paid quarterly in arrear on each Note Payment Date in an amount determined by the Agent Bank to be the product of:

- (a) the Adjusted Principal Balance of such Class of Notes;
- (b) the Interest Rate applicable to such Class of Notes; and
- (c) the actual number of days in the period beginning on (and including) the preceding Note Payment Date (or in respect of the first Note Payment Date, the Closing Date) and ending on (but excluding) such Note Payment Date, divided by 360.

Interest payments shall be made on Note Payment Dates only to the extent the Issuer has funds available for the purpose and in accordance with the Pre-Enforcement Available Income Funds Priority of Payments.

For the definitions of Adjusted Principal Balance and Actual Principal Balance, see the "*Terms and Conditions*".

Note Interest Periods and Note Payment Dates

Interest on the Notes is payable by reference to successive note interest periods (each a "**Note Interest Period**"). Each Note Interest Period will commence on (and include) a Note Payment

Date and end on (but exclude) the next succeeding Note Payment Date except that the first Note Interest Period will run from (and include) the Closing Date to (but exclude) the first Note Payment Date. Interest on the Notes will be payable quarterly in arrear in euro on the 20th day of each of January, April, July and October in each year, any Early Redemption Date and the Note Business Day following the end of any Extension Period (each a "Note Payment Date") with the first Note Payment Date scheduled to fall in April 2006, subject in each case to adjustment for non-business days as set out in the terms and conditions of the Notes (the "**Conditions**").

Interest Rate

The Notes will bear interest by reference to the interbank offered rate for euro deposits ("**EURIBOR**") of three months (or, in the case of the first Note Interest Period, four months) as calculated in accordance with the Conditions, plus, in respect of each Class, the applicable margin (together the "**Interest Rate**").

The applicable margin for each Class will be:

Class A1 Notes: 0.14 per cent. per annum;
Class A2 Notes: 0.18 per cent. per annum;
Class B Notes: 0.23 per cent. per annum;
Class C Notes: 0.37 per cent. per annum;
Class D Notes: 0.75 per cent. per annum; and
Class E Notes: 3.25 per cent. per annum.

**Increase in Adjusted
Principal Balance of Notes
for Reinstated Principal**

If, on any Note Payment Date:

- (a) the Adjusted Principal Balance of any Class is less than the Actual Principal Balance of such Class (any such difference, a "**Principal Deficiency**"); and
- (b) there is a Synthetic Excess Spread Balance on the Calculation Date immediately preceding such Note Payment Date which has not been allocated in respect of any Credit Protection Payment Amount in accordance with the Synthetic Excess Spread Priority of Payments (the available balance of the Synthetic Excess Spread Balance being the "**Principal Reinstatement Available Amount**"),

the Adjusted Principal Balance of the Notes shall be increased on that Note Payment Date (and consequently for the Note Interest Period commencing on that Note Payment Date) as follows: an amount equal to the Principal Reinstatement

Available Amount shall be applied in the Order of Seniority in relation to each Class (until applied up to the maximum of the Principal Reinstatement Available Amount) up to a maximum amount for each Class equal to the Principal Deficiency for such Class. Any amount so applied in respect of any Class is called the "**Reinstated Principal**". An amount equal to the aggregate Reinstated Principal on each Note Payment Date shall be paid by the Swap Counterparty to the Issuer in accordance with the terms of the Credit Default Swap and such amount shall be used by or on behalf of the Issuer to (i) redeem each Class of Notes in the Order of Seniority in the amount specified in the Conditions and/or (ii) as to the remaining amount of the Reinstated Principal paid by the Swap Counterparty to (a) augment the Cash Deposit, or (b) enter into a Supplemental Transaction (as defined below) pursuant to the Repo Agreement (if any).

Interest on Principal Reinstatement

Under the terms of the Credit Default Swap, if a Synthetic Excess Spread Balance is allocated in reinstating the Adjusted Principal Balance of a Class, there shall be determined and paid to the holders of such Class, a Make-up Interest Amount in respect of the amount reinstated.

Make-up Interest Amount

With respect to any Class to which Reinstated Principal is applied, the aggregate in respect of each amount reinstated of the notional interest that would have accrued on such amounts but for the reduction (assuming for this purpose that the most recent reductions would be reversed before earlier reductions) at the rate of interest that applied for each relevant Note Interest Period from and including the reduction date to but excluding the reinstatement date compounded on the basis of a rate equal to such rate of interest.

Principal Redemption

Unless previously redeemed or repaid in full or partially redeemed (as described in the sections "*Unscheduled Redemption*", "*Mandatory Redemption*", "*Events of Default*" and "*Tax Optional Redemption*" below), no principal payments will be made on the Notes until the Scheduled Redemption Date. On the Scheduled Redemption Date or, if there is an Extension Period, on the Final Redemption Date, the Notes of each Class will be redeemed at their Adjusted Principal Balance (after taking into account any Aggregate Issuer Payments required to be paid on or after the Scheduled Redemption Date), subject as provided in the Conditions.

Unscheduled Redemption The Notes of each Class will be subject to unscheduled redemption on each Note Payment Date in the order of seniority specified in the conditions as follows:

- (a) if the Calculation Agent determines that any Reference Obligation did not satisfy the Eligibility Criteria as of the Portfolio Cut-Off Date, such Reference Obligation shall cease to be a Reference Obligation with effect from the date on which the Calculation Agent gives notice to such effect to the Issuer and the Swap Counterparty and, following the giving of such notice, each Class of Notes shall be redeemed in accordance with Pro Rata Redemption or if the Cumulative Default Trigger has occurred, in the Order of Seniority by an amount equal to the Reference Obligation Notional Amount of such Reference Obligation; and/or
- (b) if the Reference Obligation Notional Amount of any Reference Obligation is reduced (in whole or in part) as a result of a scheduled repayment of principal, each Class of Notes shall be redeemed in accordance with Pro Rata Redemption or if the Cumulative Default Trigger has occurred, in the Order of Seniority by an amount equal to the RONA Reduction determined in respect of such Reference Obligation; and/or
- (c) if the Reference Obligation Notional Amount of any Reference Obligation is reduced (in whole or in part) as a result of an unscheduled prepayment of principal, or cancellation of the Reference Obligation, each Class of Notes shall be redeemed in the Order of Seniority beginning with the most senior ranking Class by an amount equal to the RONA Reduction determined in respect of such Reference Obligation; and/or
- (d) if a Defaulted Reference Obligation is, or becomes, a Worked Out Obligation, each Class of Notes shall be subject to redemption in the Order of Seniority beginning with the most senior ranking Class by the amount by which the Reference Obligation Notional Amount of such Reference Obligation in respect of which the Conditions to Credit Protection have been satisfied exceeds the sum of the initial Issuer Payment and (if applicable) the second Issuer Payment determined in respect of such Reference Obligation; and/or

- (e) if the Adjusted Principal Balance of the Notes is increased because of the existence of a Synthetic Excess Spread Balance, each Class of Notes shall be redeemed in the Order of Seniority beginning with the most senior ranking Class by an amount equal to the amount of the Reinstated Principal which relates to such of the Principal Deficiency as was caused by, with respect to any Worked Out Obligation, the sum of the Issuer Payments (if any) less any Issuer Payment Adjustment Amount relating to such Worked Out Obligation; and/or
- (f) if the Calculation Agent determines that a Bankruptcy and/or Restructuring Credit Event occurred in relation to any Reference Obligation during the period from and including the Portfolio Cut-Off Date to but excluding the Closing Date, such Reference Obligation shall cease to be a Reference Obligation with effect from the date on which the Calculation Agent gives notice to such effect to the Issuer and the Swap Counterparty and, following the giving of such notice, each Class of Notes shall be redeemed in accordance with Pro Rata Redemption or if the Cumulative Default Trigger has occurred in the Order of Seniority by an amount equal to the Reference Obligation Notional Amount of such Reference Obligation.

Mandatory Redemption

The Issuer shall redeem all (but not some only, subject to any requirement to retain outstanding Notes for an as yet uncalculated Credit Protection Payment Amount where the Conditions to Credit Protection have been satisfied) of the Notes in each Class at their Adjusted Principal Balance (subject to adjustment in accordance with the terms thereof) on any Note Payment Date:

- (a) if the aggregate Adjusted Principal Balance of the outstanding Notes is less than 10% of the Initial Principal Balance of all of the Notes; or
- (b) if the Cash Deposit Agreement, or Repo Agreement, as applicable, is terminated in whole or in part and, in the case of the Cash Deposit Agreement, is not replaced with a further Cash Deposit Agreement or a Repo Agreement is not entered into in substitution for such Cash Deposit Agreement or, in the case of the termination in whole or in part of the Repo Agreement, such Repo Agreement is not assigned to another Repo

Counterparty or the obligations of the Repo Counterparty are not assumed by another financial institution which has the Repo Counterparty Required Rating or are not collateralised (subject to, and in accordance with, the terms of the Repo Agreement) or the Repo Agreement is not replaced by a further Cash Deposit Agreement or Repo Agreement, as applicable; or

- (c) if the Credit Default Swap is terminated,

in each case, subject to the requirements specified in Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*) (including the requirement that the Issuer has given not less than 55 Note Business Days' notice to the Trustee, the Noteholders and other Secured Parties of its intention to effect such redemption).

The Credit Default Swap could be terminated for many reasons, including a payment default by the Swap Counterparty or the exercise by the Swap Counterparty of its right to terminate the Credit Default Swap because of the occurrence of a Regulatory Change. See "*Credit Default Swap - Early Termination of the Credit Default Swap*".

Events of Default

The Events of Default are set out in Condition 11 (*Note Events of Default*) and include, without limitation, unremedied defaults by the Issuer relating to the payment of principal or interest on the Notes and insolvency of the Issuer. Upon the occurrence of an Event of Default, the Trustee may at its discretion and will, under certain circumstances, give written notice to the Issuer declaring the Notes of each Class to be immediately due and repayable. Following the giving of any such notice, the Trustee shall be entitled to enforce the Security.

Tax Optional Redemption

The Issuer may redeem all (but not some only, subject to any requirement to retain outstanding Notes for an as yet uncalculated Aggregate Issuer Payments where the Conditions to Credit Protection have been satisfied) of the Notes in each Class at their Adjusted Principal Balance (subject to adjustment in accordance with the terms thereof), on any Note Payment Date if:

- (a) either the Issuer or the Swap Counterparty is to make any payment under the Credit Default Swap and the Issuer or the Swap Counterparty would be required to make a deduction or withholding on account of tax in

respect of such payment;

- (b) the Issuer determines that the payment of any Issuer CD/Repo Income is subject to deduction or withholding for or on account of any tax, duty, assessment or other governmental charge or is otherwise subject to taxation in The Netherlands; or
- (c) the Issuer is required, as a result of any change in or amendment to the laws or regulations of The Netherlands or any other jurisdiction or any political sub-division or any authority of any such jurisdiction, or any change in the application or official interpretation of such laws or regulations, which change becomes effective on or after the Closing Date, to deduct or withhold from any payment to be made in respect of the Notes any amount for or on account of any present or future taxes, duties, assessments of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any other jurisdiction or any political sub-division or any authority of such jurisdiction.

If the Issuer is unable (after using reasonable endeavours) to avoid the relevant events described above the Issuer shall give notice thereof to the Swap Counterparty who may, but shall not be bound, to commit to make available additional funds to the Issuer (in the event that any of the events described above will result in the Issuer being unable to fulfil its payment obligations to Noteholders in full) so that the Issuer is able to pay any amount to Noteholders as though the events described above has not occurred. If the Swap Counterparty does not make a commitment within 20 days of receipt of such notice or fails to make such additional funds available to the Issuer, the Issuer shall give notice thereof to the Noteholders and the Issuer shall, if so directed by an Extraordinary Resolution of Noteholders, redeem the Notes in whole but not in part at their Adjusted Principal Balance, after reduction in respect of the Aggregate Issuer Payments, if any, payable on such redemption date together with any interest accrued to such redemption date.

**Taxation of Payments on
the Notes**

Payments on the Notes will be made without deduction or withholding for or on account of any taxes unless required by law. Under the Credit Default Swap, the Swap Counterparty may, but is not obliged, to pay such additional amounts to the Issuer as will enable the Issuer to pay such additional amounts to the Noteholders. In that event the Issuer will, but only if

specifically provided with funds by the Swap Counterparty for such purpose, pay such additional amounts to Noteholders as will ensure that payments on the Notes, after such deduction or withholding on account of such taxes, will not be less than the amount due and payable in accordance with the Conditions.

If the Swap Counterparty elects not to pay such additional amounts the Issuer will not be required to gross up any payments to the Noteholders and shall withhold or deduct from any such payments any amounts on account of tax where so required by law or any relevant authority.

Issuer's Priority of Payments

Pre-Enforcement Available Income Funds Priority of Payments:

For so long as the Trustee has not delivered a Note Enforcement Notice (as defined in the Conditions), on each Note Payment Date, the Available Income Funds (as defined in the Conditions) for such Note Payment Date will be allocated and applied as follows in the following order of priority (the "**Pre-Enforcement Available Income Funds Priority of Payments**"):

- (1) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses (each as defined in the Conditions) due and unpaid to the Trustee on such Note Payment Date;
- (2) to pay into an account (the "**Dutch Account**") on the Note Payment Date falling in April each year an amount of, in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April thereafter, EUR 15,000;
- (3) to pay *pari passu* and *pro rata* or provide for any tax liabilities incurred by or assessments made against the Issuer, other than Dutch corporate income tax in relation to the profit referred to in (2) above;
- (4) to pay *pari passu* and *pro rata* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses due and unpaid on such Note Payment Date;
- (5) to pay *pari passu* and *pro rata* any accrued and unpaid interest and any Make-up Interest Amount on each Class on such Note Payment Date in the Order of Seniority; and

- (6) to pay *pari passu* and *pro rata* to the Operating Creditors (as defined in the Conditions) (other than the Trustee) any Exceptional Expenses due and unpaid on such Note Payment Date.

**Pre-Enforcement
Available Redemption
Funds Priority of
Payments:**

For so long as the Trustee has not delivered a Note Enforcement Notice, on each Note Payment Date, Available Redemption Funds (as defined in the Conditions) will be allocated and applied as follows and in the following order of priority (the "**Pre-Enforcement Available Redemption Funds Priority of Payments**"):

- (1) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses due and unpaid to the Trustee on such Note Payment Date (to the extent not paid out of Available Income Funds);
- (2) to pay into the Dutch Account on the Note Payment Date falling in April each year an amount of, in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April thereafter, EUR 15,000 (to the extent not paid out of the Available Income Funds);
- (3) to pay *pari passu* and *pro rata* or provide for any tax liabilities incurred by or assessments made against the Issuer, other than any Dutch corporate income tax in relation to the profit referred to in (2) above (to the extent not paid out of Available Income Funds or the Dutch Account);
- (4) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses due and unpaid on such Note Payment Date other than any Dutch corporate income tax over the amount referred to in (2) (to the extent not paid out of Available Income Funds);
- (5) to pay to the Swap Counterparty the aggregate amount of Aggregate Issuer Payments, if any, due and unpaid on such Note Payment Date;

- (6) to pay *pari passu* and *pro rata* to Noteholders any Partial Redemption Funds Amount and any other amounts due to be paid in respect of redemption of the principal amount of each Class of Notes in the Order of Seniority unless expressly provided otherwise in the Conditions in which case payments should be made in accordance with Pro Rata Redemption;
- (7) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Exceptional Expenses due and unpaid on such Note Payment Date (to the extent not paid out of Available Income Funds);
- (8) to pay *pari passu* and *pro rata* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement and to pay to the Repo Counterparty any termination amount under the Repo Agreement, as applicable; and
- (9) to pay to the Swap Counterparty the Swap Termination Payment.

The "Swap Termination Payment" is an amount equal to the balance of the Available Redemption Funds (if any) remaining on the Scheduled Redemption Date or (as the case may be) the Early Redemption Date or, if the Extension Period commences on the Scheduled Redemption Date or (as the case may be) the Early Redemption Date, on the Final Redemption Date) after applying such funds to items (1) to (8) (inclusive) above.

Post-Enforcement Priority of Payments: After delivery of a Note Enforcement Notice, the Trustee shall apply or cause to be applied all monies paid to, recovered or received by or on behalf of the Trustee in respect of, the assets in respect of which Security has been taken in the following order of priority (the "Post-Enforcement Priority of Payments"):

- (1) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses (each as defined in the Conditions) due and unpaid to the Trustee;
- (2) to pay *pari passu* and *pro rata* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses due and unpaid;
- (3) to pay to the Swap Counterparty the aggregate amount of

Aggregate Issuer Payments, if any, due and unpaid to the Swap Counterparty under the Credit Default Swap;

- (4) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class A Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class A Notes;
- (5) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class B Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class B Notes;
- (6) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class C Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class C Notes;
- (7) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class D Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class D Notes;
- (8) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class E Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class E Notes;
- (9) to pay to the Swap Counterparty any other amounts due and unpaid to the Swap Counterparty under the Credit Default Swap;
- (10) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Exceptional Expenses due and unpaid;
- (11) to pay *pari passu* and *pro rata* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement and to pay the Repo Counterparty any termination amount under the Repo Agreement, as applicable;

(12) to pay to the Swap Counterparty an amount equal to the balance of the proceeds of enforcement of the Security after applying such funds to the above items; and

(13) to pay the remaining balance, if any, to the Issuer.

Form and Denomination

Each Class will initially be represented by a Temporary Global Note without interest coupons or receipts. The Temporary Global Notes for the Class A1 Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes will be deposited with the Common Depositary on or about the Closing Date. The Class A2 Notes will be deposited directly with Euroclear Netherlands.

Each Temporary Global Note will be exchangeable, in whole, for interests in a Permanent Global Note relating to the same Class, without interest coupons or receipts, not earlier than 40 days after the Closing Date upon certification as to non-United States beneficial ownership. Interest payments in respect of the Notes cannot be collected until such certification of non-United States beneficial ownership has been received by the Principal Paying Agent.

The Notes will be issued in bearer form in denominations of EUR 100,000 each. In certain limited circumstances definitive Notes with Coupons, Receipts and Talons (each as defined below) attached will be issued in exchange for a Permanent Global Note.

Listing

Application has been made to the Irish Financial Services Regulatory Authority, in its capacity as competent authority under the Prospectus Directive, for this Prospectus to be approved. This Prospectus constitutes a "prospectus" for the purposes of the Prospectus Regulations (which implement the Prospectus Directive in Ireland). Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

Clearing

The Class A1 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will clear through Euroclear and Clearstream, Luxembourg. The Class A2 Notes deposited with Euroclear Netherlands will be cleared by Clearnet S.A. Amsterdam Branch Stock Clearing.

Governing Law

The Notes will be governed by English law.

CREDIT DEFAULT SWAP

Effective Date

The Closing Date.

Reference Portfolio

Under the Credit Default Swap, the Swap Counterparty will on or prior to the Portfolio Cut-Off Date designate the Reference Portfolio. The Reference Portfolio will consist of a pool of Reference Obligations, which are payment obligations under term loans, as specified in the Reference Register. The Reference Portfolio will be the subject of the Credit Default Swap.

The Reference Obligations have been identified by ABN AMRO and subjected to ABN AMRO's normal credit process and are required to comply with the Eligibility Criteria as at the Portfolio Cut-Off Date. However, ABN AMRO is not required to have an interest in any Reference Obligation as at the Portfolio Cut-Off Date and if it holds any Reference Obligation as at the Portfolio Cut-Off Date, it is not obliged to retain or continue to hold any Reference Obligation after the Portfolio Cut-Off Date.

Reference Obligations will be removed from the Portfolio or have their Reference Obligation Notional Amount reduced as set out in the section "*Reference Obligation Notional Amount*" below.

Reference Obligation Notional Amount

In respect of each Reference Obligation, the Swap Counterparty shall designate the Reference Obligation Notional Amount by reference to which any Credit Protection Payment Amount relating to such Reference Obligation shall be calculated. The Reference Obligation Notional Amount of any Reference Obligation may not be increased after it has been designated by the Swap Counterparty.

The Reference Obligation Notional Amount of a Reference Obligation may be reduced to the extent of scheduled or unscheduled repayments in respect of such Reference Obligation if such repayments are specified by the Swap Counterparty in the Reference Portfolio Schedule. In addition, the Reference Obligation Notional Amount of any Reference Obligation may be removed from the Reference Portfolio if such Reference Obligation did not satisfy the Eligibility Criteria on the Portfolio Cut-Off Date and/or was a Reference Obligation in respect of which a Bankruptcy and/or Restructuring Credit Event occurred prior to the Closing Date, in each case, if so specified by the Swap Counterparty in the

Reference Portfolio Schedule.

Upon a Reference Obligation becoming a Worked Out Obligation, the Reference Obligation Notional Amount of such Worked Out Obligation shall be removed from the Reference Portfolio.

Except for Reference Obligation Notional Amounts by reference to which the Note Extension Amount has been calculated, all Reference Obligation Notional Amounts shall be removed from the Reference Portfolio on the Scheduled Redemption Date or (as the case may be) the date on which the Credit Default Swap is terminated prior to the Scheduled Redemption Date (the "**Early Termination Date**").

Reference Register

The Reference Portfolio will at all times be comprised of Reference Obligations (a) listed on a register (the "**Reference Register**") maintained by or on behalf of the Swap Counterparty and (b) required individually to meet on the Portfolio Cut-Off Date (but not necessarily thereafter) the Eligibility Criteria.

The Reference Register will contain information including (i) the identity of each Reference Entity, (ii) the reference number of each Reference Entity, (iii) the reference number for each Reference Obligation, (iv) the Reference Obligation Notional Amount of each Reference Obligation, (v) the Reference Entity Notional Amount (as defined below) of each Reference Entity, (vi) the internal credit classification category attributed to each Reference Entity pursuant to the ABN AMRO Credit Score system, (vii) the maturity date of each Reference Obligation and (viii) the Reference Collateral in respect of each Reference Obligation on the Portfolio Cut-Off Date. The Swap Counterparty will update the Reference Register on a quarterly basis to reflect any changes to the Reference Obligation Notional Amount of each Reference Obligation since the Portfolio Cut-Off Date or the most recent update, as the case may be.

The Swap Counterparty shall, on the Closing Date (to the extent applicable) and at least five Note Business Days prior to each Note Payment Date (and at such other times as the Swap Counterparty may decide), deliver to each of the Issuer, the Trustee, the Cash Administrator and the Rating Agencies, or shall procure the delivery of a report (the "**Reference Portfolio Schedule**") disclosing certain information. For

details of the information disclosed, see the section "*Quarterly Reporting in relation to the Reference Portfolio*" in "*The Credit Default Swap*".

Except for the Reference Portfolio Schedule, none of the Issuer, the Trustee, the Cash Administrator, the Rating Agencies or the Noteholders shall be entitled to receive from the Swap Counterparty any information as to the identity of the Reference Entities or the Reference Obligations from time to time designated on the Reference Register. All information delivered pursuant to the Reference Portfolio Schedule is on a strictly anonymous and statistical basis.

Eligibility Criteria

Each Reference Obligation will be required to satisfy certain criteria in order to be included in the Reference Portfolio. See "*Eligibility Criteria*".

Servicing

The Reference Obligations and the Reference Collateral are to be administrated and enforced by the Servicer in accordance with ABN AMRO's credit and collection policy and servicing principles or equivalent credit and collection policy and servicing principles.

"**Servicer**" means ABN AMRO or such other person appointed as such by ABN AMRO prior to the Closing Date or such other person as may be Servicer in respect of any Reference Obligation transferred to it. The Servicer shall be entitled to delegate any of its servicing functions to any affiliate and/or subsidiary and/or group company without having to obtain the consent of the Trustee, Issuer, Noteholders, Rating Agencies or any other person provided, however, that if ABN AMRO shall delegate its responsibilities as Servicer to any third party, ABN AMRO shall retain primary responsibility for ensuring that the Reference Obligations to be serviced by such third party are serviced in accordance with ABN AMRO's credit and collection policy and servicing principles.

Portfolio Cut-Off Date

31 October 2005.

Credit Events

A Credit Event means Bankruptcy, Failure to Pay or Restructuring (each as defined in the section "*The Credit Default Swap*").

Conditions to Credit Protection

A Credit Protection Payment Amount will be calculated in respect of a Reference Obligation if the following conditions (the "**Conditions to Credit Protection**") are satisfied:

- (1) the Swap Counterparty has delivered a Credit Event Notice to the Issuer (with a copy to the Trustee and the Rating Agencies) during the period (the "**Notice Delivery Period**") commencing on the Closing Date and ending on or prior to the earlier of (a) the day which is five Note Business Days prior to the Scheduled Redemption Date, (b) the date on which notice was given by the Issuer that the Notes will fall due for redemption on an Early Redemption Date, and (c) the date on which an early termination of the Credit Default Swap occurs or has been designated, containing:
 - (i) information that confirms in reasonable detail the occurrence of a Credit Event on or after the Closing Date; and
 - (ii) confirmation from the Calculation Agent of the occurrence of such Credit Event, provided that such Credit Event Notice shall be delivered no later than 120 days after the Swap Counterparty (which, for the purpose of this provision, shall mean the division or department of ABN AMRO responsible for monitoring, and/or giving Credit Event Notices under, the Credit Default Swap) has actual knowledge of the Credit Event referred to therein; and,
- (2) when delivering a Credit Event Notice in accordance with (1) above, the Swap Counterparty shall also deliver (or procure the delivery of) a notice (the "**Notice of Certification**") to the Trustee and the Rating Agencies certifying (a) the reference number in the Reference Register with respect to the Reference Entity to which the Credit Event relates, (b) that the internal credit classification category attributed to such Reference Entity pursuant to the ABN AMRO Credit Score System (as defined in the section "*Eligibility Criteria*") was correct in all material respects on the Portfolio Cut-Off Date, (c) the Reference Obligation Notional Amount of each Reference Obligation affected by such Credit Event, (d) that the Reference Collateral in respect of the Reference Obligation was legal, valid, binding and enforceable (subject to general principles of insolvency and general equitable principles (if any)) in all material respects on the Portfolio Cut-Off Date, (e)

(i) the Reference Obligation and the Reference Collateral were administered and enforced by the Servicer in accordance with ABN AMRO's credit and collection policy and the servicing principles or equivalent credit and collection policies and servicing principles, (ii) that, prior to there being a Credit Event in relation to the Reference Obligation, it did not make known to any personnel of the Servicer responsible for servicing the Reference Obligation that such Reference Obligation is a Reference Obligation for the purposes of the Credit Default Swap and (iii) that, after the occurrence of the Credit Event, it will make reasonable efforts to ensure that no personnel of the Servicer responsible for servicing the Reference Obligation is made aware that such Reference Obligation is a Reference Obligation for the purpose of the Credit Default Swap and (f) that all other Eligibility Criteria were correct in all material respects on the Portfolio Cut-Off Date; and

- (3) the amount of the Credit Protection Payment Amount is determined by the Calculation Agent in accordance with the Credit Default Swap at least five Note Business Days prior to the relevant Note Payment Date,

provided that, if within 90 days after the date on which a Credit Event Notice has been given, the Credit Event described in such Credit Event Notice is no longer continuing, the Credit Event Notice shall cease to be of any effect and the Swap Counterparty shall, as soon as practicable after it becomes aware that such Credit Event is no longer continuing, give notice to the Issuer, the Trustee and the Rating Agencies that such Credit Event is no longer continuing and stating that the relevant Credit Event Notice has ceased to be of effect.

Except as otherwise specifically provided above, the determination by the Calculation Agent of the occurrence of a Credit Event shall be final and binding on the Issuer and the Swap Counterparty.

The Conditions to Credit Protection can be satisfied once only in relation to each Reference Entity (subject to the successor provisions) and Reference Obligation but more than once in relation to the Reference Portfolio and the Credit Default Swap.

The Issuer Payment (if any) relating to a Credit Protection Payment Amount shall be included in the Aggregate Issuer Payment to be made to the Swap Counterparty on the Note Payment Date immediately following the Calculation Period (as defined in the section "*The Credit Default Swap*") in which the quantum of that Credit Protection Payment Amount has been determined by the Calculation Agent in accordance with the Credit Default Swap.

Aggregate Issuer Payment

For each Calculation Period ending immediately prior to a Note Payment Date, a calculation shall be made of the Issuer Payment in respect of each Defaulted Reference Obligation in respect of which the Conditions to Credit Protection were satisfied during such Calculation Period and the Issuer shall pay to the Swap Counterparty on the Note Payment Date immediately following the end of such Calculation Period the aggregate of the Issuer Payments determined in respect of such Calculation Period (the "**Aggregate Issuer Payment**"). On each Calculation Date, the Swap Counterparty shall determine the Issuer Payment in respect of each Defaulted Reference Obligation in respect of which the Conditions to Credit Protection were satisfied, which shall be an amount equal to the Credit Protection Payment Amount determined in respect of such Defaulted Reference Obligation less the Synthetic Excess Spread Balance allocated in reduction of such Credit Protection Payment Amount. The full amount of the Synthetic Excess Spread Balance available on each Note Payment Date shall be allocated to reduce Credit Protection Payment Amounts to the extent necessary to reduce such amount to zero. If the Synthetic Excess Spread Balance allocated to the *Credit Protection Payment Amount* reduces such amount to zero, then no Issuer Payment shall be payable in relation to such Credit Protection Payment Amount. Following satisfaction of the Conditions to Credit Protection, the Issuer shall only be obliged to pay to the Swap Counterparty on the Note Payment Date following the Calculation Date in respect of which the relevant Credit Protection Payment Amount was determined, an amount equal to the Issuer Payment calculated by the Swap Counterparty in respect of such Credit Protection Payment Amount.

If a Credit Protection Payment Amount is determined in respect of any Reference Obligation prior to such Reference Obligation becoming a Worked Out Reference Obligation, a further Credit Protection Payment Amount shall be determined

in respect of such Reference Obligation. See *"The Credit Default Swap"*.

**Calculation of Credit
Protection Payment
Amount**

The **"Credit Protection Payment Amount"** in respect of any Defaulted Reference Obligation shall be the following:

- (i) if the Defaulted Reference Obligation becomes a Worked Out Obligation prior to the end of the period of 12 months from the date of the occurrence of the Credit Event (the **"Initial Recovery Period"**) or is a Final Estimated Recoveries Date Reference Obligation in respect of which an Initial Credit Protection Amount has not been determined, the Worked Out Credit Protection Amount determined in respect of such Defaulted Reference Obligation; and
- (ii) if the Defaulted Reference Obligation does not become a Worked Out Obligation prior to the end of the Initial Recovery Period or is a Final Estimated Recoveries Date Reference Obligation in respect of which an Initial Credit Protection Amount was determined, (a) the credit protection amount calculated at the end of the Initial Recovery Period (the **"Initial Credit Protection Amount"**) and (b) an amount equal to the Adjusted Credit Protection Amount.

"Worked Out Obligation" means a Defaulted Obligation in respect of which the Swap Counterparty has determined (acting in accordance with the standards of a reasonable and prudent lender) that all Recoveries anticipated in respect of such Defaulted Reference Obligation have been received by the lender of record of such Reference Obligation.

"Adjusted Credit Protection Amount" means, in respect of a Defaulted Reference Obligation, the amount (subject to a minimum of zero) by which the Worked Out Credit Protection Amount is greater than the Initial Credit Protection Amount determined in respect of such Defaulted Reference Obligation.

"Worked Out Credit Protection Amount" means, in respect of a Defaulted Reference Obligation, the credit protection amount determined on, in the case of a Worked Out Obligation, the date on which such Defaulted Reference Obligation became a Worked Out Obligation and, in the case of a Final Estimated Recoveries Date Reference Obligation, the Final Estimated Recoveries Date.

"Final Estimated Recoveries Date" means:

- (i) in the case of a Defaulted Reference Obligation which does not become a Worked Out Obligation by the day (the **"45th Day Cut-Off Date"**) which is 45 Note Business Days prior to the Final Redemption Date or (as the case may be) the Early Redemption Date (other than an Early Redemption Date resulting from the giving of a Note Enforcement Notice), such 45th Day Cut-Off Date; and
- (ii) in the case of a Defaulted Reference Obligation which does not become a Worked Out Obligation by the Early Redemption Date resulting from the giving of a Note Enforcement Notice, the day which is ten Note Business Days following such Early Redemption Date.

"Final Estimated Recoveries Date Reference Obligation" means a Defaulted Reference Obligation in respect of which the Worked Out Credit Protection Amount falls to be determined on the Final Estimated Recoveries Date.

If the Initial Credit Protection Amount in respect of a Defaulted Reference Obligation is greater than the Worked Out Credit Protection Amount in respect of such Defaulted Reference Obligation, the amount by which the Initial Credit Protection Amount is greater than the Worked Out Credit Protection Amount shall be treated as an Issuer Payment Adjustment Amount payable to the Issuer.

If the Worked Out Credit Protection Amount in respect of a Defaulted Reference Obligation is greater than the Initial Credit Protection Amount in respect of such Defaulted Reference Obligation, the second and final Issuer Payment in respect of such Defaulted Reference Obligation shall be calculated by reference to Credit Protection Payment Amount which is equal to the Adjusted Credit Protection Amount in respect of such Defaulted Reference Obligation.

The Initial Credit Protection Amount (if any) and the Worked Out Credit Protection Amount in relation to a Defaulted Reference Obligation shall, on the date of calculation, be in an amount equal to:

- (1) the Reference Obligation Notional Amount of such Defaulted Reference Obligation on the date of the

relevant Credit Event; plus

- (2) all unpaid interest due and, if such Defaulted Reference Obligation is not a Worked Out Obligation, estimated future interest in respect of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount; plus
- (3) all accrued and, if such Defaulted Reference Obligation is not a Worked Out Obligation, estimated future fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of a principal amount of the Defaulted Reference Obligation; less
- (4) the aggregate of all Recoveries in respect of such Defaulted Reference Obligation and, if such Defaulted Reference Obligation is not a Worked Out Obligation, the amount (the "**Estimated Recoveries**") estimated by the Calculation Agent that would be expected to constitute future Recoveries,

subject to a minimum of zero and a maximum of the Reference Obligation Notional Amount of the relevant Defaulted Reference Obligation. For a full description of how the Initial Credit Protection Amount (if any) and the Worked Out Credit Protection Amount are calculated, see "*The Credit Default Swap- Calculation of Credit Protection Payment Amount*".

Recoveries

With respect to a Reference Obligation, the sum of each of the following amounts received or applied by the lender of record of such Reference Obligation after the occurrence of the Credit Event: (a) any amounts paid or repaid in respect of such Reference Obligation by or on behalf of the Reference Entity; (b) any amounts in respect of which the lender of record of such Defaulted Reference Obligation has successfully exercised against the Reference Entity of such Defaulted Reference Obligation a right of set-off in respect of amounts due under such Reference Obligation and/or any amounts in respect of which the Reference Entity of such Defaulted Reference Obligation has successfully exercised a right of set-off against the lender of record of such Defaulted Reference Obligation in respect of amounts due under such Defaulted Reference Obligation; (c) the sale or other proceeds from the enforcement of the Reference Collateral (prior to deduction of all fees, taxes, foreclosure and other enforcement expenses (including

legal costs) which are attributable to enforcement of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount); and (d) (to the extent not included in (c)) any payments received by the lender of record of such Reference Obligation in respect of any other security in respect of such Reference Obligation.

Reference Collateral

Any pledge, mortgage, guarantee or any other security interest granted to the lender of record as security for the obligations of the Reference Entity under the Reference Obligation provided that the Reference Collateral shall not include any of the aforementioned interests to the extent that it is held for the benefit of a person other than the lender of record.

Estimated Recoveries

With respect to a Defaulted Reference Obligation, the amount estimated by the Calculation Agent as the amount that is expected to constitute Recoveries in respect of such Reference Obligation.

Synthetic Excess Spread Balance

The aggregate of (i) the Synthetic Excess Spread Amounts standing to the credit of the Synthetic Excess Spread Ledger and (ii) any Issuer Payment Adjustment Amount from time to time.

Synthetic Excess Spread Ledger

The Calculation Agent shall maintain a ledger in which it shall record credits and debits to the Synthetic Excess Spread Balance. On each Note Payment Date, the Synthetic Excess Spread Ledger shall be credited with the Synthetic Excess Spread Amount determined in respect of such Note Payment Date and shall be debited with the Synthetic Excess Spread Amount applied on such Note Payment Date in accordance with the Synthetic Excess Spread Priority of Payment.

Synthetic Excess Spread Amount

In respect of the Closing Date and each Note Payment Date thereafter, the Synthetic Excess Spread Amount shall be the product of (A) the aggregate of the Reference Obligation Notional Amounts as at the Closing Date or (as applicable) the relevant Note Payment Date, (B) 0.25% and (C) the actual number of days in the period beginning on (and including) the Closing Date or such Note Payment Date (as the case may be) and ending on (but excluding) the following Note Payment Date, divided by 360.

The Synthetic Excess Spread Amount shall be calculated in respect of any period after the Scheduled Redemption Date or (as the case may be) any Early Redemption Date resulting from the giving of a Note Enforcement Notice only by

reference to the Reference Obligation Notional Amount of any Defaulted Reference Obligation which has not become a Worked Out Obligation by the Scheduled Maturity Date or (as the case may be) the Early Termination Date.

**Synthetic Excess Spread
Priority of Payments**

On each Note Payment Date, the Synthetic Excess Spread Balance shall be applied as follows:

- (a) firstly, in reduction of any Credit Protection Payment Amount payable on such Note Payment Date; and
- (b) secondly, towards reinstatement of Notes which have a Principal Deficiency.

The Synthetic Excess Spread Amounts are notional amounts and are only paid to the extent necessary to fund reinstatements of principal as described in (b) above.

Annual Plausibility Check

The Swap Counterparty shall procure that as soon as reasonably practicable after each anniversary of the Portfolio Cut-Off Date and, in the event that the Notes fall due for redemption on an Early Redemption Date, as soon as practicable after a notice is given by the Issuer that the Notes will fall due for redemption on such Early Redemption Date, the Independent Accountants conduct a review in accordance with the Agreed Upon Procedures of a sample of Reference Obligations that became Defaulted Reference Obligations during the immediately preceding Annual Reporting Period selected at random by the Independent Accountants. For further details, see the section "*The Credit Default Swap - Annual Plausibility Check*".

**Issuer Payment
Adjustment Amount**

The amount of any Credit Protection Payment Amount previously determined that, on the basis of the Independent Accountant's review, was incorrect and the amount (if any) by which the Initial Credit Protection Amount in respect of a Defaulted Reference Obligation is greater than the Worked Out Credit Protection Amount in respect of such Defaulted Reference Obligation.

Note Business Day

Any TARGET Settlement 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 London, Amsterdam and New York.

Early Termination of the

The Credit Default Swap is subject to early termination in

Credit Default Swap

certain specified circumstances:

- (a) payment default (being a failure to pay after an amount has been due and payable for five Local Business Days (as defined under the Credit Default Swap)) by the Issuer or the Swap Counterparty;
- (b) bankruptcy events related to the Issuer;
- (c) merger of the Swap Counterparty with another entity without assumption in whole of all of the obligations under the Credit Default Swap;
- (d) illegality;
- (e) tax events related to the Issuer or the Swap Counterparty;
- (f) early redemption of the Notes in full;
- (g) at the option of the Swap Counterparty upon the occurrence of a Regulatory Change; or
- (h) ABN AMRO in its capacity as Servicer fails, in a material respect in the opinion of the Trustee (acting in the interests of the Noteholders in accordance with the terms of the Trust Deed), to meet its obligations as the servicer of any Reference Obligation.

The Swap Counterparty shall only be entitled to terminate the Credit Default Swap upon the occurrence of a Regulatory Change, if, following such termination, the Issuer shall be able to redeem the Notes at their Adjusted Principal Balance.

Swap Counterparty Payments

On the Note Business Day prior to each Note Payment Date, the Swap Counterparty will pay to the Issuer a payment ("**Swap Counterparty Payment**") in an amount equal to the sum of:

- (i) the aggregate Interest Amounts (as defined in the Conditions) calculated in relation to all Classes payable by the Issuer to the Noteholders on such Note Payment Date; plus
- (ii) to pay into the Dutch Account on the Note Payment Date falling in April each year an amount of: in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April

thereafter, EUR 15,000; plus

- (iii) an amount equal to any tax liabilities incurred by or assessments made against the Issuer, other than Dutch corporate income tax in relation to the profit referred to in (ii) above (to the extent not paid out of available income funds or Dutch Account); plus
- (iv) the quarterly Budgeted Operating Expenses applicable to the Note Interest Period commencing on such Note Payment Date; plus
- (v) an amount equal to the Reinstated Principal to be applied in respect of the Notes on such Note Payment Date; plus
- (vi) the Make-up Interest Amount payable by the Issuer to the Noteholders (to the extent not already paid pursuant to (i) and (iv) above and to the extent to which such amounts can be reasonably determined at such time) on such Note Payment Date; plus
- (vii) any Exceptional Expenses in any calendar year which have become due (but remain unpaid) during the Note Interest Period ended immediately prior to such Note Payment Date,

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- (viii) Issuer CD/Repo Income to be received by the Issuer during the Note Interest Period ending immediately prior to such Note Payment Date (to the extent not already received), and

provided that the Swap Counterparty Payment shall not be less than zero.

In addition, on the Closing Date, the Swap Counterparty will pay the Issuer an amount equal to certain Closing Date costs and expenses of the Issuer to the extent the Issuer has no funds available for such purpose.

If the Swap Counterparty ceases to have the Swap Counterparty Required Rating, the Swap Counterparty will be required to fund certain expenses of the Issuer in advance. See *"The Credit Default Swap- Swap Counterparty Payment"*.

Swap Counterparty Payments will be payable and will be deposited into the Issuer Account on the Closing Date and on

each Note Payment Date and distributed to the Noteholders and other entitled parties in accordance with the Pre-Enforcement Available Income Funds Priority of Payments.

RISK FACTORS

The following is a summary of certain aspects of the Notes, the Issuer and the related transactions about which prospective Noteholders should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including the risk factors detailed below. This summary is not intended to be exhaustive, and prospective Noteholders should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus prior to making an investment decision.

Investor Suitability

Investor Considerations

The Notes are complex securities and investors should possess, or seek the advice of advisors with, the expertise necessary to evaluate the information contained in this Prospectus in the context of such investor's individual financial circumstances and tolerance for risk. An investor should not purchase Notes of any Class unless it understands the principal repayment, credit, liquidity, market and other risks associated with that Class.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviours of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investors may not rely on the Issuer Account Bank, Cash Deposit Bank, any Agent, the Cash Administrator, any Joint Lead Manager, the Swap Counterparty, the Trustee, any other Transaction Party or the Issuer in connection with its determination as to the legality of acquisition of the Notes or as to the other matters referred to in these investment considerations. Neither the Issuer nor any of the Transaction Parties is acting as an investment

adviser, or assumes any fiduciary obligation, to any investor in the Notes. The Transaction Parties and the Issuer do not assume any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any Reference Entity or any other Transaction Parties.

Tax consequences of holding the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation.

Considerations Related to the Notes

Obligations of the Issuer, Limited Assets and Liability under the Notes

The Issuer is a special purpose financing entity with no business operations other than the issue of the Notes, the entering into of the Credit Default Swap, the Cash Deposit Agreement, the Repo Agreement (if any) and the transactions and agreements ancillary thereto. The Notes are limited recourse obligations of the Issuer and amounts due in respect of the Notes are payable only to the extent that the Issuer receives monies due to it under the Credit Default Swap, the Cash Deposit Agreement, the Repo Agreement (if any) and the transactions and agreements ancillary thereto. Other than the foregoing, the Issuer will not have any other funds available to it to meet its obligations under the Notes and its obligations ranking in priority to, or *pari passu* with, the Notes. Following enforcement of the Security, the only funds available to the Trustee for and on behalf of the Noteholders and the other Secured Parties will consist solely of the proceeds of enforcement of the Security. The Noteholders will have no right to proceed directly against, amongst others, the Swap Counterparty in respect of the Credit Default Swap or to take title to, or possession of, the Security.

The Issuer is the only entity responsible for making any payments on the Notes. The Notes will be obligations of the Issuer only and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. In particular, the Notes will not be obligations or responsibilities of, and will not be guaranteed by, any of the Transaction Parties or any person affiliated with them.

If distributions of amounts received by the Issuer under the Credit Default Swap, the Collateral and, after enforcement of the Security, the proceeds of enforcement of the Security are insufficient to make payments on the Notes in full, no other assets will be available for payment of the deficiency and, following realisation of the Security, no debt shall be owed by the Issuer in respect of such deficiency. Although the Trustee will hold the benefit of the Security created under the Security Documents for the benefit of the Noteholders, such Security will also be held for the benefit of certain other third parties (including the Swap Counterparty) that will rank ahead of the Noteholders. Accordingly, the Noteholders (or the holders of certain Classes of Notes) may receive on redemption an amount less than the face value of their Notes and the Issuer may be unable to pay, in full, interest due on the Notes.

Non-Petition

None of the Noteholders, the Trustee or other creditors (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, winding up, re-organisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other documents relating to the issue of the Notes (save for lodging a claim in liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) for two years and one day after the latest date on which the Notes are due to mature so long as the Notes are outstanding.

Absence of Secondary Market; Limited Liquidity

Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for the Prospectus to be approved. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. However, the Notes will be new securities for which there is no established trading market. There can be no assurance that a secondary market in the Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment, or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Reference Entities, the Reference Obligations and the nature of any Credit Event may affect liquidity of the market for and the value of the Notes, especially the more junior Classes of Notes. Consequently, prospective purchasers of the Notes should be aware that they may have to hold the Notes until their maturity.

Volatility

The market value of the Notes may fluctuate with changes in prevailing rates of interest, market perceptions of the risks associated with the Notes, supply and other market conditions. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of such Notes.

Delays in Redemption Related to the Calculation of the Credit Protection Payment Amounts

The Notes will be subject to mandatory or optional redemption in accordance with Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), but redemption payments may be delayed in certain circumstances where Credit Protection Payment Amounts have not been calculated under the Credit Default Swap as of the date of such redemption.

Since the Swap Counterparty may deliver a Credit Event Notice at any time during the Notice Delivery Period, Credit Event Notices may have been delivered in respect of one or more Defaulted Reference Obligations on or prior to the Scheduled Redemption Date or the relevant Early Redemption Date (as the case may be) but the related Credit Protection Payment Amount may not have been determined as of the Scheduled Redemption Date or such Early Redemption Date. In such circumstances, an amount of Notes equal to the Note Extension Amount shall remain outstanding until the end of the Extension Period.

During the Extension Period, any Notes remaining outstanding shall continue to bear interest, payable quarterly in arrear at the rate specified in Condition 6 (*Interest*).

Effect of Regulatory Change

If a Regulatory Change occurs, the Swap Counterparty has the right to determine whether the Credit Default Swap should be terminated as a result thereof.

For these purposes, a "**Regulatory Change**" means, on or after the Closing Date, a change in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change in the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch central bank or other competent authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap and the Repo Agreement (if any).

Early Redemption of the Notes

Subject to the Conditions, early redemption of the Notes may occur in any of the following circumstances, in each instance at the Adjusted Principal Balance of the Notes:

- (a) in whole, following any early termination in whole of the Credit Default Swap (including, without limitation, as the result of the occurrence of a Regulatory Change or a failure by the Swap Counterparty to elect to gross-up any Swap Counterparty Payment if withholding tax becomes applicable thereon);
- (b) in whole, on the early termination of the Repo Agreement or the Cash Deposit Agreement (where such agreement is not replaced by the Repo Agreement or a new Cash Deposit Agreement with a replacement bank, as described more fully in the "*The Collateral and Cash Administration Arrangements*").
- (c) in whole, at the option of the Issuer, upon the occurrence of a Tax Redemption Event;
- (d) in whole, upon the occurrence of a Note Event of Default;
- (e) in whole, on any Note Payment Date where the then Adjusted Principal Balance of the Notes is less than or equal to 10% of the Initial Principal Balance of all the Notes;
- (f) in part, if the Reference Obligation Notional Amount of any Reference Obligations is reduced (in whole or in part) as a result of an unscheduled prepayment of principal, or cancellation of the Reference Obligation, or as a result of a scheduled repayment of

principal, by an amount equal to the RONA Reduction determined in respect of such Reference Obligation;

- (g) in part, if the Calculation Agent determines that any Reference Obligation did not satisfy the Eligibility Criteria as of the Portfolio Cut-Off Date by an amount equal to the Reference Obligation Notional Amount of such Reference Obligation;
- (h) in part, if the Calculation Agent determines that a Bankruptcy or Restructuring Credit Event occurred in respect of a Reference Obligation during the period from and including the Portfolio Cut-Off Date to but excluding the Closing Date;
- (i) in part, if the Conditions to Credit Protection have been satisfied, by the amount by which the Reference Obligation Notional Amount of any Reference Obligation in respect of which the conditions to Credit Protection have been satisfied exceeds the sum of the initial Issuer Payment and any subsequent Issuer Payment determined in respect of such Reference Obligation; and
- (j) in part, if the Adjusted Principal Balance of the Notes is increased because of the existence of a Synthetic Excess Spread Balance, by an amount equal to the amount of the Reinstated Principal which relates to such of the Principal Deficiency as was caused by, with respect to any Worked Out Obligation, the sum of the Issuer Payments (if any) less any Issuer Payment Adjustment Amount relating to such Worked Out Obligation.

Subordination of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes

After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class A Notes will be made in priority to payments of principal and interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class B Notes will be made in priority to payments of principal and interest on the Class C Notes, the Class D Notes and the Class E Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class C Notes will be made in priority to payments of principal and interest on the Class D Notes and the Class E Notes. After enforcement of the security for the Notes under the Security Documents, payments of principal and interest on the Class D Notes will be made in priority to payments of principal and interest on the Class E Notes.

Conflicts of interests between the Classes of Notes

The Trust Deed and the Conditions will provide that the Trustee is to have regard to the interests of the holders of all the Classes of Notes. There may be circumstances, however, where the interests of one Class of the Noteholders conflict with the interests of another Class or other Classes of the Noteholders. In general, the Trustee will give priority to the interests of the holders of the Most Senior Class of Notes, such that:

- (a) the Trustee is to have regard only to the interests of the Class A Noteholders in the event of a conflict between the interests of the Class A Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (b) (if there are no Class A Notes outstanding) the Trustee is to have regard only to the interests of the Class B Noteholders in the event of a conflict between the interests of the Class B Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (c) (if there are no Class A Notes or Class B Notes outstanding) the Trustee is to have regard only to the interests of the Class C Noteholders in the event of a conflict between the interests of the Class C Noteholders on the one hand and any other Class of Noteholders on the other hand;
- (d) (if there are no Class A Notes, Class B Notes or Class C Notes outstanding) the Trustee is to have regard only to the interests of the Class D Noteholders in the event of a conflict between the interests of the Class D Noteholders on the one hand and any other Class of Noteholders on the other hand; and
- (e) (if there are no Class A Notes, Class B Notes, Class C Notes or Class D Notes outstanding) the Trustee is to have regard only to the interests of the Class E Noteholders.

Class A Notes

Following the giving of a Note Enforcement Notice, all payments in respect of the Class A Notes will be made *pari passu* and *pro rata* among the holders of the Class A Notes. At all other times, payments of principal will be applied firstly in payment to the holders of the Class A1 Notes and secondly in payment of amounts due in respect of the Class A2 Notes. Any reduction of the Adjusted Principal Balance of the Class A Notes and any reinstatements of principal in respect of the Class A Notes shall be made *pari passu* and *pro rata* among the holders of the Class A Notes. All payments of interest in respect of the Class A Notes shall be made *pari passu* and *pro rata* among the holders of the Class A Notes.

Repo Securities Risk

Pursuant to the terms of any Repo Agreement which may be entered into, the Repo Counterparty will have flexibility and discretion in selecting Repo Securities. The Repo Securities must meet the Repo Securities Eligibility Criteria. However, the Repo Securities Eligibility Criteria do not include a requirement for minimum or maximum number of separate obligors of the Repo Securities or requirements as to concentration limits in respect thereof. If the Repo Counterparty defaults on its ultimate obligation to repurchase all of the Repo Securities under the Repo Agreement, the Issuer, following realisation of the Collateral, may be exposed to the credit risk of the obligors on the Repo Securities or market value or liquidity fluctuations in respect of the Repo Securities.

The Issuer's Reliance on Certain Transaction Parties

The Issuer is a party to contracts with a number of third parties who have agreed to perform certain services in relation to, amongst other things, the Notes. For example, the Swap Counterparty has agreed to enter into the Credit Default Swap with the Issuer; the Issuer's Management has agreed to provide various corporate services to the Issuer and the Cash Deposit Bank, Cash Administrator, the Issuer Account Bank, the Paying Agents and the Agent Bank have agreed to provide, amongst other things, payment, administration and calculation services in connection with the Notes. In the event that any relevant third party fails to perform its obligations under the respective agreements to which it is a party, the Noteholders may be adversely affected.

Certain Decisions by the Trustee

The Trustee will be entitled to agree, without the consent of the Noteholders, the Couponholders, the Receiptholders or any other Secured Parties, with the Issuer and any other relevant party to any of the Transaction Documents in making any modification to the Conditions, the Trust Documents (other than, in the case of (a) below, in respect of a Basic Terms Modification), the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if (a) in its opinion, the interests of the holders of the Most Senior Class of Notes then outstanding would not be materially prejudiced thereby; (b) it is required or permitted to do so, subject to the satisfaction of specified conditions under the terms of the Conditions or the Transaction Documents, provided such conditions are satisfied; or (c) in its opinion, it is required to correct a manifest error or an error which, in the opinion of the Trustee, is proven or is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification.

The Trustee will be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of any Class of Noteholders if the Rating Agencies have confirmed that the ratings of the relevant Class(es) of the Notes would not be adversely affected by such exercise. However, a decision by the Rating Agencies not to downgrade the Notes does not indicate that the action taken by the Trustee would not be prejudicial to the interests of the Noteholders.

Ratings of the Notes

The ratings assigned to the Notes by the Ratings Agencies are based on, *inter alia*, the Notes, the Reference Portfolio, any Repo Agreement which may be entered into, the Cash Deposit, the related cashflows and the other relevant structural features of the transaction, including, *inter alia*, the Security in addition to the unsecured and unsubordinated debt rating of the Cash Deposit Bank and the Repo Counterparty (if any), and reflect only the views of the Rating Agencies. The rating assigned to the Class E Notes by S&P is dependant on ABN AMRO as Swap Counterparty performing its payment obligations under the Credit Default Swap. The ratings assigned to the Notes address the likelihood of full and timely payment to the Noteholders of all payments of interest on the Notes on each Note Payment Date and the full

and timely payment of principal on the Notes on or before the Final Redemption Date. Other non-credit issues have not been addressed, but may have a significant effect on yield to investors. There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies as a result of changes in, or unavailability of, information or if, in the Rating Agencies' judgement, circumstances so warrant.

Rating agencies other than the Rating Agencies could seek to rate the Notes and if such "unsolicited ratings" are lower than the comparable rating assigned to the Notes by the Rating Agencies, such "shadow" ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, and unless the context otherwise requires, any references to "ratings" or a "rating" in this Prospectus are to ratings assigned by the Rating Agencies only. Future events, including changes in the Dutch economy and events affecting the relevant loan market generally, could have an adverse impact on the "rating" of the Notes.

In addition, where a particular matter (including the determination of material prejudice by the Trustee and changes to certain of the operational covenants) involves the Rating Agencies being requested to confirm the then current ratings of the Notes, such confirmation may or may not be given at the sole discretion of the Rating Agencies. It should be noted that, depending on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that the Rating Agencies cannot provide their confirmation in the time available or at all, and they will not be responsible for the consequences thereof.

Confirmation, if given, will be given on the basis of the facts and circumstances prevailing at the relevant time, and in the context of cumulative changes to the transaction of which the Notes form part since the Closing Date. A confirmation of ratings represents only a restatement of the opinions given at the Closing Date or as the case may be thereafter, and cannot be construed as advice for the benefit of any parties to the transaction or as confirmation that an event or amendment is in the best interest of, or not materially prejudicial to, the interests of the Noteholders. No assurance can be given that a requirement to seek ratings confirmation will not have a subsequent impact upon the business of the Issuer.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or more of the Rating Agencies. *Each credit rating should be evaluated independently of any other credit rating.*

Notes held in Global Form

The Notes will initially be held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands, in each case in the form of a Global Note which will be exchangeable for Definitive Notes only in limited circumstances. For as long as any Notes are represented by a Global Note held by a common depositary (or its nominee) on behalf of Euroclear and/or Clearstream, Luxembourg or by Euroclear Netherlands, payments of principal, interest (if any) and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands (as the case may be) against presentation or surrender (as the case may be) of the

relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The holder of the relevant Global Note, being the common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands shall be treated by the Issuer and any Paying Agent as the sole holder of the relevant Notes represented by such Global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands, as the case may be.

Pledges to Trustee

Under or pursuant to the Security Documents, various Dutch law pledges will be granted by the Issuer to the Trustee. A Dutch pledge can serve as security for monetary claims (*geldvorderingen*) only and can only be enforced upon default (*verzuim*) of the obligations secured thereby.

The Issuer is a special purpose entity and has been set up as a bankruptcy remote entity by including non-petition wording in the relevant Transaction Documents. However, it is possible that a Dutch court would deal with a petition for bankruptcy (*faillissement*), notwithstanding that such petition has been presented in breach of a non-petition covenant. Recourse by the Transaction Parties to the Issuer has been limited to the assets the Issuer may have (excluding for the avoidance of doubt amounts standing to the credit of the Dutch Account). It is therefore unlikely that the Issuer will become insolvent. Should the Issuer be subjected to a bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or the imposition of special measures (*bijzondere voorzieningen*) within the meaning of Chapter X of the Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*) (each an "**Insolvency Proceeding**" and together the "**Insolvency Proceedings**"), as applicable, nevertheless, the Trustee as pledgee can exercise the rights afforded by Dutch law to pledgees as if there were no Insolvency Proceedings. However, Insolvency Proceedings involving the Issuer would affect the position of the Trustee as pledgee in some respects under Dutch law.

First, if and to the extent that assets purported to be pledged by the Issuer to the Trustee, are future assets (i.e. assets that have not yet been acquired by the Issuer or that have not yet come into existence) at the moment Insolvency Proceedings take effect (i.e. at 0:00 hours on the date insolvency is declared), such assets are no longer capable of being pledged by the Issuer (unless the liquidator agrees). This would for example apply with respect to amounts that are paid to the Cash Deposit Account or the Issuer Account following the Issuer's insolvency. As such crediting of the Cash Deposit Account or the Issuer Account would not yet have occurred when the insolvency takes effect, the resulting receivable of the Issuer vis-à-vis the Cash Deposit Bank or the Issuer Account Bank would qualify as a future asset as abovementioned. However, if following insolvency, amounts are due to be paid under receivables that have been pledged to the Trustee prior to insolvency, the Trustee as pledgee could through notification to the relevant debtors prevent that such pledged receivables are further discharged through payments to the Cash Deposit Account or the Issuer Account. The

reason for this is that as pledgee it is entitled to collect such receivables itself, i.e. on its own bank account, following notification of the pledge to the relevant debtor.

Secondly, the following mandatory rules of Dutch insolvency law may affect the enforcement of the Trustee's pledges:

1. a statutory stay of execution ("cooling-off period") of two months - with a possible extension by at the most two more months - may be imposed during insolvency proceedings by court order. Such stay of execution does not prevent the Trustee from giving notice to the debtors of any pledged receivables and collecting the proceeds thereof. However, where applicable, it will prevent the Trustee from (i) taking recourse against any amounts so collected during such stay of execution and (ii) selling pledged assets to third parties;
2. the liquidator in bankruptcy can force the Trustee to enforce its security right within a reasonable period of time, failing which the liquidator will be entitled to sell the pledged assets and distribute the proceeds. In such case, the Trustee will receive payment prior to ordinary, non-preferred creditors having an insolvency claim but after creditors of the estate. It should be noted, however, that said authority of the liquidator only aims to prevent a Secured Party from delaying the enforcement of the security without good reason; and
3. excess proceeds of enforcement must be returned to the Issuer in its insolvency; they may not be set-off against an unsecured claim (if any) of the Trustee on the Issuer. Such set-off is in principle allowed prior to the Insolvency Proceedings.

Parallel Debt

On or about the Closing Date the Issuer will grant pledges to the Trustee for the benefit of the Secured Parties. However, under Dutch law there is no concept of trust and it is uncertain whether a pledge can be granted to a party other than the creditors of the receivables purported to be secured by such pledge. Under Dutch law a "parallel debt" structure can be used to give a trustee its own, separate, independent right of claim on identical terms as the relevant creditors. For this purpose, the Trust Deed will create a parallel debt of the Issuer to the Trustee, so that the Security can be granted to the Trustee in its own capacity as creditor of the parallel debt. In the Trust Deed it will be agreed that obligations of the Issuer to the Trustee under the parallel debt shall be decreased to the extent that the corresponding principal obligations to the Secured Parties are reduced (and *vice versa*). In the Trust Deed the Trustee will agree to act as trustee as abovementioned and will agree:

- (a) to act for the benefit of the Secured Parties in administering and enforcing the Security; and
- (b) to distribute the proceeds of the Security in accordance with the provisions set out in the Trust Deed and the other Transaction Documents.

Any payments in respect of the parallel debt and any proceeds of the Security (in each case to the extent received by the Trustee) are in the case of an insolvency of the Trustee not

separated from the Trustee's other assets, so the Secured Parties accept a credit risk on the Trustee.

However, the Trustee is a special purpose trustee entity with no business operations other than the entering into of the Trust Deed, the Security Documents and the transactions and agreements ancillary thereto. It is therefore unlikely to become insolvent.

Considerations Related to the Credit Default Swap

Credit Exposure to Reference Entities

The amount repayable in respect of the Notes is dependent in part upon whether, and the extent to which, one or more Credit Events have occurred in relation to any Reference Entity on or before the Scheduled Redemption Date or, as the case may be, any Early Redemption Date. The occurrence of a Credit Event may affect the yield to maturity of each Class of Notes, the rate of principal repayments on each Class of Notes, the weighted average life of each Class of Notes and ultimately the Issuer's ability to redeem the Notes in full. Accordingly, the Issuer, and therefore the Noteholders, will have exposure to the credit risk of the Reference Portfolio and the Noteholders may lose some or all of the amounts invested in the Notes as a result of Credit Events occurring with respect to all or a portion of the Reference Portfolio. Investors are referred to the sections "*Description of the Reference Portfolio*" and "*Overview of the Dutch Loan Market*" for more detailed information in respect of the Reference Portfolio and the Dutch market respectively.

Upon an Aggregate Issuer Payment being made the aggregate Adjusted Principal Balance of the Notes will be reduced on the relevant Note Payment Date as follows: first, the Adjusted Principal Balance of the Class E Notes will be reduced until the Adjusted Principal Balance of the Class E Notes is zero; second the Adjusted Principal Balance of the Class D Notes will be reduced until the Adjusted Principal Balance of the Class D Notes is zero; third, the Adjusted Principal Balance of the Class C Notes will be reduced until the Adjusted Principal Balance of the Class C Notes is zero; fourth, the Adjusted Principal Balance of the Class B Notes will be reduced until the Adjusted Principal Balance of the Class B Notes is zero and, finally, the Adjusted Principal Balance of the Class A Notes will be reduced until the Adjusted Principal Balance of the Class A Notes is zero.

Accordingly, Noteholders will be exposed to the credit risk of the Reference Entities to the full extent of their investment in the Notes, with the Class E Noteholders being first in terms of such exposure.

A reduction in the aggregate Adjusted Principal Balance on a Class of Notes will affect the relevant Note Interest Amount due and payable on such Class of Notes on a Note Payment Date and the amount of principal ultimately payable on such Class of Notes on a Note Payment Date insofar as interest and principal on a Class of Notes whose Adjusted Principal Balance has been reduced by the application of liquidated Collateral will only be paid on such Adjusted Principal Balance.

No Legal or Beneficial Interest in Obligations of the Reference Entities

Under the Credit Default Swap, the Issuer will have a contractual relationship only with the Swap Counterparty and not with any Reference Entity. Furthermore, the Swap Counterparty will not be, and will not be deemed to be acting as, the agent or trustee of the Issuer in connection with the exercise of, or the failure to exercise, the rights or powers (if any) of the Swap Counterparty arising under or in connection with any Reference Obligation. Consequently, the Credit Default Swap does not constitute a purchase, assignment or other acquisition of any interest in any Reference Obligation forming part of the Reference Portfolio. The Issuer and the Trustee, therefore, will have rights solely against the Swap Counterparty in accordance with the Credit Default Swap and will have no recourse against any Reference Entity or to any Reference Obligations. The Swap Counterparty shall, pursuant to the terms of the Credit Default Swap, covenant to procure that the Reference Obligations will continue to be serviced in accordance with the Servicing Principles.

No Actual Loss

If a Defaulted Reference Obligation does not become a Worked Out Obligation by the Final Estimated Recoveries Date (or, if earlier, the Early Redemption Date) the Credit Protection Payment Amounts in respect of the relevant Reference Obligation will be calculated by the Calculation Agent by reference to Recoveries and other items in respect of the relevant Defaulted Reference Obligation to the date of the calculation and the Calculation Agent's estimate of the Recoveries and other items which can be expected to be received in the future in respect of such Defaulted Reference Obligation. The Credit Protection Payment Amounts and any resulting Issuer Payments may not represent an exact proxy for actual losses realised in respect of a Defaulted Reference Obligation.

In addition, the Issuer is obligated to make payments of amounts equal to the Aggregate Issuer Payments to the Swap Counterparty pursuant to the Credit Default Swap, irrespective of whether the Swap Counterparty has suffered an actual loss or risk of such loss. Other than in accordance with the calculation of the Credit Protection Payment Amount pursuant to the Credit Default Swap, the Swap Counterparty is under no obligation to account, and will not account, for any amount that may be recovered in respect of a Defaulted Reference Obligation by the holder thereof.

Considerations Related to the Reference Portfolio

No Representations

None of the Issuer or any other Transaction Parties makes any representation or warranty, express or implied, in respect of any Reference Entity or Reference Obligation.

No Further Information

The Issuer or any other Transaction Parties may acquire information with respect to a Reference Obligation, the issuer and/or guarantor of any Reference Obligation, or with respect to any other Transaction Party that may be material in the context of the Notes and may or may not be publicly available or known. None of such persons shall be under any

obligation to make such information available to Noteholders or otherwise save as expressly provided in the Transaction Documents.

Concentration Risk

The Reference Entities are located in The Netherlands. The risk of Credit Events occurring with respect to the Reference Portfolio and the risk to the Issuer of being required to pay or pay an increased amount of Aggregate Issuer Payments may be adversely affected by the concentration of exposure within the Reference Portfolio to any one industry. In addition, any deterioration in the economic condition of the areas in which the Reference Entities are located or any deterioration in the economic conditions of other areas that causes an adverse effect on the ability of the Reference Entities to repay the Reference Obligations could increase the risk of losses on the Reference Obligations. A concentration of the Reference Entities in The Netherlands may therefore result in a greater risk of loss than if such concentration had not been present.

Defaulted Reference Obligations

Reference Entities may default on their Reference Obligations. Defaults may occur for a variety of reasons. The Reference Obligations are affected by amongst other things credit, liquidity and interest rate risks.

Yield Considerations

The yield to maturity of the Notes of each Class will depend on, amongst other things, the amount and timing of repayment and prepayment of principal on the Reference Obligations and the price paid by the Noteholders. Such yield may be adversely affected by a higher or lower than anticipated rate of prepayment on the Reference Obligations.

Reliance on the Performance by the Servicer to Effectively Service the Reference Obligations

Recovery amounts in respect of Defaulted Reference Obligations will affect the quantum of any Credit Protection Payment Amount in respect thereof and thereby potentially result in Aggregate Issuer Payments being made to the Swap Counterparty. The extent of Aggregate Issuer Payments by the Issuer (and, accordingly, the related write down in the Adjusted Principal Balance of the Notes) may therefore in part be dependent on the ability and willingness of the servicer of such Defaulted Reference Obligations to service the Defaulted Reference Obligations and maximise Recovery Amounts.

The Swap Counterparty will, in the Credit Default Swap, covenant to procure that the Reference Obligations will continue to be serviced in accordance with the credit and collection policies and servicing principles. However, none of the Issuer, the Trustee or the Noteholders will have any right to compel any such servicer to take or refrain from taking any actions. If the relevant servicer fails to perform in accordance with the credit and collection policies and servicing principles, this could adversely affect the Recovery Amounts in respect of Defaulted Reference Obligations and the related Credit Protection Payment Amounts, thereby potentially resulting in losses to Noteholders.

Accordingly, the Noteholders are relying on the business judgement and practices of the Servicer in administering the Reference Obligations, enforcing claims against Reference Entities, including taking decisions with respect to enforcement of any Reference Collateral.

However, such failure to perform could amount to a breach of the Swap Counterparty's covenant, resulting in a potential claim or action by the Issuer (or the Trustee on its behalf) for such breach.

Limited Provision of Information about the Reference Entities and the Reference Obligations

Save as disclosed in this Prospectus, none of the Issuer, the Trustee and/or the Noteholders will have the right to know the specific identity of any individual Reference Entity or to receive information regarding any Reference Obligation, except for the purely statistical data set forth in the Reference Portfolio Schedule.

The data set forth in the Reference Portfolio Schedule contain no personal information related to, or capable of, interpretation to identify any Reference Entity and the Swap Counterparty will have no obligation to keep the Issuer, the Trustee or the Noteholders informed as to the compliance of the Reference Portfolio with the Eligibility Criteria or as to matters arising in relation to any Reference Entity or such Reference Obligation, including whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event.

None of the Issuer, the Trustee or the Noteholders will have the right to inspect any records of the Swap Counterparty and the Swap Counterparty will be under no obligation to disclose any further information or evidence regarding the existence or terms of any Reference Obligation of any Reference Entity of any matters arising in relation thereto or otherwise regarding any Reference Entity, any guarantor or any other person.

Historical Information

The information set out in "*Description of the Reference Portfolio*" represents information in relation to the Reference Portfolio as at 31 October 2005 and the Reference Portfolio complied with the Eligibility Criteria as at the Portfolio Cut-Off Date. The information set out in "*Description of the Reference Portfolio*" may change after 31 October 2005 and there can be no assurance that the Reference Portfolio will remain in compliance with the Eligibility Criteria after the Portfolio Cut-Off Date.

No Independent Investigations

No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer or the Trustee to verify the details of the Reference Portfolio, any Reference Entity, any Reference Obligation or any historical information relating to the Reference Portfolio. No representations or warranties have been given by the Issuer in respect of any Reference Entity or Reference Obligation. No representations or warranties have been given by the Trustee in respect of the Security.

No Recourse to Loan Originator

There is no recourse to the assets of the Loan Originator if a Note Event of Default occurs or if the Issuer does not have sufficient funds to pay any amount owed by it.

Limited Verification

Calculation of Credit Protection Payment Amounts will be verified in limited circumstances unless certain scenarios occur in which case more extensive verification shall be carried out. See "*The Credit Default Swap - Annual Plausibility Check*".

No Agency Relationship

The Swap Counterparty, the Servicer and/or any of their respective affiliates will not be (and will not be deemed to be acting as) the agent or trustee of the Issuer, the Noteholders or any other Secured Party in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Swap Counterparty, the Servicer and/or their respective affiliates arising under or in connection with their respective holdings (if any) of any Reference Obligation.

Dealings with respect to obligations of Reference Entities

Each of the Swap Counterparty, the Servicer and each other Transaction Parties and their respective affiliates may:

- (a) deal in any obligation of any Reference Entity;
- (b) accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with any Reference Entity and any investment manager or trustee related to any obligation of any Reference Entity; and
- (c) act, with respect to transactions described in the preceding clauses (a) and (b), in the same manner as if the Credit Default Swap and the Notes did not exist and without regard as to whether any such action might have an adverse affect on any Reference Obligation, any investment manager or trustee related to such Reference Obligation, the Issuer or the Noteholders.

Such parties may accordingly derive revenues and profits from such activities without any duty to account therefor.

Reference Collateral

A substantial number of the Reference Obligations are secured by the Reference Collateral. The proceeds of such Reference Collateral will be allocated pro rata to all claims, including the Reference Obligation(s), secured by such Reference Collateral (except to the extent required otherwise by law and except to the extent provided otherwise in the documentation relating to the relevant obligations). Accordingly, in such cases only a portion of the proceeds from such Reference Collateral will be allocated to the relevant Reference Obligation(s); such

portion may change from time to time as the claims of the relevant lender of record of such Reference Obligation secured by the Reference Collateral may be repaid or otherwise extinguished and new claims and new collateral allocated to the Reference Obligation(s).

The lender of record of the relevant Reference Obligation, or the Servicer on its behalf, may at any time release, or cause to be released, any Reference Collateral if it either (i) in its professional judgement concludes that it is required to do so by applicable law or contractual arrangements, or (ii) does so in the ordinary course of business and in accordance with the then prevailing credit and collection policies and servicing principles.

In the event that the Reference Entity defaults on a Reference Obligation secured by Reference Collateral, the lender of record of the relevant Reference Obligation, or the Servicer on its behalf, will enforce the Reference Collateral in accordance with the then prevailing credit and collection policies and servicing principles. However, there is no guarantee that the value of the portion of such Reference Collateral allocable to the Reference Obligation in the context of the enforcement, less external foreclosure costs, will fully cover the outstanding principal on the Reference Obligation.

General Risks

Withholding Tax in Respect of the Notes

In the event that any withholding or deduction for or on account of tax is required to be made from payments in respect of the Notes (as to which, see "*Taxation In The Netherlands*"), neither the Issuer nor any other person will be obliged to pay any additional amounts to Noteholders or, if Definitive Notes are issued, Couponholders and/or Receiptholders, or to otherwise compensate Noteholders, or Couponholders and/or Receiptholders, for the reduction in the amounts they will receive as a result of such withholding or deduction. If such a withholding or deduction is required to be made for or on account of any Dutch Tax, the Issuer shall use reasonable endeavours to mitigate the effects of such withholding or deduction. If the Issuer is unable to mitigate effectively or if to do so would not avoid such withholding or deduction, then on any Note Payment Date under and in accordance with Condition 7(g) (*Redemption, Reduction, Reinstatement and Cancellation - Optional Redemption of the Notes in Whole for Tax Reasons*) the Issuer may redeem (without premium or penalty) all (but not some only) of the Notes (in each case) at their Adjusted Principal Balance, together with accrued but unpaid interest on the Adjusted Principal Balance of the relevant Classes of Notes up to (but excluding) the Note Payment Date on which such redemption occurs.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State. However, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent.

The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts to the Noteholders or to otherwise compensate Noteholders for the reduction in the amounts that they will receive as a result of the imposition of such withholding tax. The Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the directive (if such a state exists).

Taxation - Issuer

A withholding or deduction for or on account of tax other than Dutch Tax may be required to be made in circumstances other than those set out above under the law of countries other than The Netherlands (including countries that are Member States of the EU). The outline in this Prospectus of certain key Dutch taxation issues does not include consideration of any such requirements and the commentary made regarding the EU Savings Directive should not be taken to imply that no other withholding or deduction is or may be applicable on account of non-Dutch tax.

Reliance on Creditworthiness of ABN AMRO as Swap Counterparty

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, receipt of Swap Counterparty Payments which are required to be paid from ABN AMRO in its capacity as Swap Counterparty. If ABN AMRO does not have, at any time, the Swap Counterparty Required Rating, ABN AMRO will be obliged to make a portion of its quarterly Swap Counterparty Payments to the Issuer in advance during any such period. See "*The Credit Default Swap*".

Notwithstanding the obligation of ABN AMRO to pay the Swap Counterparty Payments in advance if the Swap Counterparty does not have at such time the Swap Counterparty Required Rating, if ABN AMRO defaults, for any reason, on its obligation to make the Swap Counterparty Payments which are required to be paid, the Issuer may be unable to make payment of all or a portion of the interest on the Notes, which would constitute a Note Event of Default.

Reliance on Creditworthiness of ABN AMRO as Cash Deposit Bank

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, ABN AMRO for the return of the Cash Deposit in its capacity as Cash Deposit Bank, and payment to the Issuer of any Issuer CD/Repo Income and, if a Repo Agreement is entered into with ABN AMRO, for the repurchase of the Repo Securities pursuant to the Repo Agreement.

If ABN AMRO does not have at any time the Cash Deposit Bank Required Rating and to the extent that it does not provide a guarantor of its obligations that has the Cash Deposit Bank Required Rating or is not replaced with a successor Cash Deposit Bank on substantially the same terms as the Cash Deposit Agreement, the Cash Deposit Bank will be required to notify the Issuer and the Trustee of the same and to arrange for the liquidation of the Cash Deposit and acquisition of Repo Securities under any Repo Agreement.

Relationship of the Swap Counterparty with the Reference Entities

Although the Swap Counterparty and/or its affiliates may have entered into and may from time to time enter into transactions with the Reference Entities, the Swap Counterparty and/or its affiliates at any time may or may not hold obligations (including the Reference Obligations) of, or have any relationship with, any particular Reference Entity. The Swap Counterparty and its affiliates may deal in any Reference Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of banking or other business transactions with, any Reference Entity and may act with respect to such transactions in the same manner as if the Credit Default Swap, the Cash Deposit Agreement, the Repo Agreement and the Notes did not exist and without regard to whether any such action might have an adverse effect on any Reference Entity, the Issuer or the Noteholders.

Potential Conflicts of Interests

ABN AMRO acts in a number of capacities (including as Arranger, Joint Lead Manager, Swap Counterparty, Calculation Agent, Cash Deposit Bank and Cash Administrator and, to the extent applicable, as Repo Counterparty or Custodian) in connection with the transactions contained herein. ABN AMRO, acting in such capacities in connection with such transactions, shall have only the duties and responsibilities expressly agreed to by them in their relevant capacities and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. ABN AMRO, in connection with the contemplated transactions, may enter into business dealings, including the acquisition of investment securities as contemplated by the Transaction Documents, from which it may derive revenues and profits in addition to the fees, if any, stated in the Transaction Documents, without any duty to account for such revenues and profits.

Proposed Changes to the Basel Capital Accord ("Basel")

The Basel Committee on Banking Supervision has published the text of the new capital accord under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Framework**"). This Framework, which places

enhanced emphasis on market discipline and sensitivity to risk, will serve as a basis for national and supra-national rule-making and approval processes to continue and for banking organisations to complete their preparation for the implementation of the Framework during 2007 and 2008. The Framework will be put into effect for credit institutions in Europe via the recasting of a number of prior directives and referred to as the EU Capital Requirements Directive ("**CRD**"), the final text of which has been approved by the EU Council and EU Parliament and has been published pending formal adoption at a date to be determined. The Framework, as published, will, if not amended from its current form when implemented by regulators, affect risk-weighting of the Notes for investors subject to the new Framework following its implementation (whether via the CRD or otherwise by non-EU regulators). Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the application of the Framework, as implemented by their own regulator, to their holding of any Class of Notes. The Issuer is not responsible for informing Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption by their own regulator of the Framework (whether or not implemented by them in its current form).

Changes in Law and/or Regulatory, Accounting and/or Administrative Practices

The structure of the issue of the Notes and the ratings which are to be assigned to the Notes are based on English and Dutch law, regulatory and administrative practice in effect as at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under Dutch tax law. No assurance can be given as to the impact of any possible change in English law, Dutch law, regulatory or administrative practices in The Netherlands or to Dutch tax law, or the interpretation or administration thereof.

The Issuer believes that the risks described above are the principal risks inherent in the transaction for Noteholders, but the inability of the Issuer to pay interest, principal or other amounts on, or in connection with, the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risks relating to the Notes are exhaustive. Although the Issuer believes that the various structural elements described in this Prospectus lessen some of these risks for Noteholders, there can be no assurance that these measures will be sufficient to ensure payment to Noteholders of interest, principal or any other amounts on or in connection with the Notes on a timely basis or at all.

ELIGIBILITY CRITERIA

On the Portfolio Cut-Off Date, each Reference Entity and/or Reference Obligation (as applicable) must meet the following individual criteria (the "Eligibility Criteria"):

Reference Obligations

1. Each Reference Obligation has been originated by ABN AMRO in accordance with ABN AMRO's standard underwriting criteria and procedures as at the time of origination (which procedures do not materially differ from procedures of a prudent Dutch lender) and has in all material respects been granted in accordance with all applicable legal requirements.
2. Each Reference Obligation is a term loan with a fixed final maturity and with a fixed amortisation schedule providing for the repayment of principal according to any of the following repayment profiles: Linear Repayment, Bullet Repayment, Balloon Repayment, Annuity Repayment or Other Repayment.
3. All principal amounts agreed to be advanced under each Reference Obligation have been fully drawn down and no further advances are required to be made under the terms of such Reference Obligation.
4. In respect of each Reference Obligation, there has been a minimum of at least one interest payment and/or (if the Reference Obligation has a fixed amortisation schedule) one repayment of principal.
5. To the best of the knowledge of the Swap Counterparty, in respect of each Reference Entity, the Reference Obligations of each such Reference Entity constitute its legal, valid and binding obligations.
6. Each Reference Obligation is governed by the laws of The Netherlands.
7. The currency of denomination of each Reference Obligation is Euro.
8. Each Reference Obligation is not subject to any ongoing Restructuring of its terms or proposal which would result in a Restructuring of its terms.
9. In respect of each Reference Obligation, there must be no subsisting failure by the Reference Entity to make any payments when and where due (after the expiration of any applicable grace period (after the satisfaction of any conditions precedent to the commencement of such grace period)).

Reference Entities

10. Each Reference Entity is a private enterprise, a financial institution, government related company, a medical institution, an association, a foundation or a free practitioner.
11. Each Reference Entity is established in The Netherlands.

12. The aggregate of the Reference Obligation Notional Amounts of the Reference Obligations of any Reference Entity does not exceed EUR 7,000,000.
13. The internal credit classification category attributed to each Reference Entity pursuant to the ABN AMRO Credit Score system is UCR 5 or better.
14. There is no Credit Event subsisting in respect of any Reference Entity.

The following definitions apply to the Eligibility Criteria:

"ABN AMRO Credit Score" means, the classification (from 1 to 8) assigned by the Swap Counterparty to certain Reference Entities as an indication of the perceived risk of default arising in respect of the obligations of such Reference Entity (where 1 indicates the lowest level of perceived risk and 8 indicates the highest level of perceived risk);

"Annuity Repayment" means a term loan with a fixed amortisation schedule for the repayment of fixed amounts of principal at regular intervals, which amounts are determined such that the sum of principal and interest payments are equal, until maturity;

"Balloon Repayment" means a term loan with a fixed amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals and for the repayment of all remaining outstanding principal at maturity;

"Bullet Repayment" means a term loan with a fixed final maturity on which all principal outstanding becomes repayable;

"Linear Repayment" means a term loan with a fixed amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals until maturity; and

"Other Repayment" means a term loan with a fixed amortisation schedule providing for the repayment of fixed, irregular amounts of principal and for the repayment of all remaining outstanding principal at maturity.

DESCRIPTION OF THE REFERENCE PORTFOLIO

Certain characteristics of the Reference Portfolio are set forth below and refer to the composition of the Reference Portfolio as at the 31 October 2005 (the "Portfolio Cut-Off Date") (the "Reference Portfolio"). The Reference Portfolio in this Prospectus complied with the Eligibility Criteria as at the Portfolio Cut-Off Date.

Table A - Key Characteristics of the Reference Portfolio

Key Characteristics of the Reference Portfolio	
Aggregate of Reference Obligation Notional Amounts	6,750,000,504.01
Average Aggregate Reference Obligation Notional Amount per Reference Entity	422,694.00
Average Reference Obligation Notional Amount per Reference Obligation	267,761.16
Maximum Reference Obligation Notional Amount	6,933,333.16
Number of Reference Obligations	25,209
Number of Reference Entities	15,969
Weighted Average Seasoning (months) (note 1)	31.36
Weighted Average Maturity ("WAM") (months)	155.32
Weighted Average Coupon ("WAC") (%)	3.87

(note 1) - Weighted Average Seasoning refers to the average amount of time (in months) that has elapsed from the date of origination of each Reference Obligation to the Portfolio Cut-Off Date.

Table B - Breakdown by Reference Obligation Notional Amount

Reference Obligation Notional Amount ("RONA") (EURx1,000)	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
0 <= RONA < 25	1,692	25,755	0.38%	57.27	4.94
25 <= RONA < 50	3,500	132,721	1.97%	91.86	4.72
50 <= RONA < 75	2,904	179,067	2.65%	115.39	4.57
75 <= RONA < 100	2,577	224,935	3.33%	138.09	4.41
100 <= RONA < 150	3,610	441,835	6.55%	151.85	4.27
150 <= RONA < 250	4,273	827,376	12.26%	159.54	4.10
250 <= RONA < 500	3,491	1,217,922	18.04%	175.87	3.91
500 <= RONA < 1,000	1,866	1,296,974	19.21%	166.97	3.77
1,000 <= RONA < 2,000	911	1,225,674	18.16%	154.71	3.60
2,000 <= RONA < 5,000	357	1,018,580	15.09%	142.49	3.51
5,000 <= RONA <= 7,000	28	159,162	2.36%	115.79	3.84
Total	25,209	6,750,001	100.00%	155.32	3.87

Table C - Breakdown by Reference Entity Notional Amount

Aggregate Reference Obligation Notional Amount for each Reference Entity ("RENA") (EURx1,000)	Number of Reference Entities	Aggregate Reference Entity Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
0 <= RENA < 25	327	5,181	0.08%	49.54	5.24
25 <= RENA < 50	1,615	62,307	0.92%	77.51	5.06
50 <= RENA < 75	1,516	93,646	1.39%	99.64	4.90
75 <= RENA < 100	1,364	118,779	1.76%	116.18	4.67
100 <= RENA < 150	1,986	244,750	3.63%	135.00	4.58
150 <= RENA < 250	2,638	514,377	7.62%	150.72	4.35
250 <= RENA < 500	2,966	1,049,807	15.55%	168.15	4.06
500 <= RENA < 1,000	1,965	1,367,382	20.26%	173.83	3.82
1,000 <= RENA < 2,000	1,007	1,369,978	20.30%	158.64	3.67
2,000 <= RENA < 5,000	516	1,515,859	22.46%	149.82	3.57
5,000 <= RENA <= 7,000	69	407,933	6.04%	124.97	3.58
Total	15,969	6,750,001	100.00%	155.32	3.87

Table D - Breakdown by Origination Date of Reference Obligation

Origination Year of Reference Obligation	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
1976 - 1989	146	14,477	0.21%	148.86	4.61
1990	54	5,814	0.09%	141.46	4.85
1991	58	4,149	0.06%	114.11	5.35
1992	132	16,245	0.24%	183.63	4.79
1993	204	26,273	0.39%	146.30	4.91
1994	237	25,403	0.38%	185.56	3.98
1995	268	50,808	0.75%	164.36	4.52
1996	472	77,536	1.15%	171.19	4.61
1997	577	106,795	1.58%	177.89	4.41
1998	963	164,638	2.44%	132.54	4.10
1999	1,176	237,757	3.52%	171.47	3.95
2000	1,192	258,193	3.83%	182.63	4.59
2001	2,330	477,028	7.07%	165.33	4.77
2002	3,177	757,690	11.23%	158.94	4.30
2003	4,266	1,172,519	17.37%	161.24	3.72
2004	6,099	2,067,590	30.63%	154.48	3.56
2005	3,858	1,287,085	19.07%	136.20	3.55
Total	25,209	6,750,001	100.00%	155.32	3.87

Table E - Breakdown by Year of Maturity of Reference Obligation

Year of Maturity of Reference Obligation	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
2005 <= Maturity Year < 2010	6,009	1,092,417	16.18%	28.01	3.83
2010 <= Maturity Year < 2015	5,894	1,408,350	20.86%	75.38	3.85
2015 <= Maturity Year < 2020	4,108	1,260,818	18.68%	131.01	3.78
2020 <= Maturity Year < 2025	3,916	1,225,988	18.16%	201.46	4.05
2025 <= Maturity Year < 2030	3,291	1,092,531	16.19%	249.65	3.97
2030 <= Maturity Year < 2040	1,669	570,076	8.45%	316.97	3.63
2040 <= Maturity Year < 2050	273	85,412	1.27%	444.83	3.60
2050 <= Maturity Year <= 2060	49	14,410	0.21%	558.40	3.70
Total	25,209	6,750,001	100.00%	155.32	3.87

Table F - Breakdown by Interest Rate Type of Reference Obligation

Interest Rate Type of Reference Obligation	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Fixed Interest Rate	13,119	2,715,100	40.22%	158.50	4.88
Variable Interest Rate	12,090	4,034,901	59.78%	153.18	3.18
Total	25,209	6,750,001	100.00%	155.32	3.87

Table G - Breakdown by Payment Frequency of Reference Obligation

Payment Frequency of Reference Obligation	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Monthly	10,631	2,181,777	32.32%	172.22	3.89
Quarterly	14,355	4,492,252	66.55%	147.01	3.85
Semi-Annually	169	46,059	0.68%	156.81	3.95
Annually	54	29,912	0.44%	169.60	4.49
Total	25,209	6,750,001	100.00%	155.32	3.87

Table H - Breakdown by Coupon of Reference Obligation

Coupon of Reference Obligation	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
0.0% <= Coupon < 0.5%	4	540	0.01%	274.40	0.00
0.5% <= Coupon < 1.0%	2	730	0.01%	42.73	0.91
1.0% <= Coupon < 1.5%	17	6,758	0.10%	185.30	1.35
1.5% <= Coupon < 2.0%	180	78,338	1.16%	179.11	1.78
2.0% <= Coupon < 2.5%	885	336,702	4.99%	162.09	2.26
2.5% <= Coupon < 3.0%	2,761	1,105,395	16.38%	162.47	2.79
3.0% <= Coupon < 3.5%	4,612	1,823,550	27.02%	156.46	3.23
3.5% <= Coupon < 4.0%	3,206	897,838	13.30%	139.45	3.72
4.0% <= Coupon < 4.5%	2,903	634,728	9.40%	140.06	4.21
4.5% <= Coupon < 5.0%	2,965	596,067	8.83%	149.51	4.72
5.0% <= Coupon < 5.5%	2,609	448,775	6.65%	158.73	5.21
5.5% <= Coupon < 6.0%	2,081	352,647	5.22%	169.03	5.72
6.0% <= Coupon < 6.5%	1,680	273,519	4.05%	176.57	6.21
6.5% <= Coupon < 7.0%	981	145,505	2.16%	173.78	6.68
7.0% <= Coupon < 7.5%	208	31,438	0.47%	132.20	7.12
7.5% <= Coupon < 8.0%	68	14,419	0.21%	98.04	7.69
8.0% <= Coupon < 8.5%	22	1,052	0.02%	52.22	8.13
8.5% <= Coupon < 9.0%	10	395	0.01%	77.99	8.71
9.0% <= Coupon < 9.5%	4	201	0.00%	123.56	9.27
9.5% <= Coupon < 10.0%	5	261	0.00%	116.36	9.63
10.0% <= Coupon < 10.5%	2	908	0.01%	110.85	10.12
10.5% <= Coupon <= 11.0%	4	234	0.00%	24.80	10.89
Total	25,209	6,750,001	100.00%	155.32	3.87

Table I - Breakdown by Internal Credit Classification ("UCR") of Reference Entity

Internal Credit Classification ("UCR") of Reference Entities	Number of Reference Entities	Aggregate Reference Entity Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
2	235	202,819	3.00%	147.93	4.20
2-	203	133,912	1.98%	136.18	3.44
3+	721	249,136	3.69%	153.37	3.74
3	2,774	967,692	14.34%	154.47	3.84
3-	1,852	849,466	12.58%	149.89	3.72
4+	2,113	978,668	14.50%	155.52	3.78
4	3,293	1,485,939	22.01%	153.99	3.84
4-	2,767	1,047,945	15.53%	160.30	4.00
5+	1,215	492,913	7.30%	165.18	4.10
5	796	341,511	5.06%	160.31	3.97
Total	15,969	6,750,001	100.00%	155.32	3.87

Table J - Breakdown by Legal Nature of Reference Entity

Legal Nature of Reference Entity	Number of Reference Entities	Aggregate Reference Entity Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Associations and foundations	435	213,372	3.16%	190.85	4.34
Central Government	2	489	0.01%	123.67	5.90
Clearing Institutes	3	2,605	0.04%	175.29	3.48
Medical Institutions	25	61,738	0.91%	169.08	4.93
Other Financial Institutions	13	8,534	0.13%	134.73	3.91
Other Public Entities	3	2,812	0.04%	122.59	6.19
Private Companies	5,603	3,460,511	51.27%	134.51	3.84
Provinces and Local government	2	1,289	0.02%	19.92	5.28
Self employed and firms	9,883	2,998,651	44.42%	176.66	3.84
Total	15,969	6,750,001	100.00%	155.32	3.87

Table K - Breakdown by Sector of Reference Entity

Sector of Reference Entity	Number of Reference Entities	Aggregate Reference Entity Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Agriculture & Fishery	3,673	1,697,828	25.15%	195.63	3.40
Banks and Non-Banking Financial Institutions	815	285,867	4.24%	127.99	3.98
Business Services	1,345	483,066	7.16%	130.30	3.99
Chemical Industry	92	103,086	1.53%	104.31	3.51
Construction	789	251,609	3.73%	136.53	3.99
Education	37	37,501	0.56%	174.12	3.61
Food Industry	112	119,711	1.77%	119.68	3.66
Health & Social Services	919	278,869	4.13%	188.61	4.81
Hotels and Restaurants	945	248,324	3.68%	160.56	4.42
Manufacturing	438	241,615	3.58%	121.15	3.79
Metal Industry	561	286,488	4.24%	130.17	3.94
Mining	18	27,761	0.41%	102.72	3.59
n.a.	348	74,145	1.10%	127.88	3.87
Other Services	824	246,239	3.65%	165.03	4.30
Public	67	32,217	0.48%	139.78	3.91
Public Utilities	6	2,034	0.03%	89.38	3.23
Real Estate	759	632,863	9.38%	153.77	3.76
Retail Trade	2,166	620,928	9.20%	142.48	4.25
Transport & Communication	740	385,209	5.71%	140.23	4.09
Wholesale Trade	1,315	694,641	10.29%	135.71	3.83
Total	15,969	6,750,001	100.00%	155.32	3.87

Table L - Breakdown by Region of Reference Entity

<i>Region of Reference Entity</i>	Number of Reference Entities	Aggregate Reference Entity Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Drenthe	566	209,112	3.10%	158.64	3.90
Flevoland	515	249,942	3.70%	166.67	3.63
Friesland	1,107	407,685	6.04%	170.96	3.49
Gelderland	2,065	862,984	12.78%	155.76	3.80
Groningen	919	365,995	5.42%	159.44	3.69
Limburg	928	384,103	5.69%	144.70	3.85
Noord-Brabant	2,172	918,755	13.61%	148.09	4.00
Noord-Holland	2,120	933,816	13.83%	155.75	3.91
Overijssel	1,320	520,498	7.71%	151.06	3.66
Utrecht	871	405,410	6.01%	150.40	3.92
Zeeland	694	254,866	3.78%	164.71	4.02
Zuid-Holland	2,663	1,211,071	17.94%	156.36	4.04
Unknown	29	25,765	0.38%	120.36	4.09
Total	15,969	6,750,001	100.00%	155.32	3.87

Table M - Breakdown by Amortisation Profile of Reference Obligation

<i>Amortisation Profile of Reference Obligation</i>	Number of Reference Obligations	Aggregate Reference Obligation Notional Amount (EURx1,000)	Proportion of Reference Portfolio	WAM (months)	WAC (%)
Annuity Repayment	73	28,621	0.42%	279.33	5.60
Balloon Repayment	392	86,840	1.29%	73.76	4.11
Bullet Repayment	2,283	815,214	12.08%	64.97	3.57
Linear Repayment	21,277	5,607,124	83.07%	166.11	3.89
Other Repayment	1,184	212,202	3.14%	233.95	4.15
Total	25,209	6,750,001	100.00%	155.32	3.87

OVERVIEW OF THE DUTCH LOAN MARKET

Overview of the Dutch SME Market

According to the data of the Dutch Central Bureau for Statistics, the Netherlands held 693,000 enterprises on 1 January 2004. At least 99 per cent. are small and medium sized companies. The number of agricultural companies decreased to approximately 90,000 (13 per cent.).

Almost 50 per cent. are one-man businesses, 18 per cent. are partnerships and 28 per cent. are limited companies. The number of start-ups is 75,000 per annum.

The Dutch small and medium enterprise ("**SME**") segment provides employment for over 4 million people (55 per cent. of all jobs) and accounts for a total turnover of EUR 373 billion and an annual total profit of EUR 53 billion. The contribution to the national income is 48 per cent.

Small and medium sized companies thus play an essential role in economic growth and the creation of employment.

With an overall market penetration of 25 per cent., ABN AMRO has a firm and growing position amongst the three dominating banking institutions in this market. Next to these institutions there are a number of niche players targeting specific market segments. Foreign (non-Dutch) financial institutions do not play any significant role in the Dutch SME market.

In the Netherlands, SME customers are served by the Business Unit Netherlands ("**BU NL**"), one of the five regional client business units of ABN AMRO. The BU NL has an extensive retail network which consists of 630 branches, including 78 advisory branches where loans are originated. The BU NL employs approximately 19,000 full-time equivalent employees.

BU NL aspires to become the primary bank for all its customers. In general SME customers are provided with an integrated package of financial services, including payment services, medium and long term loans, flexible debit and credit facilities as well as insurance products.

LOAN UNDERWRITING AND SERVICING

The following is a description of ABN AMRO's general underwriting and servicing processes for SME loans (the "Loans").

Risk Management

ABN AMRO Group Functions (the "**Group Functions**") is responsible for formulating and setting the overall policy framework for credit-, country-, market-, industry-, product- and operational risk for ABN AMRO. This is done in close co-operation with the Strategic Business Units (the "**SBU**s"). The credit risk management function within the Consumer and commercial Clients segment of BU NL is structured along regional lines with Risk Management Netherlands ("**RM NL**"), which is also part of the BU NL, and which is, amongst others, responsible for The Netherlands. RM NL formulates the overall credit policy regarding their focus area within the frameworks and delegated authorities set by Group Functions to the branches of the network and thereby provides the account managers with guidelines.

Origination

The Loans have been originated through 78 advisory branches of ABN AMRO, which are part of its Dutch retail network. Loan products are sold by trained teams of account managers. The training focuses not only on commercial skills but also on risk management related subjects. Account managers receive support from specialists in cases concerning more complex credit applications and/or agricultural and medical clients.

Acceptance

The account manager is supported by a credit processing tool for applications (and annual reviews). Additionally they have access to a credit rating tool and a loan pricing tool.

Before an account manager can present a prospective SME client with an offer to enter into a loan agreement, the credit risk is first assessed by a credit analyst and then the credit proposal is put forward for approval to the relevant credit authority. The loan size combined with existing credit facilities (together, "**One Obligor Exposure**") determine the authorised credit body in the organisation.

Key elements in the approval process are:

- (a) separation of commercial function and approval authority: the account manager prepares a credit proposal and the credit analyst gives his/her independent credit analysis in writing in case of a borrower exposure greater than EUR 250,000, after which the proposal and the analysis are submitted for approval to the relevant authorised persons/committee, such approval to be based on the character of the proposal and the amount of exposure;
- (b) objectivity and consistency of the risk assessment: to ensure the objectivity and consistency of the risk assessment, a proposal is required to be assessed and approved by one experienced and independent person (in case of a client with good internal

credit rating), two experienced and independent persons or a credit committee with a quorum of at least three experienced officers.

Monitoring and Servicing of the Loans

The administration procedures are carried out automatically by a system that supports the credit process or, if manually, by transaction services. Transaction services is responsible for the overall input into the loan systems.

RM NL is responsible, however, for filing the original loan documents and the collateral securities.

The daily monitoring of individual credit facilities is primarily the responsibility of the account manager. With respect to their credit portfolio, the account managers receive each week, a portfolio summary and daily, a list of (unauthorised) overdrafts on the current accounts. The payments of interest and redemption on the loans are automatically collected by direct debit from the relevant current accounts.

Credit facilities with a One Obligor Exposure exceeding EUR 500,000 are reviewed annually. The review takes place based on financial information (an annual report) provided by the client, and his/her payment behaviour in the past year. This may lead to adjustments of the credit qualification and other conditions. In cases of start-up companies and/or new clients, it is recommended during the first two years of a credit that a six-monthly review is carried out.

For credit facilities with a One Obligor Exposure of up to EUR 500,000 (including loan products) the monitoring process is supported by behavioural scoring strategies. If the risk indicator (calculated monthly) (the "**Customer Risk Grade**") is positive and there is a low risk credit qualification, no annual review will be carried out. If the Customer Risk Grade indicates a deteriorating risk profile, the account manager must take immediate action and, if necessary, present a credit proposal to RM NL.

Foreclosure Procedures in General

If the financial position of a client has deteriorated (which is identified during periodical reviews) or if a client fails to meet his obligations arising from any contractual relationship, the Loan will be transferred to the Financial Restructuring and Recovery Department ("**FR&R**"). This department will assess the financial position of the obligor and will explore and discuss the possibilities to restore creditworthiness. If FR&R is of the opinion that the company could recover from the situation which it is in, it will draft a procedural plan, which the obligor is demanded to comply with.

If FR&R assesses the financial difficulties of the obligor as being too severe, or if the client does not agree to the proposed procedural plan, the decision will be made to recover the loan. The obligor will then depending on the case, either be transferred to the Recovery Department of FR&R or be transferred to Solveon Incasso B.V. ("**Solveon**").

Foreclosures by Solveon

The collection agency Solveon, is at the date of this Prospectus, a wholly owned subsidiary of ABN AMRO. It specialises in foreclosing large numbers of relatively small loans (generally for Obligor Exposures up to EUR 250,000), which it does, in a mainly computerised and standardised way, on the basis of a procedural plan. Once a client has been transferred to Solveon, the loan is cancelled in writing and the entire outstanding sum is demanded.

Solveon effects the settlement and collection of unpaid debts to ABN AMRO. Solveon processes delinquent loans for ABN AMRO's consumer and small business operations in The Netherlands, including the SME business. In doing so, Solveon aims to minimise the losses incurred by ABN AMRO. Solveon's operating philosophy combines standardisation (guidelines and fixed processes and procedures), efficiency (use of IT and outsourcing) and specialisation in the conduct of its business.

Hand-over to the special servicer Solveon from the branch network takes place between 90-120 days from the moment on which the borrower fails to meet its obligation to pay. This hand-over process follows arrears management. Solveon summons the client within one week. Within one month after this summoning (*aanmaning*) the credit facilities are cancelled (*kredietfaciliteiten worden opgezegd*).

In a substantial number of cases, Solveon agrees a settlement with the client in the beginning of the process. Solveon seeks the co-operation of the obligor for the sell-off of the collateral in order to maximise proceeds. If the client fails to co-operate or in the case of bankruptcy, formal foreclosure commences. The whole process on average takes less than one year.

Foreclosure by FR&R

Generally, for Obligor Exposures that are in excess of EUR 250,000, foreclosure is performed by FR&R. In general, foreclosure is performed in one of the following manners:

- (a) voluntarily: having been given notice, the obligor repays the bank fully; or
- (b) involuntarily: having been given notice, the obligor does not or cannot repay (fully), after which the bank starts selling off the collateral, preferably with the cooperation of the obligor.

The procedure which will be used corresponds with the methodology of Solveon, although, due to the size of the loan, the organisational structure and the collateral security position are more complex. Consequently, the foreclosure process will be more tailored. Depending on the collateral security position, the morality and the financial situation of the client, FR&R decides the most effective repayment method (either involuntarily or gradually) in order to optimise the result. During a gradual repayment, the credit facility will be slowly reduced to zero, without immediate foreclosure or without foreclosure at all. During a foreclosure, the credit facility will be cancelled immediately and the SME client will be foreclosed through sale of assets. If necessary collateralised assets will be kept in custody.

Employees of ABN AMRO involved in any part of the credit process – from origination to foreclosure – cannot identify whether the credit risk pertaining to a loan is held by ABN AMRO or held by the Issuer.

THE ISSUER

Introduction

The issuer of the Notes is Smile 2005 Synthetic B.V. (the "**Issuer**"), incorporated on 7 December 2005 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) at Amsterdam, The Netherlands and its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 34237687. The director of the Issuer is ATC Management B.V. The telephone number of the Issuer is +31 20 577 1177 and the fax number of the Issuer is +31 20 577 1188.

Principal Activities

The Issuer's articles of association have a restrictive objects clause allowing the Issuer the following activities:

- (a) to raise funds through, *inter alia*, borrowing under loan agreements, issuing notes or other debt instruments, *entering into financial derivatives* or otherwise;
- (b) to invest and put out funds obtained by the company in, *inter alia*, (interests in) loans, bonds, debt instruments and other evidences of indebtedness, shares, warrants, other similar securities and financial derivatives;
- (c) to enter into credit default swap agreements and repurchase agreements in respect of securities acquired by the Issuer;
- (d) to grant security for the company's obligations and debts;
- (e) to obtain, to hold, to transfer, encumber and otherwise dispose of assets, whether or not embodied in securities or bonds, and to exercise all accessory and ancillary rights connected thereto; and
- (f) to enter into agreements, including, but not limited to, bank, securities, cash administration, custody and asset management agreements in connection with the objects mentioned under (a) through (e) above.

The Issuer has not engaged since its incorporation, and will not engage whilst the Notes remain outstanding, in any material activities other than activities which are incidental or ancillary to the foregoing.

Shareholders

The entire issued share capital is owned by Stichting Holding Smile 2005 Synthetic (the "**Holding**"), a foundation (*stichting*) established under the laws of The Netherlands. The Holding was established on 15 November 2005 and has its registered office at Frederik Roeskestraat 123 1HG, 1076 EE, Amsterdam, The Netherlands and is registered with the

Commercial Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34236500. The Issuer has no subsidiaries. The director of the Holding is ATC Management B.V.

The Issuer has no employees.

Issuer Management

The Issuer will enter into a management agreement with ATC Management B.V. (the "**Issuer Management**") on the Closing Date (the "**Issuer Management Agreement**"), pursuant to which the Issuer Director has agreed to provide corporate services to the Issuer.

In addition, a letter of undertaking to be dated on or about the Closing Date (the "**Letter of Undertaking**") between the Holding's managing director, the Holding, the Issuer Management, the Issuer, the Trustee and the Loan Originator will be entered into in which the Issuer and the Issuer Management covenant and undertake to ABN AMRO and the Trustee inter alia that for so long as the Issuer has any liabilities under the Transaction Documents (i) the Issuer Management Agreement will not be terminated, assigned, novated, varied or amended without notification to ABN AMRO and the Trustee and (ii) the Issuer Management will not resign except in the situation that suitable person(s), entities, trust(s) or administration office(s) reasonably acceptable to the Trustee has/have been contracted to act as managing director(s) of the Issuer. The following table sets out the managing director (*bestuurder*) of the Issuer and its business address and occupation.

Name	Business Address	Business Occupation
ATC Management B.V.	Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands	Corporate services provider. There is no potential conflict of interests between any duties to the Issuer and its private interests or other duties.

Capitalisation and Indebtedness

The unaudited capitalisation of the Issuer as at the Closing Date is as follows:

	As at 20 December 2005
Shareholders' equity	
Share capital	€20,000
Total capitalisation	€20,000
Indebtedness	
€4,280,000,000 Class A1 Notes due 2015 (now being issued)	€4,280,000,000
€2,000,000,000 Class A2 Notes due 2015 (now being issued)	€2,000,000,000
€135,000,000 Class B Notes due 2015 (now being issued)	€135,000,000
€100,000,000 Class C Notes due 2015 (now being issued)	€100,000,000
€100,000,000 Class D Notes due 2015 (now being issued)	€100,000,000
€135,000,000 Class E Notes due 2015 (now being issued)	€135,000,000
Total Indebtedness	€6,750,000,000

Covenants

In the Trust Deed the Issuer will covenant that it will not, save with the prior written consent of the Trustee, or as envisaged by the Transaction Documents:

- (a) create or permit to subsist any security interest over the whole or any part of its assets or undertakings, present or future;
- (b) dispose of, deal with or grant any option or present or future right to acquire any of its assets or undertakings or any interest therein or thereto;
- (c) have an interest in a bank account other than as set out in the Transaction Documents;
- (d) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;
- (e) consolidate or merge with or transfer any of its property or assets to another person;
- (f) issue any further shares (*aandelen*) in its capital;
- (g) have any employees (for the avoidance of doubt, managing directors will not be regarded as employees), premises or subsidiaries;
- (h) acquire assets other than pursuant to the Transaction Documents;
- (i) engage in any activities or derive income from any activities outside The Netherlands or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business outside The Netherlands;
- (j) enter into any contracts, agreements or other undertakings;
- (k) compromise, compound or release any debt due to it;
- (l) commence, defend, settle or compromise any litigation or other claims relating to it or any of its assets;
- (m) have any director that is not an independent director on its board of Directors;
- (n) maintain its bank accounts with any other person or entity;
- (o) maintain its books and records with any other person or entity;
- (p) commingle assets with those of any other entity;
- (q) maintain financial statements with any other person or entity;
- (r) use stationery, invoices and cheques of any other person or entity;
- (s) fail to hold itself out as a separate entity; or
- (t) fail to correct any known misunderstanding regarding its separate entity.

THE TRUSTEE

The trustee under the Trust Deed (the "Trustee") is Stichting Trustee Smile 2005 Synthetic, a foundation (*stichting*) incorporated under the laws of The Netherlands on 15 November 2005. It has its registered office at Herengracht 420, 1017 BZ Amsterdam, The Netherlands and is registered with the Commercial Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34236501.

The objects of the Trustee are (a) to act as agent and/or trustee in favour of Noteholders and the other Secured Parties; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to perform (legal) acts; (d) to hold, administer and to enforce the security rights mentioned under (b); (e) to borrow money and (f) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the Trustee is N.V. Algemeen Nederlands Trustkantoor ANT (the "Trustee Management") having its registered office at Herengracht 420, 1017 BZ Amsterdam, The Netherlands. The sole managing director of N.V. Algemeen Nederlands Trustkantoor is Mr. L. J. J. M. Lutz.

THE CREDIT DEFAULT SWAP

The following is a summary of certain provisions of the Credit Default Swap and is qualified in its entirety by reference to the detailed provisions of the Credit Default Swap. The following summary does not purport to be complete, and prospective investors must refer to the Credit Default Swap for detailed information regarding the Credit Default Swap.

On the Closing Date, the Issuer will enter into the credit default swap with ABN AMRO (acting through its BU NL head office) (the "**Swap Counterparty**") pursuant to a 1992 ISDA Master Agreement (Multicurrency-Cross Border), the schedule thereto and a credit default swap confirmation having an effective date which is the same as the Closing Date (the "**Credit Default Swap**").

The Credit Default Swap will incorporate the 2003 ISDA Credit Derivatives Definitions (the "**2003 Definitions**"). In the event of any inconsistency between the 2003 Definitions and the Credit Default Swap, the Credit Default Swap will prevail.

Noteholders are deemed to have notice of the terms of the Credit Default Swap and the 2003 Definitions.

Reference Portfolio

The Swap Counterparty has, on 31 October 2005 (the "**Portfolio Cut-Off Date**"), designated a portfolio of obligors (including any successors thereto, each a "**Reference Entity**") and in relation to each such Reference Entity, payment obligations of such Reference Entity arising from term loan facilities (each, a "**Reference Obligation**"). The Swap Counterparty is not required to hold any Reference Obligation as at the Closing Date and if it holds any Reference Obligation as at the Closing Date, it is not obliged to retain such Reference Obligation after the Closing Date.

The Reference Obligations have been identified by ABN AMRO and subjected to ABN AMRO's normal credit process and are required to comply with the Eligibility Criteria as at the Portfolio Cut-Off Date. However, ABN AMRO is not required to have an interest in any Reference Obligation as at the Portfolio Cut-Off Date and if it holds any Reference Obligation as at the Portfolio Cut-Off Date, it is not obliged to retain or continue to hold any Reference Obligation after the Portfolio Cut-Off Date.

Reference Obligations will be removed from the Portfolio and/or have their Reference Obligation Notional Amount reduced as set out in the section "*Reference Obligation Notional Amount*" below.

Reference Register

The Reference Portfolio will at all times be comprised of Reference Obligations (a) listed on a register (the "**Reference Register**") maintained by or on behalf of the Swap Counterparty and (b) required individually to meet on the Portfolio Cut-Off Date (but not necessarily thereafter) the Eligibility Criteria. See the section "*Eligibility Criteria*".

The Reference Register will contain information including (i) the identity of each Reference Entity, (ii) the reference number of each Reference Entity, (iii) the reference number for each Reference Obligation, (iv) the Reference Obligation Notional Amount of each Reference Obligation, (v) the Reference Entity Notional Amount (as defined below) of each Reference Entity, (vi) the internal credit classification category attributed to each Reference Entity pursuant to the ABN AMRO Credit Score system, (vii) the maturity date of each Reference Obligation and (viii) the Reference Collateral in respect of each Reference Obligation on the Portfolio Cut-Off Date. The Swap Counterparty will update the Reference Register on a quarterly basis to reflect any changes to the Reference Obligation Notional Amount of each Reference Obligation since the Portfolio Cut-Off Date or the most recent update, as the case may be.

The Swap Counterparty shall, on the Closing Date (to the extent applicable) and at least five Note Business Days prior to each Note Payment Date (and at such other times as the Swap Counterparty may decide), deliver to each of the Issuer, the Trustee, the Cash Administrator and the Rating Agencies, or shall procure the delivery of a report (the "**Reference Portfolio Schedule**") disclosing certain information. See "*Quarterly Reporting in relation to the Reference Portfolio*" below.

Except for the Reference Portfolio Schedule, none of the Issuer, the Trustee, the Cash Administrator, the Rating Agencies or the Noteholders shall be entitled to receive from the Swap Counterparty any information as to the identity of the Reference Entities or the Reference Obligations from time to time designated on the Reference Register. All information delivered pursuant to the Reference Portfolio Schedule is on a strictly anonymous and statistical basis.

Reference Obligation Notional Amount

In respect of each Reference Obligation, the Swap Counterparty shall designate a notional amount (the "**Reference Obligation Notional Amount**") denominated in euro by reference to which any Credit Protection Payment Amount in respect of such Reference Obligation shall be calculated. The Reference Obligation Notional Amount of any Reference Obligation may not be increased after it has been designated by the Swap Counterparty.

The Reference Obligation Notional Amount of a Reference Obligation may be reduced to the extent of scheduled or unscheduled repayments or cancellations, in respect of such Reference Obligation if such repayments are specified by the Swap Counterparty in the Reference Portfolio Schedule. In addition, the Reference Obligation Notional Amount of any Reference Obligation may be removed from the Reference Portfolio if such Reference Obligation did not satisfy the Eligibility Criteria on the Portfolio Cut-Off Date and/or was a Reference Obligation in respect of which a Bankruptcy and/or Restructuring Credit Event occurred prior to the Closing Date, in each case, if so specified by the Swap Counterparty in the Reference Portfolio Schedule.

Upon a Reference Obligation becoming a Worked Out Obligation, the Reference Obligation Notional Amount of such Worked Out Obligation shall be removed from the Reference Portfolio.

Except for Reference Obligation Notional Amounts by reference to which the Note Extension Amount has been calculated, all Reference Obligation Notional Amounts shall be removed from the Reference Portfolio on the Scheduled Redemption Date or (as the case may be) the Early Redemption Date.

Servicing

The Reference Obligations and the Reference Collateral shall be administered and enforced by a Servicer in accordance with ABN AMRO's credit and collection policy and the servicing principles or equivalent credit and collection policy and servicing principles and until there has been a failure to pay in respect of any Reference Obligation or any other event has occurred which could give rise to the occurrence of a Credit Event, the Swap Counterparty will not make known to any personnel of the Servicer responsible for servicing the Reference Obligation that such Reference Obligation is a Reference Obligation for the purposes of the Credit Default Swap, and after the occurrence of the Credit Event, the Swap Counterparty use reasonable efforts to ensure that no personnel of the Servicer responsible for servicing the Reference Obligation is made aware that such Reference Obligation is a Reference Obligation for the purpose of the Credit Default Swap.

"**Servicer**" means ABN AMRO or such other person appointed as such by ABN AMRO prior to the Closing Date or such other person as may be Servicer in respect of any Reference Obligation transferred to it. The Servicer shall be entitled to delegate any of its servicing functions to any affiliate and/or subsidiary and/or group company without having to obtain the consent of the Trustee, Issuer, Noteholders, Rating Agencies or any other person provided, however, that if ABN AMRO shall delegate its responsibilities as Servicer to any third party, ABN AMRO shall retain primary responsibility for ensuring that the Reference Obligations to be serviced by such third party are serviced to an equivalent standard to ABN AMRO's credit and collection policy and servicing principles.

Quarterly Reporting in relation to Reference Portfolio

The Swap Counterparty shall, on the Closing Date (to the extent applicable) and at least five Note Business Days prior to each Note Payment Date (and at such other times as the Swap Counterparty may decide), deliver to each of the Issuer, the Trustee, the Cash Administrator and the Rating Agencies, or shall procure the delivery of a report (the "**Reference Portfolio Schedule**") disclosing: (i) the reference number of each Reference Entity comprised in the Reference Portfolio at such time, (ii) the reference number of each Reference Obligation comprised in the Reference Portfolio at such time, (iii) the Reference Obligation Notional Amount in respect of each Reference Obligation comprised in the Reference Portfolio at such time, (iv) the maturity date of each Reference Obligation comprised in the Reference Portfolio at such time, (v) details of any scheduled repayment in respect of any Reference Obligation, (vi) details of any unscheduled prepayment in respect of any Reference Obligation and/or cancellation of such Reference Obligation, (vii) the reference number of each Reference Entity and Reference Obligation in respect of which Credit Event Notices have been delivered during the preceding quarterly period, (viii) the reference number of each Reference Entity and Reference Obligation in respect of which Credit Event Notices were previously delivered but which have since ceased to be of effect because the Credit Event described in the relevant

Credit Event Notice has ceased to be continuing on the 90th day after the date on which the Credit Event Notice was first given, (ix) the reference number of each Reference Obligation (and the reference number of the related Reference Entity) that has become a Defaulted Reference Obligation (i.e., in respect of which the Conditions to Credit Protection have been met) during the preceding quarterly period, (x) where a Reference Obligation has been removed from the Reference Portfolio (or whose Reference Obligation Notional Amount has been reduced) as a result of non-compliance with the Eligibility Criteria on the Portfolio Cut-Off Date, details of the Reference Obligation Notional Amount of each such Reference Obligation, (xi) where any Defaulted Reference Obligation has become a Worked Out Obligation, the amount by which the aggregate of the Reference Obligation Notional Amounts of such Defaulted Reference Obligations exceeds the aggregate of the Issuer Payments determined in respect of such Defaulted Reference Obligations, (xii) where the Calculation Agent determines that a Bankruptcy and/or Restructuring Credit Event occurred in relation to any Reference Obligation during the period from and including the Portfolio Cut-Off Date to but excluding the Closing Date, an amount equal to the Reference Obligation Notional Amount of such Reference Obligation, (xiii) the Credit Protection Payment Amount of any Defaulted Reference Obligation calculated during the quarterly Calculation Period, (xiv) the aggregate of the Synthetic Excess Spread Balance allocated in respect of Defaulted Reference Obligations, (xv) the Aggregate Issuer Payment (if any) payable by the Issuer on the relevant Note Payment Date, (xvi) any Adjusted Credit Protection Payment Amount, (xvii) the balance to be credited to the Synthetic Excess Spread Ledger on the next Note Payment Date, and (xviii) where the Adjusted Principal Balance of the Notes is to be increased on the following Note Payment Date because of the existence of a Synthetic Excess Spread Balance, an amount equal to the amount of the Reinstated Principal which will relate to such of the Principal Deficiency as was caused by, with respect to any Worked Out Obligation, the sum of the Issuer Payments (if any) less any Issuer Payment Adjustment Amount relating to such Worked Out Obligation, together with such other information as the Swap Counterparty may deem appropriate provided, however, that if the Issuer, the Trustee, the Cash Administrator or any of the Rating Agencies requests a Reference Portfolio Schedule containing a summary of the above information or only some of the above information to be given to it, the Swap Counterparty shall deliver a Reference Portfolio Schedule to such entity containing such information.

Except for the Reference Portfolio Schedule, none of the Issuer, the Trustee, the Cash Administrator, the Rating Agencies or the Noteholders shall be entitled to receive from the Swap Counterparty any information as to the identity of the Reference Entities or the Reference Obligations from time to time designated on the Reference Register. All information delivered pursuant to the Reference Portfolio Schedule is on a strictly anonymous and statistical basis.

Provision of Certain Information: Ongoing Reporting

No third party (other than the Independent Accountants, if any) is permitted to have access to data related to a Reference Entity or Reference Obligation. Pursuant to the terms of the Credit Default Swap, the Calculation Agent will provide written notice to the Cash Deposit Bank (if any at such time), the Repo Counterparty (if any at such time) and the Cash Administrator of

the determination of a Credit Protection Payment Amount and Aggregate Issuer Payment (if any) at least five Note Business Days prior to the Note Payment Date on which any such Aggregate Issuer Payment is payable.

Consequences of Reference Obligation being ineligible

If it is determined that a Reference Obligation contained in the Reference Portfolio did not satisfy the Eligibility Criteria on the Portfolio Cut-Off Date or that a Bankruptcy or Restructuring Credit Event occurred in respect of any Reference Obligation during the period from and including the Portfolio Cut-Off Date and to but excluding the Closing Date, that Reference Obligation will be removed from the Reference Portfolio if specified in the Reference Portfolio Schedule. If such an event occurs, each Class of Notes will be redeemed by an amount equal to the Reference Obligation Notional Amount of such Reference Obligation.

Credit Events

A "**Credit Event**" means Bankruptcy, Failure to Pay or Restructuring and shall apply in relation to the Reference Entities and the Reference Obligations in respect thereof for the purposes of the Credit Default Swap.

"**Bankruptcy**" means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy (*faillissement*), suspension of payment (*surséance van betaling*), debt restructuring (*schuldsanering*) or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (1) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (2) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof, (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator (*bewindvoerder*), provisional liquidator, conservator, receiver (*curator*), trustee, custodian or other similar official for it or for all or substantially all of its assets (excluding, for the avoidance of doubt, the appointment by the Reference Entity of a trustee, custodian, fiscal agent or similar representative solely for the purpose of the issue of securities by the Reference Entity), (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter, (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clause (a) to (g) above

inclusive or (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Failure to Pay" means, after the expiration of the longer of (i) any applicable grace period (after satisfaction of any conditions precedent to the commencement of such grace period) and (ii) 90 days from the due date, the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Reference Obligations in accordance with the terms of such Reference Obligations at the time of such failure; where **"Payment Requirement"** means, in respect of any Reference Entity, the lower of (i) EUR 1,000, and (ii) the aggregate of the Reference Obligation Notional Amounts of the Reference Obligations of such Reference Entity.

"Restructuring" means, with respect to any Reference Obligation, the restructuring (pursuant to the standard business practices of the lender of record (acting as a reasonable and prudent lender) and which, in the opinion of the lender of record, would result in maximisation of recoveries on the Reference Obligation) of such obligation involving forgiveness or postponement (including, without limitation, as a result of any change in ranking, priority or subordination of such obligation) of principal, interest or fees that results in a credit loss event (i.e. value adjustment of the loan principal amount of, and/or amount of interest due and payable on, such Reference Obligation resulting in a debit to the profit and loss account).

When determining the existence or occurrence of a Credit Event, the determination shall be made by the Calculation Agent without regard to whether such Credit Event arises directly or indirectly from, or is subject to a defence based upon: (i) any lack or alleged lack of authority or capacity of the relevant Reference Entity to enter into the relevant Reference Obligation; (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Reference Obligation; (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or (iv) the imposition of, or any change in, any exchange controls, capital restrictions, or any other similar restrictions imposed by any monetary or other authority howsoever described.

Conditions to Credit Protection

A Credit Protection Payment Amount will be calculated in respect of a Reference Obligation if the following conditions (the **"Conditions to Credit Protection"**) are satisfied:

- (1) the Swap Counterparty has delivered a Credit Event Notice to the Issuer (with a copy to the Trustee and the Rating Agencies) during the period (the **"Notice Delivery Period"**) commencing on the Closing Date and ending on or prior to the earlier of (a) the day which is five Note Business Days prior to the Scheduled Redemption Date, (b) the date on which notice was given by the Issuer that the Notes will fall due for redemption on an Early Redemption Date, and (c) the date on which an early termination of the Credit Default Swap occurs or has been designated, containing:

- (i) information that confirms in reasonable detail the occurrence of a Credit Event on or after the Closing Date; and
 - (ii) confirmation from the Calculation Agent of the occurrence of such Credit Event, provided that such Credit Event Notice shall be delivered no later than 120 days after the Swap Counterparty (which, for the purpose of this provision, shall mean the division or department of ABN AMRO responsible for monitoring, and/or giving Credit Event Notices under, the Credit Default Swap) has actual knowledge of the Credit Event referred to therein; and,
- (2) when delivering a Credit Event Notice in accordance with (1) above, the Swap Counterparty shall also deliver (or procure the delivery of) a notice (the "**Notice of Certification**") to the Trustee and the Rating Agencies certifying (a) the reference number in the Reference Register with respect to the Reference Entity to which the Credit Event relates, (b) that the internal credit classification category attributed to such Reference Entity pursuant to the ABN AMRO Credit Score System (as defined in the section "*Eligibility Criteria*") was correct in all material respects on the Portfolio Cut-Off Date, (c) the Reference Obligation Notional Amount of each Reference Obligation affected by such Credit Event, (d) that the Reference Collateral in respect of the Reference Obligation was legal, valid, binding and enforceable (subject to general principles of insolvency and general equitable principles (if any)) in all material respects on the Portfolio Cut-Off Date, (e) (i) the Reference Collateral were administered and enforced by the Servicer in accordance with ABN AMRO's credit and collection policy and the servicing principles or equivalent credit and collection policies and servicing principles, (ii) that, prior to there being a Credit Event in relation to the Reference Obligation, it did not make known to any personnel of the Servicer responsible for servicing the Reference Obligation that such Reference Obligation is a Reference Obligation for the purposes of the Credit Default Swap and (iii) that, after the occurrence of the Credit Event, it uses reasonable efforts to ensure that no personnel of the Servicer responsible for servicing the Reference Obligation is made aware that such Reference Obligation is a Reference Obligation for the purposes of the Credit Default Swap and (f) that all other Eligibility Criteria were correct in all material respects on the Portfolio Cut-Off Date; and
- (3) the amount of the Credit Protection Payment Amount is determined by the Calculation Agent in accordance with the Credit Default Swap at least five Note Business Days prior to the relevant Note Payment Date,

provided that, if within 90 days after the date on which a Credit Event Notice has been given, the Credit Event described in such Credit Event Notice is no longer continuing, the Credit Event Notice shall cease to be of any effect and the Swap Counterparty shall, as soon as practicable after it becomes aware that such Credit Event is no longer continuing, give notice to the Issuer, the Trustee and the Rating Agencies that such Credit Event is no longer continuing and stating that the relevant Credit Event Notice has ceased to be of effect.

Except as otherwise specifically provided above, the determination by the Calculation Agent of the occurrence of a Credit Event shall be final and binding on the Issuer and the Swap Counterparty.

The Conditions to Credit Protection can be satisfied once only in relation to each Reference Entity (subject to the successor provisions) and Reference Obligation but more than once in relation to the Reference Portfolio and the Credit Default Swap.

The Issuer Payment (if any) relating to a Credit Protection Payment Amount shall be made on the Note Payment Date immediately following the Calculation Period in which the quantum of that Credit Protection Payment Amount has been determined by the Calculation Agent in accordance with the Credit Default Swap.

Upon a Reference Obligation becoming a Worked Out Obligation, the Reference Obligation Notional Amount of such Worked Out Obligation shall be removed from the Reference Portfolio.

Calculation of Credit Protection Payment Amount

The "**Credit Protection Payment Amount**" in respect of any Defaulted Reference Obligation shall be the following:

- (i) if the Defaulted Reference Obligation becomes a Worked Out Obligation prior to the end of the period of 12 months from the date of the occurrence of the Credit Event (the "**Initial Recovery Period**") or is a Final Estimated Recoveries Date Reference Obligation in respect of which an Initial Credit Protection Amount has not been determined, the Worked Out Credit Protection Amount determined in respect of such Defaulted Reference Obligation; and
- (ii) if the Defaulted Reference Obligation does not become a Worked Out Obligation prior to the end of the Initial Recovery Period or is a Final Estimated Recoveries Date Reference Obligation in respect of which an Initial Credit Protection Amount was determined, (a) the credit protection amount calculated at the end of the Initial Recovery Period (the "**Initial Credit Protection Amount**") and (b) an amount equal to the Adjusted Credit Protection Amount.

"**Worked Out Obligation**" means a Defaulted Reference Obligation in respect of which the Swap Counterparty has determined (acting in accordance with the standards of a reasonable and prudent lender) that all Recoveries anticipated in respect of such Defaulted Reference Obligation have been received by the lender of record of such Reference Obligation.

"**Adjusted Credit Protection Amount**" means, in respect of a Defaulted Reference Obligation, the amount (subject to a minimum of zero) by which the Worked Out Credit Protection Amount is greater than the Initial Credit Protection Amount determined in respect of such Defaulted Reference Obligation.

"**Worked Out Credit Protection Amount**" means, in respect of a Defaulted Reference Obligation, the credit protection amount determined on, in the case of a Worked Out

Obligation, the date on which such Defaulted Reference Obligation became a Worked Out Obligation and, in the case of a Final Estimated Recoveries Date Reference Obligation, the Final Estimated Recoveries Date.

"Final Estimated Recoveries Date" means

- (i) in the case of a Defaulted Reference Obligation which does not become a Worked Out Obligation by the day (the "**45th Day Cut-Off Date**") which is 45 Note Business Days prior to the *Final Redemption Date* or (as the case may be) the *Early Redemption Date* (other than an *Early Redemption Date* resulting from the giving of a *Note Enforcement Notice*), such *45th Day Cut-Off Date*; and
- (ii) in the case of a Defaulted Reference Obligation which does not become a Worked Out Obligation by the *Early Redemption Date* resulting from the giving of a *Note Enforcement Notice*, the day which is ten Note Business Days following such *Early Redemption Date*.

"Final Estimated Recoveries Date Reference Obligation" means a Defaulted Reference Obligation in respect of which the *Worked Out Credit Protection Amount* falls to be determined on the *Final Estimated Recoveries Date*.

If the *Initial Credit Protection Amount* in respect of a Defaulted Reference Obligation is greater than the *Worked Out Credit Protection Amount* in respect of such Defaulted Reference Obligation, the amount by which the *Initial Credit Protection Amount* is greater than the *Worked Out Credit Protection Amount* shall be treated as an *Issuer Payment Adjustment Amount* which shall be added to the *Synthetic Excess Spread Balance*.

If the *Worked Out Credit Protection Amount* in respect of a Defaulted Reference Obligation is greater than the *Initial Credit Protection Amount* in respect of such Defaulted Reference Obligation, the second and final *Issuer Payment* in respect of such Defaulted Reference Obligation shall be calculated by reference to *Credit Protection Payment Amount* which is equal to the *Adjusted Credit Protection Amount* in respect of such Defaulted Reference Obligation.

The *Initial Credit Protection Amount* and the *Worked Out Credit Protection Amount* (if any) (each a "**Credit Protection Payment Amount**") in relation to a Defaulted Reference Obligation shall, on the date of calculation of such *Credit Protection Payment Amount*, be in an amount equal to:

- (1) the *Reference Obligation Notional Amount* of such Defaulted Reference Obligation on the date of the relevant *Credit Event*; plus
- (2) all accrued but unpaid interest due in respect of a principal amount of the Defaulted Reference Obligation equal to the *Reference Obligation Notional Amount* up to the date on which the *Credit Protection Payment Amount* is calculated and, if such Defaulted Reference Obligation has not become a *Worked Out Obligation*, all estimated future interest which the *Calculation Agent* determines would be payable in respect of a principal amount of the Defaulted Reference Obligation equal to the *Reference*

Obligation Notional Amount (taking into account such repayments of principal as can reasonably be expected to be made) up to the date on which, in the Calculation Agent's opinion, such Defaulted Reference Obligation can reasonably be expected to become a Worked Out Obligation; plus

- (3) all fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount up to the date on which the Credit Protection Payment Amount is calculated and, if such Defaulted Reference Obligation has not become a Worked Out Obligation, all estimated future fees, taxes, foreclosure and other enforcement expenses (including legal costs) which the Calculation Agent determines would be payable in respect of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount (taking into account such repayments of principal as can reasonably be expected to be made) up to the date on which, in the Calculation Agent's opinion, such Defaulted Reference Obligation can reasonably be expected to become a Worked Out Obligation; less
- (4) the aggregate of all Recoveries in respect of such Defaulted Reference Obligation and, if such Reference Obligation is not a Worked Out Obligation, the amount (the "**Estimated Recoveries**") estimated by the Calculation Agent that would be expected to constitute future Recoveries,

subject to a minimum of zero and a maximum of the Reference Obligation Notional Amount of the relevant Defaulted Reference Obligation.

If the lender of record of a Defaulted Reference Obligation receives payment from the related Reference Entity in respect of more than one obligation of such Reference Entity (including the Defaulted Reference Obligation), Recoveries shall be determined on the basis that the amounts received shall be allocated *pro rata* to each such obligation of such Reference Entity (including each Defaulted Reference Obligation of such Reference Entity) by reference to the outstanding principal amounts of each such obligation on the date on which the Credit Event occurred.

If the Reference Obligation Notional Amount of a Defaulted Reference Obligation is less than the outstanding principal amount of such Defaulted Reference Obligation, Recoveries shall be allocated on a *pro rata* basis to the Defaulted Reference Obligation by reference to the proportion which the Reference Obligation Notional Amount of the Defaulted Reference Obligation bears to the total outstanding principal amount of the Defaulted Reference Obligation on the date on which the Credit Event occurred.

The Calculation Agent will, in respect of any Defaulted Reference Obligation, calculate the amount of the Credit Protection Payment Amount as soon as reasonably practicable following the end of the Initial Recovery Period in respect thereof. The Calculation Agent will have the right to sub-contract its duties to any third parties (initially such duties are expected to be sub-contracted to ATC Financial Services B.V.) without the approval of other parties or the Rating Agencies being required.

If the Credit Protection Payment Amount has not been determined in respect of any Defaulted Reference Obligation by the date falling five Note Business Days prior to the Scheduled Redemption Date (or any Early Redemption Date arising from the delivery of a Note Enforcement Notice, as the case may be), an amount equal to the aggregate of the Reference Obligation Notional Amounts of such Defaulted Reference Obligations of the Adjusted Principal Balance of the most junior Class or Classes of Notes then outstanding (together with the Collateral relating thereto) shall remain outstanding until the Note Payment Date at least five Note Business Days following the determination of all such Credit Protection Payment Amounts.

"Recoveries" means, with respect to any Defaulted Reference Obligation, the sum of each of the following amounts received or applied by the lender of record of such Defaulted Reference Obligation after the occurrence of the Credit Event: (a) any amounts paid or repaid in respect of such Reference Obligation by or on behalf of the Reference Entity; (b) any amounts in respect of which the lender of record of such Defaulted Reference Obligation has successfully exercised against the Reference Entity of such Defaulted Reference Obligation a right of set-off in respect of amounts due under such Defaulted Reference Obligation and/or any amounts in respect of which the Reference Entity of such Defaulted Reference Obligation has successfully exercised a right of set-off against the lender of record of such Defaulted Reference Obligation in respect of amounts due under such Defaulted Reference Obligation; (c) the sale or other proceeds from the enforcement of the Reference Collateral (prior to deduction of all fees, taxes, foreclosure and other enforcement expenses (including legal costs) which are attributable to enforcement of a principal amount of the Defaulted Reference Obligation equal to the Reference Obligation Notional Amount); and (d) (to the extent not included in (c)) any payments received by the lender of record of such Defaulted Reference Obligation in respect of any other security.

"Reference Collateral" means, with respect to any Defaulted Reference Obligation, any pledge, mortgage, guarantee or any other security interest granted to the lender of record as security for the Reference Obligation provided that the Reference Collateral shall not include any of the aforementioned interests to the extent that it is held for the benefit of a person other than the lender of record. If Reference Collateral or any other security is given as security for more than one obligation (including such Defaulted Reference Obligation), Recoveries in respect of such Reference Collateral or any other security shall (except to the extent required otherwise by law and except to the extent provided otherwise in the documentation relating to the relevant obligations) be allocated *pro rata* among the obligations in respect of which Reference Collateral or any other security has been given determined by reference to the outstanding principal amount of the relevant obligations on the date on which the Credit Event occurred.

Calculation of Aggregate Issuer Payment

On each Calculation Date, the Calculation Agent shall calculate the Aggregate Issuer Payment in respect of Credit Protection Payment Amounts determined in the Calculation Period ending on (but not including) such Calculation Date. The amount of the Aggregate Issuer Payment will be satisfied by the Issuer liquidating the Cash Deposit or, as the case may be, arranging

for the repurchase by the Repo Counterparty of the relevant amounts of Repo Securities pursuant to the Repo Agreement and by paying the relevant amount to the Swap Counterparty.

"**Calculation Date**" means the Note Business Day falling five Note Business Days prior to an Note Payment Date.

"**Calculation Period**" means, in respect of any Calculation Date, the period from (and including) the immediately preceding Calculation Date (or, in the case of the first Calculation Date from and including the Closing Date) to (but excluding) such Calculation Date (or, in the case of the final Calculation Period, the Note Payment Date immediately following such Calculation Date).

The Aggregate Issuer Payment relating to a Credit Protection Payment Amount shall be made on the Note Payment Date immediately following the Calculation Period in which the quantum of that Credit Protection Payment Amount has been determined by the Calculation Agent. The Aggregate Issuer Payment in respect of any Note Payment Date is an amount (if any) equal to the aggregate of the Issuer Payments for the Calculation Period ending immediately prior to such Note Payment Date.

Upon a Reference Obligation becoming a Worked Out Obligation, the Reference Obligation Notional Amount of such Worked Out Obligation shall be removed from the Reference Portfolio.

Reduction of Adjusted Principal Balance of the Notes in relation to any Aggregate Issuer Payment

Upon making any Aggregate Issuer Payment:

- (a) the Adjusted Principal Balance of the Notes will be reduced by an amount equal to such Aggregate Issuer Payment, such amount being applied to reduce the Adjusted Principal Balance of each Class of Notes (until such Aggregate Issuer Payment is exhausted), commencing with the most junior Class of Notes then outstanding; and
- (b) the Notes will be redeemed by an amount equal to: (i) the aggregate of the Reference Obligation Notional Amounts of Worked Out Obligations; less (ii) the sum of the first and any second Issuer Payments calculated in respect of such Worked Out Obligations, commencing with the most senior Class of Notes then outstanding.

See Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*).

Annual Plausibility Check

The Swap Counterparty shall procure that as soon as reasonably practicable after each anniversary of the Portfolio Cut-Off Date and, in the event that the Notes fall due for redemption on an Early Redemption Date, as soon as practicable after a notice is given by the Issuer that the Notes fall due for redemption on such Early Redemption Date, the Independent Accountants conduct a review in accordance with the Agreed Upon Procedures of (i) 20% of the Reference Obligations that became Worked Out Obligations during the immediately preceding Annual Reporting Period selected at random by the Independent Accountants

(subject to a minimum of 10 and a maximum of 25) or, (ii) if less than ten Worked Out Obligations became Defaulted Reference Obligations during the relevant Annual Reporting Period, all Worked Out Obligations that became Defaulted Worked Out Obligations during the relevant Annual Reporting Period, plus (in all cases) (iii) if an Aggregate Issuer Payment gave rise to a Principal Deficiency, all Worked Out Obligations during the relevant Annual Reporting Period other than those where the sum of the first and any second Credit Protection Payment Amount less any Issuer Payment Adjustment Amount in respect of the relevant Defaulted Reference Obligation is less than EUR 25,000, and (iv) if the sum of the first and any second Credit Protection Payment Amount(s) less any Issuer Payment Adjustment Amounts determined in respect of any Worked Out Obligation of any Reference Entity exceeds EUR 500,000, all Credit Protection Payment Amounts previously determined in respect of such Reference Entity provided, however, that in respect of the Annual Reporting Period which covers the period during which the Final Estimated Recoveries Date falls all references to "Worked Out Obligations" shall be construed as a reference to "Worked Out Obligations and/or Final Estimated Recoveries Date Reference Obligations in respect of which a Worked Out Credit Protection Amount has been determined" and shall be required to issue a report (the "**Annual Plausibility Report**") thereafter.

If, as a result of such review, the Independent Accountants consider that there may be fundamental errors in the calculations of any Credit Protection Payment Amount made by the Calculation Agent, the Independent Accountants shall be required to review, in accordance with the Agreed Upon Procedures, all Reference Obligations that became Defaulted Reference Obligations and in respect of which a Credit Protection Payment Amount was determined and/or Worked Out Obligations during the Annual Reporting Period in respect of which the Annual Plausibility Report was delivered, and have not, at such time, been the subject of a review by Independent Accountants and, to issue a report thereafter provided, however, that if the Independent Accountants are of the view that the error reported in their report could have affected the Credit Protection Payment Amounts determined in any period prior to the period covered by such report, the Independent Accountants shall be required to review, in accordance with the Agreed Upon Procedures, all Reference Obligations that became Defaulted Reference Obligations and in respect of which a Credit Protection Payment Amount was determined and/or Worked Out Obligations since the Effective Date that could have been affected by such error provided, further, that the Independent Accountants shall not be required to conduct such a review if the Independent Accountants, ABN AMRO and the Trustee have been able to agree within 30 Note Business Days of the delivery by the Independent Accountants of their report on an amount to reflect the Issuer Payment Adjustment Amount(s) in respect of the Defaulted Reference Obligations affected by the errors identified in such report.

If the Trustee considers at any time that there may have been a fundamental error in the calculation of any Credit Protection Payment Amount, it shall be entitled to instruct the Swap Counterparty to procure that the Independent Accountants check the accuracy of the Credit Protection Payment Amount in all material respects and/or such other matters as the Trustee may require.

The "**Agreed Upon Procedures**" are the procedures that the Independent Accountants have agreed with ABN AMRO to follow in preparing any report of matters required under the Credit Default Swap to be verified by the Independent Accountants, as may be amended from time to time as a result of any change of Independent Accountants.

"**Annual Reporting Period**" means the period from and including an anniversary of the Portfolio Cut-Off Date to the next following anniversary of the Portfolio Cut-Off Date save that the last Annual Reporting Period shall end the Early Redemption Date or (as the case may be) on the Scheduled Redemption Date (subject to the Extension Period) (the "**Annual Reporting Period**").

Issuer Payment Adjustment Amounts

Any Credit Protection Payment Amount that is previously determined to have been incorrect on the basis of the Independent Accountants' review and the amount (if any) by which the Initial Credit Protection Amount is greater than the Worked Out Credit Protection Payment Amount in respect of such Defaulted Reference Obligation (such amount, the "**Issuer Payment Adjustment Amounts**"). Any Issuer Payment Adjustment Amounts shall be added to the Synthetic Excess Spread Balance and applied in accordance with the Synthetic Excess Spread Priority of Payments.

Swap Counterparty Payment

On the Note Business Day prior to each Note Payment Date (or, in relation to any payments to be made in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Ratings, within 30 Days of the date on which the Swap Counterparty ceased to have the Swap Counterparty Required Ratings), the Swap Counterparty will be required by the terms of the Credit Default Swap to pay to the Issuer an amount (the "**Swap Counterparty Payment**") equal to the sum of (i) to and including (vii) below less items (viii) and (ix) below:

- (i) the aggregate Interest Amounts (as defined in the Conditions) calculated in relation to all Classes payable by the Issuer to the Noteholders:
 - (a) so long as the Swap Counterparty maintains a long-term credit rating of at least A1 from Moody's and A from Fitch and a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1 from Fitch (the "**Swap Counterparty Required Rating**"), on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next two Note Payment Dates (to the extent not already paid);
- (ii) to pay into the Dutch Account on the Note Payment Date falling in April each year an amount of: in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April thereafter, EUR 15,000:

- (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
- (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next two Note Payment Dates (to the extent not already paid);
- (iii) an amount equal to any tax liabilities incurred by or assessments made against the Issuer, other than Dutch corporate income tax in relation to the profit referred to in (ii) above (to the extent not paid out of available income funds or Dutch Account);
- (iv) the quarterly Budgeted Operating Expenses applicable to the Note Interest Period commencing:
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next two Note Payment Dates (to the extent not already paid);
- (v) an amount equal to the Reinstated Principal to be applied in respect of the Notes on such Note Payment Date;
- (vi) the Make-up Interest Amount payable by the Issuer to the Noteholders (to the extent not already paid pursuant to (i) above and to the extent to which such amounts can be reasonably determined at such time):
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, on such Note Payment Date; or
 - (b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:
 - (1) on such Note Payment Date (to the extent not already paid); plus
 - (2) on the next two Note Payment Dates (to the extent not already paid);
- (vii)
 - (a) so long as the Swap Counterparty maintains the Swap Counterparty Required Rating, any Exceptional Expenses in any calendar year which have become due (but remain unpaid) during the Note Interest Period ended immediately prior to such Note Payment Date; or

(b) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating:

- (1) any Exceptional Expenses in any calendar year which have become due (but remain unpaid) during the Note Interest Period ended immediately prior to such Note Payment Date (to the extent not already paid); plus
- (2) any Exceptional Expenses which may become due in the future (to the extent not already maintained as a provision thereof in the Issuer Account) (which amount shall, for the avoidance of doubt, be reallocated in accordance with the Available Income Funds Priority of Payments on the Note Payment Date immediately following the date on which the Swap Counterparty has been upgraded at least to the Swap Counterparty Required Rating). Payment of any amount in accordance with this paragraph (2) shall be made in satisfaction of the Swap Counterparty's obligation to make payments as described in paragraph (1) above,

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- (viii) Issuer CD/Repo Income to be received by the Issuer during the Note Interest Period ending immediately prior to such Note Payment Date (to the extent not already received); and
- (ix) in the event that the Swap Counterparty ceases to have the Swap Counterparty Required Rating, the issuer CD/Repo Income which it is anticipated (taking into account such changes to the terms of the Cash Deposit Agreement and/or Repo Agreement as may be expected or contemplated) that the Issuer will receive during the next two Note Interest Periods commencing on such Note Payment Date (to the extent not already received),

provided that the Swap Counterparty Payment shall not be less than zero.

In addition, on the Closing Date, the Swap Counterparty will pay to the Issuer an amount (the "**Initial Swap Counterparty Payment**") equal to certain Closing Date costs and expenses of the Issuer to the extent the Issuer has no funds available for such purpose.

If the short-term credit ratings of the Swap Counterparty are lower than A-1+ by S&P, P-1 by Moody's and F1 by Fitch or the long-term credit rating is lower than A1 from Moody's and A from Fitch, the Swap Counterparty shall procure that a financial institution with a minimum short-term credit rating of A-1+ by S&P, P-1 by Moody's and F1 by Fitch and a minimum long-term credit rating of A1 from Moody's and A from Fitch has been appointed as guarantor (to the satisfaction of the Rating Agencies) in respect of the Swap Counterparty's obligations under the Credit Default Swap to pay the Reinstated Principal due on each Note Payment Date up to the Guaranteed Amount, or, if it shall not have satisfied the requirements of the foregoing within 30 days from the date on which the Swap Counterparty ceased to have the required ratings, the Swap Counterparty shall be required to take one of the following actions within 30 days from the date on which the Swap Counterparty ceased to have the required ratings: (i) provide collateral to the Issuer in respect of its obligations under the

Credit Default Swap to pay the Reinstated Principal due on each Note Payment Date up to the Guaranteed Amount to the satisfaction of the Rating Agencies or (ii) take such other actions as may be agreed with the Rating Agencies at the relevant time.

"Guaranteed Amount" means, in relation to any Note Payment Date, the amount of the Principal Reinstatement Available Amount on such Note Payment Date which has been or will be made available because of the addition to the Synthetic Excess Spread Balance during the Calculation Period immediately prior to such Note Payment Date of Issuer Payment Adjustment Amounts reflecting the difference between Worked Out Credit Protection Amounts and Initial Credit Protection Amounts for Defaulted Reference Obligations which became Worked Out Obligations or Final Estimated Recoveries Date Reference Obligations in the Calculation Period immediately prior to such Note Payment Date.

Synthetic Excess Spread

On the Closing Date and each Note Payment Date, the Calculation Agent shall, pursuant to the terms of the Credit Default Swap, calculate an amount equal to the Synthetic Excess Spread Amount in respect of such date and credit such amount to a ledger (the "**Synthetic Excess Spread Ledger**", the aggregate of the amount standing to the credit of the Synthetic Excess Spread Ledger and any Issuer Payment Adjustment Amount from time to time being the "**Synthetic Excess Spread Balance**").

The "**Synthetic Excess Spread Amount**" means, in respect of any date of calculation, the product of: (i) the aggregate of the Reference Obligation Notional Amounts of Reference Obligations in the Reference Portfolio on such date of calculation, (ii) 0.25 per cent. per annum and (iii) the actual number of days in the period beginning on (and including) such date of calculation and ending on (but excluding) the following Note Payment Date, divided by 360.

The Synthetic Excess Spread Amount shall be calculated in respect of any period after the Scheduled Redemption Date or (as the case may be) any Early Redemption Date resulting from the giving of a Note Enforcement Notice only by reference to the Reference Obligation Notional Amount of any Defaulted Reference Obligation which has not become a Worked Out Obligation by the Scheduled Maturity Date or (as the case may be) the Early Termination Date.

On each Note Payment Date, the Synthetic Excess Spread Balance shall be applied as follows:

- (i) firstly, in determining any Aggregate Issuer Payment payable on such Note Payment Date; and
- (ii) secondly, towards reinstatement of each Class of Notes which has a Principal Deficiency in the Order of Seniority.

The Synthetic Excess Spread Amounts are notional amounts and are only paid to the extent necessary to fund reinstatements of principal as described in (ii) above.

To the extent that any of the Synthetic Excess Spread Balance is applied on any Note Payment Date in the manner set out above, the Calculation Agent will record on the Synthetic Excess Spread Ledger such application of the Synthetic Excess Spread Amount and reduce the Synthetic Excess Spread Balance accordingly.

Early Termination of the Credit Default Swap

The Credit Default Swap is scheduled to terminate on the Scheduled Redemption Date and is subject to early termination in certain specified circumstances:

- (a) payment default (being a failure to pay after an amount has been due and payable for five Local Business Days (as defined under the Credit Default Swap)) by the Issuer or the Swap Counterparty;
- (b) bankruptcy events related to the Issuer;
- (c) merger of the Swap Counterparty with another entity without assumption in whole of all of the obligations under the Credit Default Swap;
- (d) illegality;
- (e) tax events related to the Issuer or the Swap Counterparty;
- (f) early redemption of the Notes in full (subject to any applicable Extension Period);
- (g) at the option of the Swap Counterparty upon the occurrence of a Regulatory Change;
or
- (h) ABN AMRO in its capacity as Servicer fails, in a material respect in the opinion of the Trustee (acting in the interests of the Noteholders in accordance with the terms of the Trust Deed), to meet its obligations as the servicer of any Reference Obligation.

If any Aggregate Issuer Payment is subject by law to deduction or withholding for tax, the Issuer shall not be under any obligation to gross-up such Aggregate Issuer Payment. The Swap Counterparty may elect either (1) to receive any Aggregate Issuer Payment net of such withholding or deduction for tax; or (2) to terminate the Credit Default Swap.

If any Swap Counterparty Payment is subject by law to deduction or withholding for tax the Swap Counterparty may elect to gross-up such Swap Counterparty Payment. If the Swap Counterparty does not so elect, the Issuer will have the right to terminate the Credit Default Swap.

Any early termination in whole of the Credit Default Swap will result in mandatory early redemption of the Notes. See Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*). Any early termination of the Credit Default Swap as a result of an Event of Default (as defined in the Credit Default Swap) with respect to the Swap Counterparty will result in the Security becoming enforceable.

Following the occurrence of an Early Termination Date (as defined in the Credit Default Swap) under the Credit Default Swap, no amount shall be payable by either party to the other

party, other than: (i) Swap Counterparty Payments which would have been (but for the occurrence or designation of such Early Termination Date) payable by the Swap Counterparty to the Issuer in respect of the redemption of the Notes (including, on any Note Extension Amount) on the Note Business Day prior to each Note Payment Date following the Early Termination Date until the Notes have been redeemed in accordance with the Conditions; (ii) Issuer Payments payable by the Issuer to the Swap Counterparty in respect of Reference Obligations that became Defaulted Reference Obligations during the Notice Delivery Period and (iii) any amounts which are due but unpaid including any default interest thereon. No additional termination or breakage fees will be payable by either the Issuer or the Swap Counterparty.

Early termination of the Credit Default Swap will, as described above, trigger redemption in whole of the Notes.

Effect of Regulatory Change

If a Regulatory Change occurs, the Swap Counterparty has the right to terminate the Credit Default Swap. Following a termination of the Credit Default Swap, the Notes will fall due to be redeemed.

For these purposes, a "**Regulatory Change**" means, on or after the Closing Date, a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basle Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change in the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch central bank or other competent authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap and the Repo Agreement (if any).

The Swap Counterparty shall only be entitled to terminate the Credit Default Swap upon the occurrence of a Regulatory Change, if, following such termination, the Issuer shall be able to redeem the Notes at their Adjusted Principal Balance.

Governing Law

The Credit Default Swap will be governed by, and shall be construed in accordance with, the laws of England. Each of the Issuer and the Swap Counterparty submits to the jurisdiction of the English courts in connection with the Credit Default Swap.

THE COLLATERAL AND CASH ADMINISTRATION ARRANGEMENTS

The following is a summary of certain provisions of some of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the Cash Deposit Agreement, the Repo Agreement and the Cash Administration Agreement.

Introduction

The Issuer's rights relating to the Cash Deposit, the rights under the Cash Deposit Agreement relating thereto and, as the case may be, under the Repo Agreement (if any) and the Repo Securities acquired thereunder from time to time are together referred to as the "**Collateral**". Together, the Collateral amounts held in the form of the Cash Deposit (pursuant to the terms of the Cash Deposit Agreement) or, as the case may be, in the form of Repo Securities (pursuant to the terms of the Repo Agreement and the Custody Agreement, if any) will, in aggregate, be at least equal to the then Adjusted Principal Balance of the Notes from time to time.

The Cash Deposit Arrangements

Introduction

On the Closing Date, provided that the Cash Deposit Bank has at such time a short-term credit rating of at least A-1+ from S&P, P-1 from Moody's and F1+ from Fitch and a long-term credit rating of at least A1 from Moody's (the "**Cash Deposit Bank Required Rating**") or suitable guarantee arrangements in respect thereof, the Issuer will utilise the proceeds of the Notes to make the Cash Deposit with the Cash Deposit Bank pursuant to the Cash Deposit Agreement. The Cash Deposit will consist of a deposit denominated in euro (the "**Cash Deposit**"), being equal to the then aggregate Adjusted Principal Balance of the Notes.

The Cash Deposit Agreement

The Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee will enter into an agreement (the "**Cash Deposit Agreement**") on or about the Closing Date under which the Issuer and the Trustee will appoint ABN AMRO as the Cash Deposit Bank.

The Cash Deposit will be held with the Cash Deposit Bank and the Cash Deposit Agreement will govern any Cash Deposit and provide for periodic income payments to be made to or to the order of the Issuer on each Note Payment Date the EURIBOR rate per annum less any applicable margin (the "**Cash Deposit Account Margin**") and calculated on the basis of a 360 day year. Such periodic income comprises a portion of the Available Income Funds to be utilised in accordance with the Pre-Enforcement Available Income Funds Priority of Payments on each Note Payment Date.

Unless earlier terminated, the Cash Deposit Agreement will terminate on the Scheduled Redemption Date or any Early Redemption Date (subject to the Note Extension Amount). Subject as provided below, the Cash Administrator may serve a notice of termination in accordance with the terms of the Cash Deposit Agreement and effect an early termination of

the agreement if there is a material default, payment default or imposition of tax which would adversely affect the after tax return to the Issuer of the income in respect of the Cash Deposit. The governing law of the Cash Deposit Agreement is Dutch law.

Replacement of Cash Deposit Bank or Entry of First Repo under Repo Agreement

In the event that (1) the Swap Counterparty elects to do so at least five Note Business Days prior to any Note Payment Date, or (2) the Cash Deposit Bank is downgraded below the Cash Deposit Bank Required Rating, then on the next Note Payment Date which is at least five Note Business Days following such election or on any date which is within 30 days of such downgrade, as applicable (such replacement date following the election or downgrade, the "**CD Replacement Date**"), the Issuer will (at the cost of the Swap Counterparty or Cash Deposit Bank, respectively) liquidate the Cash Deposit and use the proceeds thereof to either (at the option of the Swap Counterparty) (a) enter into a replacement Cash Deposit Agreement with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating, or (b) subject to the approval of the Rating Agencies, enter into a repo transaction (the "**Repo Agreement**") with a counterparty (the "**Repo Counterparty**", which has a rating satisfactory to the Rating Agencies (the "**Repo Counterparty Required Rating**")).

In the event that the Swap Counterparty elects to replace the Cash Deposit with securities under the Repo Agreement, the Issuer and the Repo Counterparty will enter into a transaction (the "**First Repo** ") pursuant to which the Issuer will purchase securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement shall be securities which meet the criteria (the "**Repo Securities Eligibility Criteria**") which will be set out in the Repo Agreement.

On the CD Replacement Date, the Issuer shall purchase Eligible Securities under the Repo Agreement, having an aggregate Purchase Price (as will be defined in the Repo Agreement) equal to the amount of the Adjusted Principal Balance of the Notes (the Eligible Securities when purchased by the Issuer under the Repo Agreement are referred to as the "**Purchased Securities**").

Aggregate Issuer Payments and Redemption of the Notes: Liquidation of Cash Deposits

Upon: (i) any Aggregate Issuer Payment being due to be paid by the Issuer to the Swap Counterparty; or (ii) the Notes becoming redeemable in whole or in part, the Issuer (or the Cash Administrator on behalf of the Issuer) will liquidate the Cash Deposit in whole or in part as the case may be, or will unwind, in whole or in part, the relevant Repo Transaction(s) (as the case may be).

The aggregate amount of the Cash Deposit to be liquidated or, as the case may be, Repo Securities to be repurchased will be equivalent to the Notes for which the then Adjusted Principal Balance is to be reduced or in respect of which a redemption is to be effected.

The Swap Counterparty shall determine the amounts of the Cash Deposit to be liquidated or, (as the case may be), Repo Securities to be repurchased and shall notify, as applicable, the Cash Deposit Bank or (as the case may be), the Repo Counterparty, the Cash Administrator and the Custodian (if any) in respect of the relevant amounts. Neither the Cash Administrator

nor the Trustee will be responsible for any calculations relating to the amount of Collateral to be released under the Security Documents from time to time and shall act on the basis of the advice received from, amongst others, the Swap Counterparty and the Repo Counterparty (if any).

If the Issuer is required to make payment of an Aggregate Issuer Payment to the Swap Counterparty, an amount of Collateral shall be liquidated (in the case of the Cash Deposit) or repurchased (in the case of Repo Securities) in order to satisfy such payment.

Pursuant to the terms of the Credit Default Swap, the Aggregate Issuer Payments shall be calculated by the Calculation Agent on the Calculation Date preceding the Note Payment Date on which such amount will be due, and notified to, amongst others, the Issuer and the Cash Administrator. The Cash Administrator will notify the Trustee, the Cash Deposit Bank or, as the case may be, the Repo Counterparty, of any release of the Cash Deposit or, as the case may be, liquidation of Repo Securities at least three Note Business Days prior to the relevant Note Payment Date.

In the event that the Cash Deposit Agreement or, as the case may be, the Repo Agreement is terminated early in full, the Cash Deposit Bank or, as the case may be, the Repo Counterparty will be required to pay to the Issuer, the amount of the Cash Deposit, or as the case may be, the repurchase price (being the sum of the Purchase Price and the accrued Price Differential) in respect of the Repo Securities.

The Repo Counterparty will agree to adjust the terms of any Repo Transaction under the Repo Agreement such that it repurchases Repo Securities from the Issuer for a repayment of cash from time to time. Subject to receiving notice from the Calculation Agent not later than the Calculation Date immediately preceding the date on which a payment of any Aggregate Issuer Payment is due or any date upon which the Notes are to be redeemed, of the amount of Repo Securities to be repurchased by the Repo Counterparty on such date, the Repo Counterparty shall repurchase Repo Securities and the Repo Transaction shall be adjusted in accordance with the terms of the Repo Agreement.

On any date fixed for redemption in whole of the Notes, the Repo Counterparty shall repurchase from the Issuer, all remaining Repo Securities which have not been repurchased previously pursuant to the terms of the Repo Agreement (subject to the Note Extension Amount).

The Repo Arrangements

Pursuant to the terms of any Repo Agreement approved by the Rating Agencies, the Issuer and the Repo Counterparty may, from time to time, enter into a Repo Transaction in respect of Repo Securities denominated in euro pursuant to which the Issuer will, using amounts withdrawn from the Cash Deposit, purchase the Repo Securities from the Repo Counterparty. The securities eligible to be purchased from time to time by the Issuer from the Repo Counterparty under the Repo Agreement shall be securities that comply with the Repo Securities Eligibility Criteria. If any Repo Agreement is entered into, the Issuer shall grant

security over its interests in the Repo Securities that is satisfactory to the Trustee. The governing law of the Repo Agreement will be English law.

The Repo Counterparty will also be obliged under the Repo Agreement to deliver Margin (as defined in the Repo Agreement) in the form of cash or additional Eligible Securities and in accordance with the applicable Margin Ratio (as defined in the Repo Agreement) and any such securities delivered in respect of Margin shall be held on the same terms as the Purchased Securities. In the event that the value of the Securities held by the Issuer exceeds the value and Margin Ratio provided in the Repo Agreement, the Repo Counterparty may request that the Issuer release a corresponding amount of Securities to the Repo Counterparty. Conversely, in the event that the value of the Securities held by the Issuer is less than the value and Margin Ratio provided in the Repo Agreement, the Repo Counterparty will be required to deliver a corresponding additional amount of Eligible Securities to the Issuer.

The Repo Agreement will contemplate that Repo Securities that are scheduled to redeem or capable of being redeemed at the option of the Issuer at face value in proximity to, but prior to the next following Note Payment Date (such securities, the "**Principal Value Securities**") shall not be subject to margining arrangements.

Optional Collateral Transfers between Repo Agreement and Cash Deposit

In the event that:

- (a) the Swap Counterparty elects on any Note Business Day that the Cash Deposit be liquidated (in whole or in part), the proceeds of such liquidation, to the extent that those amounts are not required for any Aggregate Issuer Payment or repayment of the Notes, will be applied to purchase further Repo Securities pursuant to the terms of the Repo Agreement (a "**Cash Deposit Collateral Transfer**"); or
- (b) provided that the Cash Deposit Bank then has the Cash Deposit Bank Required Rating or the obligations of the Cash Deposit Bank are guaranteed by an entity with the Cash Deposit Bank Required Rating, the Swap Counterparty elects on any Note Business Day that the then subsisting relevant Repo Transaction(s) under the Repo Agreement be unwound (in whole or in part), in accordance with the terms thereof, the Repo Counterparty will repurchase all or a proportion (as applicable) of the Repo Securities under the Repo Agreement from the Issuer and the proceeds thereof shall, to the extent that those amounts are not required for any Aggregate Issuer Payment or repayment of the Notes, be applied to make a Cash Deposit with the Cash Deposit Bank pursuant to the terms of the Cash Deposit Agreement or any replacement thereof (a "**Repo Collateral Transfer**"),

(the Cash Deposit Collateral Transfer and the Repo Collateral Transfer, together, being the "**Collateral Transfers**").

In either case, the Swap Counterparty must give at least five Note Business Days' notice to the Trustee and the Cash Administrator of the proposed Collateral Transfer.

In each case, the Security will be released as necessary subject to jurisdiction-specific requirements, if any, in relation to such Collateral Transfer (such that the overall Security will continue to apply to all of the Collateral but will be partially released as necessary to allow for the relevant Collateral Transfer).

Income under the Repo Agreement: Issuer CD/Repo Income

An amount equal to income which is received by the Issuer (or the Custodian on its behalf) in respect of any Repo Securities during any Note Interest Period will be payable by the Issuer to the Repo Counterparty within two Note Business Days of any receipt thereof, together with interest from the date on which such income was received.

The income to be realised by the Issuer under the Repo Agreement is the Price Differential under the Repo Agreement. Pursuant to the terms of the Repo Agreement, the Repo Counterparty will be required to pay on each Note Payment Date, an amount (the "**Price Differential**") equal to the product of (i) the aggregate of the purchase price for the Repo Transaction (a "**Purchase Price**"), (ii) the applicable Pricing Rate and (iii) a fraction, the numerator of which is the actual number of days elapsed during such Note Interest Period and the denominator of which is 360.

"**Pricing Rate**" means the rate as set forth under the Repo Agreement for any Repo Transaction.

The Repo Agreement will provide that the amount payable on any Note Payment Date by the Issuer to the Repo Counterparty in respect of income arising from and paid on the Repo Securities (held by the Custodian on behalf of the Issuer) together with any interest accrued and paid thereon may be netted against the obligation of the Repo Counterparty to pay to the Issuer the Price Differential on such date (to the extent that such sums are expressed to be payable in the same currency), such that the party with the obligation to pay the greater amount prior to netting pays to the other party the difference between such greater amount and the amount that would otherwise be payable by the other party.

Events of Default under Repo Agreement

The Repo Agreement will include events of default such as the insolvency of the Issuer or Repo Counterparty, failure to make payments or deliveries thereunder (including margining requirements), early termination of the Credit Default Swap due to the occurrence of an Event of Default, suspension of either the Issuer or the Repo Counterparty from dealing in securities and failure by the Repo Counterparty to substitute within the specified period Repo Securities or provide additional Repo Securities as described in the preceding paragraphs following (i) downgrade of the Repo Counterparty below the Repo Counterparty Required Rating or (ii) any of the Repo Securities falling out of compliance with the applicable Repo Securities Eligibility Criteria.

Upon the occurrence of any such event of default (following service of a default notice, except in respect of certain acts of insolvency and an event of default under the Credit Default Swap), the date for repurchase (the "**Repurchase Date**") for all of the Repo Securities will be deemed to occur immediately and an account will be taken of all sums due from one party to

the other under the Repo Agreement (including the value of the obligations to deliver securities equivalent to the Repo Securities as established under the Repo Agreement). The sums due from one party to the other shall be set-off and only the balance of the account shall be payable between the parties on the following Note Business Day.

Acceleration Events under the Repo Agreement

The Repo Agreement will contain such acceleration events as shall be agreed with the Rating Agencies. Upon the occurrence of any such event, the Issuer or the Repo Counterparty (as specified in the Repo Agreement) may, by giving written notice to the other, accelerate the repurchase obligations under the Repo Agreement and specify a date in such notice as the Repurchase Date.

Cash Administration Agreement

Under an agreement to be dated on or about the Closing Date (the "**Cash Administration Agreement**") between the Issuer, the Cash Administrator, the Trustee, the Cash Deposit Bank, the Custodian (if any), the Repo Counterparty (if any), the Swap Counterparty, the Principal Paying Agent, the Agent Bank, the Issuer Account Bank and the Issuer's Management, the Issuer will appoint ABN AMRO as the Cash Administrator, to provide certain cash administration services on behalf of the Issuer.

In performing the cash administration services, the Cash Administrator will undertake to exercise the same level of skill, care and diligence as it would apply if it were the beneficial owner of the monies to which the cash administration services relate, and agrees that it will comply with any directions given by or on behalf of the Issuer or, as the case may be, the Trustee in accordance with the Cash Administration Agreement. The Cash Administrator may, in accordance with the terms of the Cash Administration Agreement, sub-contract (without the approval of other parties and the Rating Agencies being required) its obligations under the Cash Administration Agreement to ATC Financial Services B.V. and/or other third parties (initially such duties are expected to be sub-contracted to ATC Financial Services B.V.).

The governing law of the Cash Administration Agreement is Dutch law.

Issuer Account

The Issuer opened an account with ABN AMRO (in such capacity, the "**Issuer Account Bank**") into which payments by the Swap Counterparty under the Credit Default Swap and the Repo Counterparty under the Repo Agreement and all income thereof shall be credited, provided that in the event that the short-term rating of the Issuer Account Bank becomes lower than A-1+ from S&P, P-1 from Moody's or F1 from Fitch or its long-term credit rating becomes lower than A1 from Moody's (the "**Issuer Account Bank Required Rating**"), the Issuer Account Bank will be required, within 30 days of such downgrade, to identify a successor or replacement Issuer Account Bank which has the Issuer Account Bank Required Rating. Any such replacement of the Issuer Account Bank shall be at no cost to the Issuer.

Dutch Account

The Issuer also opened an account with ABN AMRO into which its paid-up share capital (*gestort aandelenkapitaal*) has been deposited (the "**Dutch Account**"). On the Note Payment Date falling in April 2006 an amount of EUR 25,000 will be deposited in the Dutch Account and, on each Note Payment Date falling in April thereafter, EUR 15,000. No security rights will be granted over the amounts standing to the credit of the Dutch Account.

ABN AMRO GROUP

History and Incorporation

ABN AMRO Holding N.V. ("**ABN AMRO Holding**") is incorporated as a limited liability company under Dutch law by deed of 30 May 1990 as the holding company of ABN AMRO. The Articles of Association of ABN AMRO Holding were last amended by deed of 9 June 2005 executed before Mr. R.J.C. van Helden, Notary Public in Amsterdam. The registered office of ABN AMRO Holding is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

ABN AMRO Holding's main purpose is to own ABN AMRO and its subsidiaries. ABN AMRO Holding owns 100 per cent. of the shares of ABN AMRO and is jointly and severally liable for all liabilities of ABN AMRO pursuant to a declaration under Article 2:403 of the Dutch Civil Code.

ABN AMRO traces its origin to the formation of the "Nederlandsche Handel-Maatschappij, N.V." in 1825 pursuant to a Dutch Royal Decree of 1824. ABN AMRO's Articles of Association were last amended by deed of 9 June 2005 executed before Mr. R.J.C. van Helden, Notary Public in Amsterdam.

ABN AMRO is registered in the Commercial Register of Amsterdam under number 33002587. The registered office of ABN AMRO is at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands.

Overview

The ABN AMRO group (the "**Group**"), which consists of ABN AMRO Holding and its subsidiaries, is a prominent international banking group offering a wide range of banking products and financial services on a global basis through its network of 3,870 offices and branches in 58 countries and territories as of year-end 2004. The Group is one of the largest banking groups in the world with total consolidated assets of EUR 608.6 billion as at 31 December 2004.

The Group implements its strategy through a number of global (Strategic) Business Units, each of which is responsible for managing a distinct client or product segment. The Group's client-focused (Strategic) Business Units are: Consumer & Commercial Clients, Wholesale Clients, Private Clients, Asset Management and Transaction Banking Group. In addition, the Group has its internal Business Units: Group Shared Services and Group Functions. The Group's (Strategic) Business Units are present in all countries and territories in which the Group operates, with the largest presence in its home markets.

The Group is the largest banking group in The Netherlands and it has a substantial presence in Brazil and the MidWestern United States, its three "home markets". The Group is one of the largest foreign banking groups in the United States, based on total assets held as of 31 December 2004. ABN AMRO Holding is listed on Euronext and the New York Stock Exchange among others.

ABN AMRO is the result of the merger of Algemene Bank Nederland N.V. and Amsterdam-Rotterdam Bank N.V. in 1990. Prior to the merger, these banks were, respectively, the largest and second-largest banks in The Netherlands. ABN AMRO traces its origin to the formation of the Nederlandsche Handel-Maatschappij, N.V. in 1825, pursuant to a Dutch Royal Decree of 1824.

The Group has implemented the value-based management model, Managing for Value ("MfV") throughout the organisation. MfV allows the Group to allocate its resources to where it earns the best possible long-term economic profit (net profit after tax less the risk-adjusted cost of capital) and to measure results more effectively. The Group will continue to build on the success of this model.

Group Strategy

The Group is an international bank with European roots and a clear focus on consumer and commercial banking, strongly supported by an international wholesale business. The business mix provides a competitive edge in the chosen markets and client segments.

The Group aims to maximize value for its clients, while maximizing value for its shareholders as the ultimate proof of, and condition for success.

Starting from this base, its strategy for growing and strengthening the business is built on five key elements:

1. Creating value for clients by offering high-quality financial solutions, which best meet their current needs and long-term goals.
2. Focusing on:
 - (i) consumer and commercial clients in its three home markets of The Netherlands, the U.S. MidWest, Brazil and in selected growth markets around the world
 - (ii) selected wholesale clients with an emphasis on Europe and financial institutions
 - (iii) private clients
3. Leveraging its advantages in products and people to benefit all its clients.
4. Sharing expertise and operational excellence across the group.
5. Creating "fuel for growth" by allocating capital and talent according to the principles of its MfV-based management model.

The Group aims for sustainable growth which will benefit all its stakeholders- including clients, shareholders, employees, and society at large. The Sustainability Report is not incorporated in this report. The Group's ability to build sustainable relationships, both internally and externally, is crucial to the Group's ability to achieve sustainable growth.

Client Focus

Through the Group's various client-focused (Strategic) Business Units, the Group aims to create value for a comprehensive spectrum of clients: on the consumer side, from mass retail clients to high net worth private clients, and, on the corporate side, from small businesses to large multinationals. All these client groups are beneficiaries of the Group's client-focused strategy. The Group believes it has a strategic advantage because of its particular combination of clients, products and geographical markets. The prime beneficiaries of this advantage are in the mid-market segment. On the consumer side the mid-market client segment includes the mass affluent clients in the Group's Consumer & Commercial Clients as well as a large number of clients in Private Clients, while on the corporate side it includes a significant number of medium-to-large companies and financial institutions. The mid-market client segment typically requires local banking relationships, an extensive and competitive product suite, an international network, efficient delivery, and, for corporates, sector knowledge. With the Group's range of businesses and capabilities, the Group is one of the few banks in the world that can deliver on all of these elements to its target clients, in some cases uniquely so.

The Group's growth strategy is to build on these strong mid-market positions and to exploit opportunities to provide clients in this segment with high-quality and innovative products and services from across the Group. The Group's global branding concept is the green and yellow ABN AMRO shield next to strong local brand names in combination with the new motto "Making More Possible". The motto reflects the seamless integration of Business Units around the world to create and exploit opportunities for every client, whether those possibilities emerge in the client's home market or elsewhere.

The Group aims to expand its client base both by winning more clients in its chosen markets and client segments and by successfully exploiting the attractive opportunities in several emerging markets, including Greater China and India, through the Business Unit New Growth Markets. Attractive conditions in these markets include the possibility of high growth in spending on personal financial services, continuing deregulation, a small number of well established incumbent players, and a growing and increasingly knowledgeable population of mass affluent consumers.

Capitalising on the Group's "one bank" advantages

The Group's ability to create value for its clients and shareholders increasingly depends on sharing expertise and operational excellence across the Group. To enable the Group to provide its mid-market clients with the best possible products and services, the Group created a Consumer and Commercial segment across Business Units. The role of this segment includes the application of winning formulas in the different countries in which the Group operates and increasing coordination among Asset Management, Transaction Banking, Wholesale Clients and other (Strategic) Business Units with the goal of delivering high-quality solutions.

The Group also combined all its product management and development activities in the payments and trade segments around the world into a new global Transaction Banking organization, which reports to the Group COO. This new global payments franchise is

designed to allow the Group to capture all potential efficiencies from its scale more effectively, and to realize incremental returns on investments in this area.

Further, the Group intends to continue to build on the initial success of Group Shared Services, which was established in January 2004. This Business Unit will continue to focus on identifying and exploiting potential cost savings through further consolidation and standardization across all its operations. Group Shared Services will also investigate and implement new market solutions, in order to ensure that all (Strategic) Business Units get the support services they need to provide clients with even better products and services delivered in the most efficient way.

Recent Developments

The acquisition of Bank Corluy in Belgium was completed at the end of April 2005. The acquisition of Bank Corluy marks a step forward in the Group's efforts to strengthen its private banking position in Belgium. In addition to a solid operating platform, Bank Corluy provides complementary local product capabilities and an attractive client franchise.

In June the Group sold the call options that were in place to hedge the expected 2006 US dollar related net profit. The intrinsic value of EUR 72 million is stored in the special component of equity ("SCE") and will be released in 2006 on a monthly basis. The Group decided to sell the 2006 hedge because of the impact of new IFRS rules, which have led the Group to change its hedging policy whereby the Group will no longer hedge its expected US dollar related net profit.

The sale of Nachenius, Tjeenk & Co. N.V to BNP Paribas was completed on 1 July 2005. The decision to sell Nachenius, Tjeenk & Co. is in accordance with the Group's Private Banking strategy to focus on core activities.

On 8 July 2005 Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMNF"), an integral subsidiary of Millea Holdings, Inc. and the Group announced that TMNF will purchase from the Group 100% of Real Seguros S.A., and establish a 50/50 joint venture in Real Vida e Previdência S.A. As part of the agreement, the Group will distribute on an exclusive basis through its retail network in Brazil, insurance and pension products, thereby combining Banco Real's distribution capabilities with the insurance expertise of TMNF. The transaction, which is still subject to customary regulatory approvals in Brazil, Japan and The Netherlands, amounts to BRL 960 million (EUR 335 million) and will result in a net gain of approximately BRL 549 million (EUR 191 million). This gain will be booked once the Group has received the regulatory approvals, which are expected towards the end of the fourth quarter. The agreement was previously announced on 28 April 2005 and is in accordance with the Group's worldwide strategy to provide its customers with a full-fledged, state-of-the-art product offering.

The Group announced on 25 July 2005 that the Group had obtained acceptances totaling 6,283,038 of shares in Banca Antonveneta following the expiration on 22 July 2005 of the cash tender offer. The percentage of shares tendered in the offer amounts to 2.88% of Banca Antonveneta's total outstanding share capital. As stated in the press release of 30 March 2005,

the offer was conditional on the Group obtaining at least 50% + 1 share of Banca Antonveneta's share capital. The percentage of shares tendered together with the Group's current stake confirmed that this condition has not been met. The Group currently holds a 29.91% stake in Banca Antonveneta, as the 2.88% was not accepted, and reiterates that it has no intention of remaining a minority shareholder in Banca Antonveneta. The Group also reiterates that it remains committed to its statement of 30 March 2005 that, in the event the acquisition is not successful, the proceeds of the equity funding will be returned to its shareholders in a cost effective manner.

On 26 September 2005 the Group announced it has signed an agreement with Banca Popolare Italiana ("**BPI**") and a number of other shareholders to purchase a total of 121,560,835 shares (or a 39.37% stake) in Banca Antonveneta. The Group will pay EUR 26.50 per share, equal to a total cash consideration of EUR 3.2 billion. The transfer of the shares will take place after fulfilling all conditions including the decisions of Milan Court, Consob and the Banca d'Italia.

The bank continues to be engaged in bank secrecy act compliance matters and the Group has signed a written agreement with the US regulatory authorities concerning these compliance matters. Investigations have had and will continue to have an impact on the bank's operations in the US, including procedural limitations on expansion and the powers otherwise exercisable as a financial holding company.

As mentioned in the press release of 14 October 2005, the Group will, from 1 January 2006, further align the Group's structure to realise profitable growth potential. This new structure will reflect a strategic focus on mid-market clients. It involves the creation of group business committees to drive further synergies and cooperation across Business Units. Three new managing board members were appointed. More details can be found in the press release, which is available on www.abnamro.com.

The most recent developments can be found on the Group's website (www.abnamro.com).

Managing Board and Supervisory Board

Managing Board	Year of Appointment
R.W.J. Groenink, Chairman	1988
W.G. Jiskoot	1997
T. de Swaan	1999
J.Ch.L. Kuiper	1999
C.H.A. Collee	2000
H.Y. Scott-Barrett	2000

Supervisory Board	Year of Appointment
A.A. Loudon, Chairman	1994
A.C. Martinez, Vice-Chairman	2002
A. Burgmans	1998
D.R.J. Baron de Rothschild	1999

Supervisory Board	Year of Appointment
Mrs. L.S. Groenman	1999
Mrs. T.A. Maas-de Brouwer	2000
M.V. Pratini de Moraes	2003
P. Scaroni	2003
Lord Sharman of Redlynch	2003
A.A. Olijslager	2004
Rob van den Bergh	2005
Anthony Ruys	2005

The chosen address of the Supervisory and Managing Boards is the registered office of ABN AMRO Holding.

Auditor

ABN AMRO Holding's financial year is the calendar year. ABN AMRO Holding is required by Dutch law to appoint an external auditor. According to the Articles of Association of ABN AMRO Holding, the General Meeting of Shareholders is authorised to appoint the external auditor. The General Meeting of Shareholders dated 29 April 2004 resolved to reappoint Ernst & Young Accountants to audit the financial statements of ABN AMRO Holding for the next five years.

Capitalisation

The following table sets out the consolidated capitalisation of ABN AMRO Holding as at the dates specified below.

	2004	2003	2002	2001
<i>(EUR millions)</i>				
Shareholders' equity as at the beginning of the period	13,047	11,081	12,098	12,898
Retained earnings	3,372	2,461	1,562	2,578
Exercise of option rights and conversion	50	2	66	8
Goodwill	30	(425)	(201)	(3,186)
Impact change in accounting policy pension costs	0	0	(430)	0
Addition/Release to provision pension obligations	(479)	14	(374)	0
Revaluations and other movements	(337)	374	(16)	52
Change in treasury stock	(513)	6	(2)	(102)
Currency translation differences	(198)	(466)	(1622)	(150)
Shareholders' equity as at the end of the period	14,972	13,047	11,081	12,098

FINANCIAL INFORMATION ABN AMRO HOLDING N.V.

The financial statements below have been prepared in conformity with generally accepted accounting principles in The Netherlands.

Consolidated balance sheet at December 31, 2004 and 2003

(EUR millions)

	2004	2003
Assets		
Cash	17,794	12,734
Short-dated government paper	16,578	9,240
Banks	83,710	58,800
<i>Loans to public sector</i>	5,967	5,489
<i>Loans to private sector</i>	233,815	234,776
<i>Professional securities transactions</i>	59,269	56,578
Loans	<u>299,051</u>	<u>296,843</u>
Interest-earning securities	133,869	132,041
Shares	25,852	16,245
Participating interests	2,309	2,629
Property and equipment	6,798	7,204
Other assets	15,338	16,548
Prepayments and accrued income	7,324	8,153
	<u>608,623</u>	<u>560,437</u>
Liabilities		
Banks	132,732	110,887
<i>Savings accounts</i>	74,256	73,238
<i>Deposits and other client accounts</i>	178,640	168,111
<i>Professional securities transactions</i>	40,661	48,517
Total client accounts	<u>293,557</u>	<u>289,866</u>
Debt securities	82,926	71,688
Other liabilities	43,040	33,207
Accruals and deferred income	9,776	11,840
Provisions	13,553	11,146
	<u>575,584</u>	<u>528,634</u>
Fund for general banking risks	1,149	1,143
Subordinated debt	12,639	13,900
<i>Shareholders' equity</i>	14,972	13,047
<i>Minority interests</i>	4,279	3,713
Group equity	<u>19,251</u>	<u>16,760</u>
Group capital	<u>33,039</u>	<u>31,803</u>
	<u>608,623</u>	<u>560,437</u>
Contingent liabilities	46,464	42,838
Committed facilities	145,092	119,675

Consolidated income statement for 2004, 2003 and 2002

(EUR millions)

	2004	2003	2002
Revenue			
<i>Interest revenue</i>	23,196	23,529	27,370
<i>Interest expense</i>	13,530	13,806	17,525
<i>Net interest revenue</i>	9,666	9,723	9,845
Revenue from securities and participating interests	1,620	269	369
<i>Commission revenue</i>	5,452	5,160	5,421
<i>Commission expense</i>	702	696	782
<i>Net commissions</i>	4,750	4,464	4,639
Results from financial transactions	2,288	1,993	1,477
Other revenue	1,469	2,344	1,950
<i>Total non-interest revenue</i>	10,127	9,070	8,435
<i>Total revenue</i>	19,793	18,793	18,280
Expenses			
<i>Staff costs</i>	7,764	7,080	7,407
<i>Other administrative expenses</i>	4,962	4,575	4,647
<i>Administrative expenses</i>	12,726	11,655	12,054
<i>Depreciation</i>	961	930	1,094
<i>Operating expenses</i>	13,687	12,585	13,148
Provision for loan losses	653	1,274	1,695
Value adjustments to financial fixed assets	2	16	49
<i>Total expenses</i>	14,342	13,875	14,892
<i>Operating profit before taxes</i>	5,451	4,918	3,388
Taxes	1,071	1,503	973
<i>Group profit after taxes</i>	4,380	3,415	2,415
Minority interests	271	254	208
Net profit	4,109	3,161	2,207
Earnings per ordinary share	2.45	1.94	1.39
Fully diluted earnings per ordinary share	2.45	1.93	1.38
Dividend per ordinary share	1.00	0.95	0.90

Consolidated cash flow statement for 2004, 2003 and 2002
(EUR millions)

	2004	2003	2002
Group profit	4,380	3,415	2,415
Depreciation	961	930	1,006
Provision for loan losses	653	1,274	1,695
Movement in provisions	953	287	(723)
Movement in interest receivable	513	(1,236)	2,277
Movement in interest payable	(1,065)	2,092	(1,387)
Movement in current tax	401	226	331
Other accruals and deferrals	350	908	91
Government paper and securities, trading	(20,876)	(6,546)	(2,311)
Other securities	(2,149)	(1,500)	3,865
Banks, other than demand deposits	355	839	1,238
Loans	(19,724)	(4,638)	1,888
Professional securities transactions (included in loans)	(3,498)	(4,158)	5,890
Total client accounts	19,735	14,741	(3,451)
Professional securities transactions (included in total client accounts)	(5,644)	6,661	4,658
Debt securities, excluding debentures and notes	(2,744)	(4,616)	1,324
Other assets and liabilities	7,996	(10,673)	(14)
Net cash flow from operations / banking activities	(19,403)	(1,994)	18,792
<i>Purchase of securities for investment portfolios</i>	<i>(73,810)</i>	<i>(151,771)</i>	<i>(144,584)</i>
<i>Sale and redemption of securities from investment portfolios</i>	<i>75,224</i>	<i>148,015</i>	<i>122,697</i>
Net inflow/(outflow)	1,414	(3,756)	(21,887)
<i>Investments in participating interests</i>	<i>(322)</i>	<i>(1,010)</i>	<i>(479)</i>
<i>Sale of investments in participating interests</i>	<i>2,680</i>	<i>364</i>	<i>280</i>
Net inflow/(outflow)	2,358	(646)	(199)
<i>Capital expenditure on property and equipment</i>	<i>(1,046)</i>	<i>(1,563)</i>	<i>(1,292)</i>
<i>Sale of property and equipment</i>	<i>186</i>	<i>491</i>	<i>497</i>
Net outflow	(860)	(1,072)	(795)
Net cash flow from investment activities	2,912	(5,474)	(22,881)
Increase in group equity	2,049	1,281	106
Repayment of preference shares	(1,911)	(1,258)	0
Issue of subordinated debt	50	1,025	114
Repayment of subordinated debt	(797)	(164)	(964)
Issue of debentures and notes	25,525	19,426	8,815

Repayment of debentures and notes	(8,462)	(10,236)	(7,349)
Cash dividends paid	(964)	(915)	(999)
Net cash flow from financing activities	15,490	9,159	(277)
Cash flow	(1,001)	1,691	(4,366)

Changes in shareholders' equity in 2004, 2003 and 2002
(EUR millions)

	2004	2003	2002
Ordinary shares			
Opening balance	919	890	862
Exercised options and warrants	2	—	2
Conversion of convertible preference shares	—	1	1
Stock dividends	33	28	25
Closing balance	954	919	890
(Convertible) Preference shares			
Opening balance	813	814	815
Conversion	—	(1)	(1)
Redemption and issuance	(46)	—	—
Closing balance	767	813	814
Share premium account			
Opening balance	2,549	2,543	2,504
Exercised options and conversion	48	1	63
Conversion of convertible preference shares	—	1	1
Release from general reserve due to staff options	1	32	—
Stock dividends	(33)	(28)	(25)
Closing balance	2,565	2,549	2,543
General reserve and reserves prescribed by law			
Opening balance	11,166	8,933	8,161
Net profit	4,109	3,161	2,207
Preferred dividends	(43)	(45)	(46)
Cash dividends paid	(694)	(655)	(599)
Goodwill and dilution of minority participating interest	30	(425)	(201)
Impact change in accounting policy pension costs	—	—	(430)
Addition to share premium account due to staff options	(1)	(32)	—
Addition to / release from provision pension obligations	(479)	14	(374)
Realized revaluations from revaluation reserve	—	—	186
Other	(212)	215	29
Closing balance	13,876	11,166	8,933
Revaluation reserves			
Opening balance	283	124	355
Realized revaluations to general reserve	—	—	(186)
Revaluations	(79)	159	(45)
Closing balance	204	283	124
Exchange differences reserve			
Opening balance	(2,564)	(2,098)	(476)
Currency translation differences	(198)	(466)	(1,622)
Closing balance	(2,762)	(2,564)	(2,098)
Treasury stock			
Opening balance	(119)	(125)	(123)

	2004	2003	2002
Increase (decrease)	(513)	6	(2)
Closing balance	(632)	(119)	(125)
Total shareholders' equity	14,972	13,047	11,081

USE OF PROCEEDS

The proceeds from the issue of the Class A1 Notes will be €4,280,000,000, the proceeds from the issue of the Class A2 Notes will be €2,000,000,000, the proceeds from the issue of the Class B Notes will be €135,000,000, the proceeds from the issue of the Class C Notes will be €100,000,000, the proceeds from the issue of the Class D Notes will be €100,000,000 and the proceeds from the issue of the Class E Notes will be €135,000,000.

The total net (and gross) proceeds of the issue of the Notes will be €6,750,000,000 (the "Proceeds").

No expenses related to the admission of the Notes to trading in the Irish Stock Exchange will be deducted from the proceeds of the issue of the Notes. All such expenses will be funded by the Issuer exclusively from the Swap Counterparty Payment paid by the Swap Counterparty on the Closing Date.

The Issuer will apply the Proceeds on the Closing Date to fund the Cash Deposit held by the Cash Deposit Account Bank in accordance with the Cash Deposit Agreement.

ESTIMATED WEIGHTED AVERAGE LIFE OF THE NOTES

The estimated weighted average life figures set out below should not be assumed to be a prediction of future performance. Actual performance is subject to factors largely or, in some cases (for example, general economic conditions) entirely outside the control of the Issuer. Consequently, no assurance can be given that the weighted average life estimates and the assumptions set out below will prove in any way to be correct or realistic, and they must therefore be viewed with considerable caution. No representation is made as to whether any of the matters described in the assumptions set out below will or will not occur. See "Risk Factors".

The estimated weighted average life of any Class of Notes refers to an estimate of the average amount of time that will elapse from the date of its issuance until all sums to be applied in redemption of the Initial Principal Balance of that Class of Notes are made to the related Noteholder.

The weighted average lives of the Notes cannot, however, be predicted because, amongst other things, the actual rate at which the Reference Obligations will be repaid or prepaid and other related factors are unknown.

Calculations of possible average lives of the Notes can, however, be made based on certain assumptions.

For example, based on the assumptions that:

- (a) no Reference Obligation defaults and no Aggregate Issuer Payment is made to the Swap Counterparty;
- (b) each Reference Obligation is repaid on its due date for repayment and/or on its scheduled amortisation dates (other than the amount of the prepayment referred to in paragraph (c) below);
- (c) the annual constant prepayment rate ("CPR") in respect of the Reference Obligations (applied on each Note Payment Date on a *pro rata* basis to each Reference Obligation) is as set out in the table below (with the weighted average life for each Class varying depending on the assumed CPR); and
- (d) the Issuer redeems the Notes in full on the Scheduled Redemption Date and no redemptions are made in respect of the Notes prior to the Scheduled Redemption Date other than as a consequence of the repayments and/or prepayments described in (b) and (c) above.

then the approximate weighted average lives of the Notes would be as follows:

Class	Weighted Average Life where CPR is 0% (years)	Weighted Average Life where CPR is 4% (years)	Weighted Average Life where CPR is 8% (years)	Weighted Average Life where CPR is 12% (years)
A1	3.4	2.7	2.2	1.8
A2	6.1	6.1	6.0	5.7
B	4.2	4.2	4.2	4.2

Class	Weighted Average Life where CPR is 0% (years)	Weighted Average Life where CPR is 4% (years)	Weighted Average Life where CPR is 8% (years)	Weighted Average Life where CPR is 12% (years)
C	4.2	4.2	4.2	4.2
D	4.2	4.2	4.2	4.2
E	4.2	4.2	4.2	4.2

**SUMMARY OF PROVISIONS RELATING TO THE NOTES
WHILE IN GLOBAL FORM**

Each Class of Notes will initially be in the form of a Temporary Global Note without Coupons or Receipts. Each Class of Notes (save for the Class A2 Notes) will be deposited on or around the Closing Date with a common depository for Clearstream, Luxembourg and Euroclear. The Class A2 Notes will be deposited on or about the Closing Date with Euroclear Netherlands and will be eligible for trading in Clearstream, Luxembourg and Euroclear. Interests in each Temporary Global Note will be exchangeable in whole or in part for interests in a Permanent Global Note representing Notes of the same Class, without Coupons or Receipts, on a date not earlier than 40 days after the Closing Date (the "Exchange Date") upon certification as to non-U.S. beneficial ownership. No payments of principal, interest or any other amounts payable in respect of the Notes will be made under the Temporary Global Notes unless exchange for interests in the relevant Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

If any of the following events (each, an "Exchange Event") occurs:

- (a) Clearstream, Luxembourg and Euroclear are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no other clearing system acceptable to the Trustee is then in existence; or
- (b) Euroclear Netherlands is (x) closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or (y) announces an intention permanently to cease business or in fact does so, and it was not possible to deposit the relevant Permanent Global Note with the Common Depository for Clearstream, Luxembourg and Euroclear and no other clearing system acceptable to the Trustee is then in existence; or
- (c) by reason of a change in law (or in the application or official interpretation thereof) or any change in the practice of Clearstream, Luxembourg and/or Euroclear and/or Euroclear Netherlands, which change becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any withholding or deduction from any payment in respect of the Notes for or on account of any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political sub-division thereof or authority thereof or therein having the power to tax (other than by reason of the relevant holder having some connection with The Netherlands, other than the holding of the Notes or the related Coupons), or the Issuer suffers or will suffer any other disadvantage as a result of such change, which withholding or deduction would not be required or other disadvantage would not be suffered (as the case may be) if the Notes were in bearer definitive form.

then, in the case of (a), the Permanent Global Note of the Class of Notes which is deposited with the Common Depository for Clearstream, Luxembourg and Euroclear, in the case of (b),

the Permanent Global Note of the Class of Notes which is deposited with Euroclear Netherlands and, in the case of (c), each affected Permanent Global Note, will become exchangeable in whole, but not in part, for Definitive Notes in denomination of €100,000 each, with Coupons for payments of interest, Receipts for payments of principal and Talons for further Coupons and Receipts attached, each at the request of the bearer of the relevant Permanent Global Note against presentation and surrender of such Permanent Global Note to the Principal Paying Agent.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons, Receipts and Talons attached, in aggregate principal amount equal to the principal amount of the relevant Permanent Global Note to the bearer of such Permanent Global Note against the surrender of such Permanent Global Note at the Specified Office of any Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

Holders of the Class A2 Notes which are deposited with Euroclear Netherlands, shall not have the right to request delivery (*uitlevering*) of the Class A2 Notes under the Dutch Giro Securities Transfer Act (*Wet Giraal Effectenverkeer*) other than as set out in the Class A2 Note in global form.

In addition, the Temporary Global Notes and the Permanent Global Notes will contain provisions which modify the Conditions as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of each Temporary Global Note and each Permanent Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the relevant Temporary Global Note or, as the case may be, the relevant Permanent Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes.

Notices: Notwithstanding Condition 17 (*Notices to Noteholders*), while (i) all the Notes are represented by Permanent Global Notes (or by Permanent Global Notes and/or Temporary Global Notes) and the Permanent Global Notes (or each Permanent Global Note and/or each Temporary Global Note) (save for the Class A2 Notes) are deposited with a common depository for Clearstream, Luxembourg and/or Euroclear or (in respect of the Class A2 Notes) with Euroclear Netherlands and (ii) so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so permit, notices to Noteholders may be given by delivery of the relevant notice to Clearstream, Luxembourg and/or Euroclear and/or Euroclear Netherlands, rather than by publication in accordance with Condition 17 (*Notices to Noteholders*). Such notices shall be deemed to have been given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) on the date of delivery to Clearstream, Luxembourg and/or Euroclear and/or Euroclear Netherlands.

Meeting: The holder of a Global Note will be deemed to be two persons for the purpose of forming a quorum at a meeting of Noteholders.

Purchase and Cancellation: For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear or Euroclear Netherlands, as appropriate. In the case of the Class A2 Notes, the rights of the Noteholders will be exercised in accordance with the Dutch Securities Transfer Act (*Wet Giraal Effectenverkeer*).

TERMS AND CONDITIONS OF THE NOTES

The following are the Conditions of the Notes in the form (subject to completion and amendment) in which they will be set out in the Trust Deed. The Conditions set out below will apply to the Notes whether they are in definitive form or in global form.

The €4,280,000,000 Class A1 Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class A1 Notes**"), the €2,000,000,000 Class A2 Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class A2 Notes**"), and together with the Class A1 Notes, the "**Class A Notes**"), the €135,000,000 Class B Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class B Notes**"), the €100,000,000 Class C Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class C Notes**"), the €100,000,000 Class D Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class D Notes**") and the €135,000,000 Class E Asset-Backed Credit Linked Notes due 2015 (such of them as are outstanding, the "**Class E Notes**" and, together with the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**" and each a "**Class**") in each case of Smile 2005 Synthetic B.V. (the "**Issuer**") are issued pursuant to a trust deed (the "**Trust Deed**", which expression includes such trust deed as from time to time modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated on or about 20 December 2005 (or such later date as may be agreed between the Issuer, ABN AMRO Bank N.V. (London Branch) and Credit Suisse First Boston (Europe) Limited (the "**Arrangers**")) (the "**Closing Date**") and made between the Issuer and Stichting Trustee Smile 2005 Synthetic (the "**Trustee**", which expression includes its successors or any additional or other trustee appointed pursuant to the Trust Deed) as trustee for the Noteholders, the Couponholders and the Receiptholders.

Any reference to "Notes" in these terms and conditions (the "**Conditions**") shall include, in relation to the Notes, the Global Notes and the Definitive Notes. In addition, any reference in these Conditions to a Class or a Class of Notes or of Noteholders shall be a reference to the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes (or any of them) or, as the case may be, the respective holders thereof.

The Security (as defined below) is created pursuant to, and on the terms set out in, the Security Documents (as defined below).

Pursuant to an agency agreement (the "**Agency Agreement**", which expression includes such agency agreement as from time to time modified or supplemented in accordance with the provisions therein contained and any deed or other document expressed to be supplemental thereto, as from time to time so modified) dated the Closing Date and made between the Issuer, the Trustee, ABN AMRO (acting through its Dublin Branch) as Irish paying agent (the "**Irish Paying Agent**", which expression includes its successors), ABN AMRO (acting through its Breda office) as principal paying agent (the "**Principal Paying Agent**", which expression includes its successors and, together with the Irish Paying Agent and any additional or other paying agents, if any, appointed from time to time in respect of the Notes pursuant to the Agency Agreement, the "**Paying Agents**") and ABN AMRO (acting through its Breda

office) as agent bank (the "**Agent Bank**", which expression includes its successors and, together with the Paying Agents, the "**Agents**"), provision is made for, *inter alia*, the payment of principal and interest in respect of the Notes of each Class.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement.

Copies of the Trust Deed, any Security Documents, the Agency Agreement, the Cash Administration Agreement, the Credit Default Swap, the Repo Agreement (if any), the Cash Deposit Agreement, the Custody Agreement (if any), the Issuer Management Agreement, the Trustee Management Agreement and the Letter of Undertaking are obtainable during normal business hours at the Specified Office for the time being of the Principal Paying Agent, being at the date hereof at Kemelstede 2, 4817 ST Breda, Netherlands and at the Specified Office of the Irish Paying Agent, being at the date hereof at ABN AMRO Bank N.V. (Dublin Branch). The Noteholders, the Couponholders and the Receiptholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, any Security Documents, the Agency Agreement and the other Transaction Documents.

The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on 16 December 2005.

1. **Definitions**

In these Conditions, the following defined terms have the meanings set out below:

"**ABN AMRO**" means ABN AMRO Bank N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) at Amsterdam, The Netherlands and its registered and head office at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 33002587;

"**Accounts Pledge**" means a Dutch law governed pledge dated the Closing Date between the Issuer and the Trustee relating to the Cash Deposit Account and the Issuer Account;

"**Actual Principal Balance**" of any Class means, at any time and from time to time, the Initial Principal Balance of such Class less any previously paid Partial Redemption Funds Amount and any other amounts paid to the Noteholders in redemption of that Class;

"**Additional Pledge Agreement**" means any additional security agreement entered into on or after the Closing Date between the Issuer and the Trustee as may be required to effectively secure any Repo Securities not at such time (i) cleared through Clearstream, Luxembourg's or Euroclear's clearing systems or (ii) subject to the Securities Pledge;

"**Adjusted Principal Balance**" of any Class means, on any date, the greater of:

(a)

(i) the Initial Principal Balance of that Class;

minus

(ii) the aggregate amount of Aggregate Issuer Payments (if any) made by the Issuer in the period from the Closing Date to the date of calculation to the extent that an amount equal thereto has been applied in reduction of the aggregate principal amount of that Class;

minus

(iii) the aggregate amount of Partial Redemption Fund Amounts and any other amounts paid to the Noteholders in redemption of that Class;

plus

(iv) the Reinstated Principal in respect of that Class; and

(b) zero;

"Aggregate Issuer Payment" means, on any Note Payment Date, the amount (if any) equal to the aggregate of the Issuer Payments calculated for the Calculation Period ending immediately prior to such Note Payment Date;

"Available Income Funds" means on each Note Payment Date, the following amounts:

(a) the Swap Counterparty payment from the Swap Counterparty in respect of such Note Payment Date and, where the Swap Counterparty does not have the Swap Counterparty Required Rating, those funds representing advance payment of the Swap Counterparty payment; and

(b) the Issuer CD/Repo Income for that Note Payment Date;

"Available Redemption Funds" means the following principal funds which the Issuer will have available:

(a) the amounts received from the Cash Deposit (if any) upon withdrawal of any part of the Cash Deposit (and other than when used to purchase Repo Securities in accordance with the terms of the Repo Agreement); and

(b) the amounts received from the Repo Counterparty on any unwind of the Repo Agreement, pursuant to which the Repo Counterparty will repurchase Repo Securities from the Issuer in accordance with the terms of the Repo Agreement (and other than when deposited in the Cash Account);

"Basic Terms Modification" has the meaning ascribed thereto in the Trust Deed;

"**Belgian Pledge Agreement**" means any Belgian pledge agreement entered into after the Closing Date between the Issuer and the Trustee;

"**Budgeted Operating Expenses**" means any anticipated fees and expenses payable by the Issuer on any Note Payment Date to any Operating Creditor;

"**Calculation Agent**" means ABN AMRO (acting through its BU NL head office), or such other entity or entities appointed from time to time as calculation agent subject to and in accordance with the terms of the Credit Default Swap;

"**Calculation Date**" means the Business Day falling five Note Business Days prior to a Note Payment Date;

"**Calculation Period**" means, in respect of any Calculation Date, the period from (and including) the immediately preceding Calculation Date (or, in the case of the first Calculation Date from and including the Closing Date) to (but excluding) such Calculation Date (or, in the case of the final Calculation Period, the Note Payment Date immediately following such Calculation Date).

"**Cash Administrator**" means ABN AMRO (acting through its BU NL head office), or such other entity or entities appointed from time to time as cash administrator subject to and in accordance with the terms of the Cash Administration Agreement;

"**Cash Administration Agreement**" means the cash administration agreement dated on or about the Closing Date and made between the Issuer, the Swap Counterparty, the Repo Counterparty (if any), the Principal Paying Agent, the Trustee, the Issuer Account Bank, the Custodian (if any), the Cash Deposit Bank, the Agent Bank, the Issuer Management and the Cash Administrator;

"**Cash Deposit**" means all rights and interests in the euro cash deposits held with the Cash Deposit Bank which are subject to the terms of the Cash Deposit Agreement;

"**Cash Deposit Account**" means the account held in the name of the Issuer and maintained by the Cash Deposit Bank pursuant to the terms of the Cash Deposit Agreement and into which the Cash Deposit (and any income proceeds in respect thereof) shall be deposited, or such other account as may be opened, with the consent of the Trustee, at any branch of the Cash Deposit Bank or at a bank having the Cash Deposit Bank Required Rating in replacement of such account;

"**Cash Deposit Agreement**" means the cash deposit agreement dated on or about the Closing Date and made between the Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee;

"**Cash Deposit Bank**" means ABN AMRO (acting through its head office), or such other entity or entities appointed from time to time as cash deposit bank (having the Cash Deposit Bank Required Rating) subject to and in accordance with the terms of the Cash Deposit Agreement;

"**Cash Deposit Bank Required Rating**" means, in respect of any person, such person's short-term unsecured, unsubordinated, unguaranteed debt obligations being rated at least A-1+ by S&P, P-1 by Moody's and F1+ by Fitch and having a long-term credit rating of at least A1 from Moody's;

"**Class A Notes**" means the Class A1 Notes and the Class A2 Notes;

"**Class A Notes Order of Seniority**" means, firstly, the Class A1 Notes and secondly, the Class A2 Notes;

"**Class A1 Definitive Notes**" means any Class A1 Notes issued in definitive bearer form;

"**Class A1 Noteholders**" means the holders of any Class A1 Notes;

"**Class A1 Permanent Global Note**" means any permanent global note representing any Class A1 Notes in, or substantially in, the form set out in the Trust Deed;

"**Class A1 Temporary Global Note**" means any temporary global note representing any Class A1 Notes in, or substantially in, the form set out in the Trust Deed;

"**Class A2 Definitive Notes**" means any Class A2 Notes issued in definitive bearer form;

"**Class A2 Noteholders**" means the holders of any Class A2 Notes;

"**Class A2 Permanent Global Note**" means any permanent global note representing any Class A2 Notes in, or substantially in, the form set out in the Trust Deed;

"**Class A2 Temporary Global Note**" means any temporary global note representing any Class A2 Notes in, or substantially in, the form set out in the Trust Deed;

"**Class B Definitive Notes**" means any Class B Notes issued in definitive bearer form;

"**Class B Noteholders**" means the holders of any Class B Notes;

"**Class B Permanent Global Note**" means any permanent global note representing any Class B Notes in, or substantially in, the form set out in the Trust Deed;

"**Class B Temporary Global Note**" means any temporary global note representing any Class B Notes in, or substantially in, the form set out in the Trust Deed;

"**Class C Definitive Notes**" means any Class C Notes issued in definitive bearer form;

"**Class C Noteholders**" means the holders of any Class C Notes;

"**Class C Permanent Global Note**" means any permanent global note representing any Class C Notes in, or substantially in, the form set out in the Trust Deed;

"**Class C Temporary Global Note**" means any temporary global note representing any Class C Notes in, or substantially in, the form set out in the Trust Deed;

"**Class D Definitive Notes**" means any Class D Notes issued in definitive bearer form;

"**Class D Noteholders**" means the holders of any Class D Notes;

"**Class D Permanent Global Note**" means any permanent global note representing any Class D Notes in, or substantially in, the form set out in the Trust Deed;

"**Class D Temporary Global Note**" means any temporary global note representing any Class D Notes in, or substantially in, the form set out in the Trust Deed;

"**Class E Definitive Notes**" means any Class E Notes issued in definitive bearer form;

"**Class E Noteholders**" means the holders of any Class E Notes;

"**Class E Permanent Global Note**" means any permanent global note representing any Class E Notes in, or substantially in, the form set out in the Trust Deed;

"**Class E Temporary Global Note**" means any temporary global note representing any Class E Notes in, or substantially in, the form set out in the Trust Deed;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*, acting through its office at 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg;

"**Closing Date**" means 20 December 2005;

"**Common Depositary**" has the meaning ascribed to such term in Condition 2(a) (*Form, Denomination and Title*);

"**Conditions to Credit Protection**" shall have the meaning given to it in the Credit Default Swap;

"**Couponholders**" means the persons who for the time being are holders of the Coupons;

"**Coupons**" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"**Credit Default Swap**" means the credit default swap to be dated on or about the Closing Date between the Issuer and the Swap Counterparty;

"**Credit Event**" shall have the meaning given to it in the Credit Default Swap;

"**Credit Event Notice**" means a notice delivered by the Calculation Agent to the Issuer specifying the occurrence of a Credit Event;

"**Credit Protection Payment Amount**" shall have the meaning given to it in the Credit Default Swap;

"**Cumulative Default Trigger**" shall be deemed to have occurred at any time if, at such time, the aggregate Reference Obligation Notional Amount of Defaulted Reference Obligations in respect of which a valid and continuing Credit Event Notice

has been in effect for more than 90 calendar days is equal to or greater than €148,500,000;

"**Custodian**" means such entity or entities appointed from time to time as custodian subject to and in accordance with the terms of the Custody Agreement;

"**Custody Account**" means each account into which shall be credited the Repo Securities (if any) and any income generated from such Repo Securities;

"**Custody Agreement**" means any custody agreement entered into after the Closing Date between the Issuer and the Custodian;

"**Defaulted Reference Obligation**" means a Reference Obligation in respect of which the Conditions to Credit Protection have been met;

"**Definitive Notes**" means the Class A1 Definitive Notes, the Class A2 Definitive Notes, the Class B Definitive Notes, the Class C Definitive Notes, the Class D Definitive Notes and the Class E Definitive Notes;

"**Dutch Account**" means the account in the name of the Issuer with ABN AMRO into which, among other things, the Issuer's share capital is deposited;

"**Early Redemption Date**" means any date prior to the Scheduled Redemption Date upon which the Notes are redeemable in whole;

"**EURIBOR**" has the meaning given to it in Condition 6(c) (*Interest - Interest Rates on the Notes*);

"**Euroclear**" means Euroclear Bank S.A./N.V., as operator of the Euroclear System, acting through its office at 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium;

"**Euroclear Netherlands**" means *Nederlands Centraal Instituut Giraal Effectenverkeer B.V.*;

"**Exceptional Expenses**" means any fees, expenses, out of pocket expenses, costs, liabilities or indemnity amounts or any other amounts which are incurred or claimed by any Operating Creditor which are not Budgeted Operating Expenses and which are payable by the Issuer under a Transaction Document to which it is a party;

"**Exchange Date**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*);

"**Extension Period**" means the period from and including the Scheduled Redemption Date to but excluding the Final Redemption Date or, in the case of an Early Redemption Date resulting from the giving of a Note Enforcement Notice, the period from and including such Early Redemption Date to but excluding the day falling 55 Note Business Days immediately following such Early Redemption Date;

"**Extraordinary Resolution**" has the meaning given to it in the Trust Deed;

"**Final Redemption Date**" means the earlier of (a) the Note Payment Date upon which the Notes have been redeemed in full, (b) the later of (i) the Note Payment Date upon which the Adjusted Principal Balance of the Notes has been reduced to zero, (ii) the Note Payment Date falling on or immediately after the date on which the report by the Independent Accountants has been delivered in respect of the final Annual Reporting Period and (iii) the date on which the final Issuer Payment Adjustment Amount has been dealt with in accordance with these Conditions, and (c) the Note Payment Date scheduled to fall in January 2015;

"**Financial Statements**" means the published financial statements of the Issuer;

"**Fitch**" means Fitch Ratings Limited or any successor to its ratings business;

"**Global Notes**" has the meaning given to it in Condition 2(a) (*Form, Denomination and Title*);

"**Holding**" means Stichting Holding Smile 2005 Synthetic, being a foundation (*stichting*) established under the laws of The Netherlands and holding all of the outstanding shares in the capital of the Issuer;

"**Holding Management Agreement**" means the holding management agreement dated on or about the Closing Date and entered into between Holding and ATC Management B.V. as Holding's director;

"**Independent Accountants**" means Ernst & Young or such other firm of accountants of internationally recognised standing as may be selected by the Swap Counterparty from time to time to perform certain obligations under the Credit Default Swap;

"**Individual Interest Period Shortfall**" means:

- (a) for the period from the Note Payment Date on which the Reduction occurred to the first subsequent Note Payment Date, (i) the amount of interest which would have been paid in relation to the Notes of that Class up to and including such Note Payment Date had the Adjusted Principal Balance of such Notes not been reduced by the amount of the Reinstated Principal in accordance with Condition 7(i) (*Redemption, Reduction, Reinstatement and Cancellation - Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*), less (ii) the amount of interest which has been paid by the Issuer in respect of the Note Interest Period relating to such Note Payment Date (other than any Make-Up Interest Amount) in relation to the Notes of that Class; and
- (b) for each subsequent Note Interest Period until the Reinstatement Date (each a "**Subsequent Interest Period**"), (i) the amount of interest which would have been paid in relation to the Notes of that Class during that Note Interest Period had the Adjusted Principal Balance of such Notes not been reduced by the amount of the Reinstated Principal in accordance with Condition 7(i) (*Redemption, Reduction, Reinstatement and Cancellation - Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*), plus (ii) the

amount calculated by applying the Interest Rate for the relevant Note Interest Period to the sum of the Individual Interest Period Shortfall for each previous Note Interest Period, multiplying such product by the actual number of days in the relevant Subsequent Interest Period divided by 360 rounding the resulting figure to the nearest EUR 0.01 (half a cent being rounded upwards), less (iii) the amount of interest which has been paid by the Issuer in respect of that Note Interest Period (other than any Make-Up Interest Amount) in relation to the Notes of that Class;

"**Initial Principal Balance**" means, in respect of the Class A1 Notes, €4,280,000,000, in respect of the Class A2 Notes, €2,000,000,000, in respect of the Class B Notes, €135,000,000, in respect of the Class C Notes, €100,000,000, in respect of the Class D Notes, €100,000,000 and in respect of the Class E Notes, €135,000,000;

"**Interest Amount**" has the meaning given to it in Condition 6(d) (*Interest - Calculation of Interest Amount and Determination of Interest Rates in Respect of the Notes*);

"**Interest Determination Date**" means each day which is two Note Business Days prior to a Note Payment Date, and, in relation to a Note Interest Period, the Interest Determination Date immediately preceding the commencement of such Note Interest Period;

"**Interest Rate**" has the meaning ascribed to such term in Condition 6(c) (*Interest - Interest Rates on the Notes*);

"**Interest Shortfall**" means, in respect of each reduction in the Adjusted Principal Balance of any Class of Notes (the "**Reduction**") which has been partly or fully reversed by increasing the Adjusted Principal Balance by the amount of any Reinstated Principal on any Note Payment Date (the "**Reinstatement Date**"), the sum of each Individual Interest Period Shortfall applying to that Class of Notes in respect of that Reduction.

"**Irish Stock Exchange**" means the Irish Stock Exchange Limited;

"**Issuer Account**" means the account of the Issuer into which payments by the Swap Counterparty under the Credit Default Swap and the Issuer CD/Repo Income shall be credited;

"**Issuer Account Agreement**" means the issuer account agreement dated on or about the Closing Date and made between the Issuer, the Issuer Account Bank, the Cash Administrator and the Trustee;

"**Issuer Account Bank**" means ABN AMRO (acting through its BU NL head office) or such other entity or entities appointed from time to time as issuer account bank (having the Issuer Account Bank Required Rating) subject to and in accordance with the terms of the Issuer Account Agreement;

"Issuer Account Bank Required Rating" means in respect of the Issuer Account Bank, such person's short-term unsecured, unsubordinated, unguaranteed debt obligations being rated at least A-1+ by S&P, P-1 by Moody's or F1 by Fitch and having a long-term credit rating of at least A1 from Moody's;

"Issuer CD/Repo Income" means, in respect of each Note Payment Date, the sum of:

- (a) the periodic income payments to be made to the Issuer by the Cash Deposit Bank on that Note Payment Date under the Cash Deposit Agreement; and
- (b) the payments to be made to the Issuer by the Repo Counterparty on each Note Payment Date under the Repo Agreement in respect of the Price Differential (as defined in the Repo Agreement).

"Issuer Covenants" means the covenants of the Issuer set out in the Trust Deed;

"Issuer Management" means ATC Management B.V., whose registered office is at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands, or such other entity or entities appointed from time to time as the managing director of the Issuer subject to and in accordance with the Issuer Management Agreement;

"Issuer Management Agreement" means the Issuer's management agreement dated on or about the Closing Date between the Issuer and the Issuer Management;

"Issuer Payment" shall have the meaning given to it in the Credit Default Swap;

"Issuer Payment Adjustment Amount" means the amount of any Credit Protection Payment Amount previously determined that, on the basis of the Independent Accountant's review, was incorrect and the amount (if any) by which the Initial Credit Protection Amount in respect of a Defaulted Reference Obligation is greater than the Worked Out Credit Protection Amount in respect of such Defaulted Reference Obligation;

"Lead Managers" means ABN AMRO Bank N.V. (acting through its London Branch) and Credit Suisse First Boston (Europe) Limited;

"Letter of Undertaking" means a letter of undertaking to be dated on or about the Closing Date between, *inter alia*, the Holding's managing director, the Holding, the Issuer Management, the Issuer, the Trustee and ABN AMRO;

"Liabilities" means, in respect of any person, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, decrees, actions, proceedings or other liabilities whatsoever incurred by that person (including legal fees and any Taxes and penalties and any part of such items as represents VAT) incurred by that person;

"Luxembourg Pledge Agreement" means any Luxembourg pledge agreement entered into after the Closing Date between the Issuer and the Trustee;

"**Make-up Interest Amount**" in relation to each Class in respect of which the Adjusted Principal Balance has been increased by any Reinstated Principal on any Note Payment Date, the sum of all Interest Shortfalls applying to that Class;

"**Manager**" means IXIS Corporate & Investment Bank;

"**Managers**" means the Manager and the Lead Managers;

"**Margin**" means:

- (a) in respect of the Class A1 Notes, 0.14 per cent. per annum,
- (c) in respect of the Class A2 Notes, 0.18 per cent. per annum,
- (d) in respect of the Class B Notes, 0.23 per cent. per annum,
- (e) in respect of the Class C Notes, 0.37 per cent. per annum,
- (f) in respect of the Class D Notes, 0.75 per cent. per annum, and
- (g) in respect of the Class E Notes, 3.25 per cent. per annum;

"**Moody's**" means Moody's Investors Service Limited;

"**More Senior Class of Notes**" means, as between two or more such Classes of Notes then outstanding, the Class which ranks most senior among such Classes and, in relation to any Class, each Class which ranks more senior than such Class (and, amongst the Class A Notes, each Class A Note shall rank equally with all other Class A Notes);

"**Most Senior Class of Notes**" means the Class A Notes for so long as there are any Class A Notes outstanding, thereafter the Class B Notes for so long as there are any Class B Notes outstanding, thereafter the Class C Notes for so long as there are any Class C Notes outstanding, thereafter the Class D Notes for so long as there are any Class D Notes outstanding and thereafter the Class E Notes for so long as there are any Class E Notes outstanding;

"**Note Business Day**" means any TARGET Settlement 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) other than a Saturday or Sunday in London, Amsterdam and New York;

"**Note Enforcement Notice**" means a notice delivered by the Trustee to the Issuer in accordance with Condition 11 (*Note Events of Default*) which declares the Notes to be immediately due and payable;

"**Note Extension Amount**" has the meaning ascribed to it in Condition 7(h) (*Redemption, Reduction, Reinstatement and Cancellation - Redemption of the Notes during the Extension Period*);

"**Note Event of Default**" has the meaning given to it in Condition 11 (*Note Events of Default*);

"**Note Interest Period**" has the meaning given to it in Condition 6(b) (*Interest - Note Payment Dates and Note Interest Periods*);

"**Note Payment Date**" has the meaning given to it in Condition 6(b) (*Interest - Note Payment Dates and Note Interest Periods*);

"**Note Principal Payment**" has the meaning given to it in Condition 7(j) (*Redemption, Reduction, Reinstatement and Cancellation - Note Principal Payment*);

"**Noteholders**" means the Class A1 Noteholders, the Class A2 Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders;

"**Notes**" means the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

"**Operating Creditor**" means any of (1) the Trustee, (2) any Agent, (3) the Cash Administrator, (4) any director of the Issuer or Holding or the Trustee, (5) any stock exchange on which the Issuer's Notes are listed, (6) the Issuer's auditors and tax advisers or tax auditors, and any Chamber of Commerce fees paid by the Issuer, (7) any Rating Agency, (8) any other creditor (other than the Noteholders, Swap Counterparty, Cash Deposit Bank or the Repo Counterparty) from time to time of the Issuer who has been notified to the Cash Administrator in accordance with the Cash Administration Agreement (and including any amounts of value added tax or other taxes due to any applicable revenue authorities);

"**Order of Seniority**" means, with respect to any payment of interest or principal or other amount on the Notes or any reinstatement of the Adjusted Principal Balance of any Class of Notes, the following order of seniority: *first* the Class A Notes, *second* the Class B Notes, *third* the Class C Notes, *fourth* the Class D Notes and *fifth* the Class E Notes, provided, however, that as between the Class A Notes, the following shall apply:

- (i) with respect to any payments of principal other than in accordance with the Post-Enforcement Priority of Payments, payments of principal on the Class A Notes shall be made in the Class A Notes Order of Seniority and, with respect to any payments of principal in accordance with the Post-Enforcement Priority of Payments and/or payments of interest and/or other amounts at any time, payments of principal, interest or other amounts on the Class A Notes shall be made *pari passu* and *pro rata* between the Class A Notes; and
- (ii) with respect to any reinstatement of the Adjusted Principal Balance of the Class A Notes, reinstatements shall be made *pari passu* as between the Class A Notes with the Principal Reinstatement Available Amount being applied between the Class A Notes *pro rata* by reference to the proportions by which

the Class A Notes were reduced by (a) the Aggregate Issuer Payments to which the Issuer Payment Adjustment Amounts comprised in the Principal Reinstatement Available Amount relate or (b) in the case of the portion of the Principal Reinstatement Available Amount comprised of Synthetic Excess Spread Amounts, the Aggregate Issuer Payments in the order in which they were applied in reduction of the relevant Class A Notes;

"**Outstanding**" shall, in relation to the Notes, have the meaning given to it in the Trust Deed;

"**Parallel Debt**" has the meaning given to it in the Trust Deed;

"**Partial Redemption Funds Amount**" means, on any Note Payment Date, the amount by which each Class of the Notes shall be redeemed, which shall be:

- (a) where a Reference Obligation is removed from the Reference Portfolio or its Reference Obligation Notional Amount is reduced as a result of non-compliance with the Eligibility Criteria (as defined in the Credit Default Swap) on the Portfolio Cut-Off Date (as defined in the Credit Default Swap) (as determined by reference to the Reference Portfolio Schedule delivered prior to such Note Payment Date) an amount equal to the RONA Reduction determined in respect of such Reference Obligation to be applied in respect of each Class of Notes in accordance with Pro Rata Redemption or, if the Cumulative Default Trigger has occurred, in accordance with the Order of Seniority; and/or
- (b) where the Reference Obligation Notional Amount of any Reference Obligation is reduced (in whole or in part) as a result of a scheduled repayment of principal (as determined by reference to the Reference Portfolio Schedule delivered prior to such Note Payment Date), an amount equal to the RONA Reduction determined in respect of such Reference Obligation to be applied in respect of each Class of Notes in accordance with Pro Rata Redemption or, if the Cumulative Default Trigger has occurred, in accordance with the Order of Seniority; and/or
- (c) where the Reference Obligation Notional Amount of any Reference Obligation is reduced (in whole or in part) as a result of an unscheduled prepayment of principal (as determined by reference to the Reference Portfolio Schedule delivered prior to such Note Payment Date), an amount equal to the RONA Reduction determined in respect of such Reference Obligation to be applied in respect of each Class of Notes in accordance with the Order of Seniority; and/or
- (d) where any Defaulted Reference Obligation has become a Worked Out Obligation during the immediately preceding Calculation Period (as determined by reference to the Reference Portfolio Schedule delivered prior to such Note Payment Date), an amount by which the Reference Obligation

Notional Amount of such Defaulted Reference Obligation exceeds the sum of the initial Issuer Payment and (if applicable) the second Issuer Payment determined in respect of such Defaulted Reference Obligations to be applied in respect of each Class of Notes in accordance with the Order of Seniority; and/or

- (e) where the Adjusted Principal Balance of the Notes is increased on such Note Payment Date because of the existence of a Synthetic Excess Spread Balance, an amount equal to the amount of the Reinstated Principal which relates to such of the Principal Deficiency as was caused by, with respect to any Worked Out Obligation, the sum of the Issuer Payments (if any) less any Issuer Payment Adjustment Amount relating to such Worked Out Obligation to be applied in respect of each Class of Notes in accordance with the Order of Seniority; and/or
- (f) where the Reference Obligation is removed from the Reference Portfolio as a result of the Calculation Agent determining that a Bankruptcy and/or Restructuring Credit Event occurred in relation to such Reference Obligation during the period from and including the Portfolio Cut-Off Date to but excluding the Closing Date (as determined by reference to the Reference Portfolio Schedule delivered prior to such Note Payment Date), an amount equal to the RONA Reduction determined in respect of such Reference Obligation to be applied in respect of each Class of Notes in accordance with Pro Rata Redemption or, if the Cumulative Default Trigger has occurred, in accordance with the Order of Seniority;

"Permanent Global Notes" means each Class A1 Permanent Global Note, each Class A2 Permanent Global Note, each Class B Permanent Global Note, each Class C Permanent Global Note, each Class D Permanent Global Note and each Class E Permanent Global Note;

"PMP" means a professional market party (*professionele marktpartij*) within the meaning of the Exemption Regulation dated 26 June 2002 of the Dutch Ministry of Finance (*Vrijstellingsregeling Wtk 1992*; as amended or re-enacted from time to time);

"Post-Enforcement Priority of Payments" means payments in the following order of priority:

- (a) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses, due and unpaid to the Trustee;
- (b) to pay *pari passu* and *pro rata* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses due and unpaid;
- (c) to pay to the Swap Counterparty the aggregate amount of Aggregate Issuer Payments, if any, due and unpaid to the Swap Counterparty under the Credit Default Swap;

- (d) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class A Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class A Notes;
- (e) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class B Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class B Notes;
- (f) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class C Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class C Notes;
- (g) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class D Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class D Notes;
- (h) to pay *pari passu* and *pro rata* any accrued and unpaid interest on the Class E Notes, including any Make-up Interest Amount, any Partial Redemption Funds Amount and any other amounts due in redemption of the Class E Notes;
- (i) to pay to the Swap Counterparty any other amounts due and unpaid to the Swap Counterparty under the Credit Swap Default;
- (j) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Exceptional Expenses due and unpaid;
- (k) to pay *pari passu* and *pro rata* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement and to pay the Repo Counterparty any termination amount under the Repo Agreement, as applicable;
- (l) to pay to the Swap Counterparty an amount equal to the balance of the proceeds of enforcement of the Security after applying such funds to the above items; and
- (m) to pay the remaining balance, if any, to the Issuer;

"Pre-Enforcement Available Income Funds Priority of Payments" means, on any Note Payment Date, payments in the following order of priority:

- (a) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses (each as defined in the Conditions) due and unpaid to the Trustee;
- (b) to pay into the Dutch Account on the Note Payment Date falling in April each year an amount of, in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April thereafter, EUR 15,000;

- (c) to pay *pari passu* and *pro rata* or provide for any tax liabilities incurred by or assessments made against the Issuer, other than Dutch corporate income tax in relation to the profit referred to in (b) above;
- (d) to pay *pari passu* and *pro rata* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses due and unpaid on such Note Payment Date;
- (e) to pay *pari passu* and *pro rata* any accrued and unpaid interest and any Make-up Interest Amount on each Class of Notes on such Note Payment Date in the Order of Seniority; and
- (f) to pay *pari passu* and *pro rata* to the Operating Creditors (as defined above) (other than the Trustee) any Exceptional Expenses due and unpaid on such Note Payment Date;

"Pre-Enforcement Available Redemption Funds Priority of Payments" means, on any Note Payment Date, payments in the following order of priority:

- (a) to pay *pari passu* and *pro rata* any Budgeted Operating Expenses and Exceptional Expenses due and unpaid to the Trustee on such Note Payment Date (to the extent not paid out of Available Income Funds);
- (b) to pay into the Dutch Account on the Note Payment Date falling in April each year an amount of, in the case of the Note Payment Date falling in April 2006, EUR 25,000 and, on each Note Payment Date falling in April thereafter, EUR 15,000 (to the extent not paid out of the Available Income Funds);
- (c) to pay *pari passu* and *pro rata* or provide for any tax liabilities incurred by or assessments made against the Issuer, other than any Dutch corporate income tax in relation to the profit referred to in (b) above (to the extent not paid out of Available Income Funds or the Dutch Account);
- (d) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses due and unpaid on such Note Payment Date other than any Dutch corporate income tax over the amount referred to in (b) (to the extent not paid out of Available Income Funds);
- (e) to pay to the Swap Counterparty the aggregate amount of Aggregate Issuer Payments, if any, due and unpaid on such Note Payment Date;
- (f) to pay *pari passu* and *pro rata* any Partial Redemption Funds Amount and any other amounts due to be paid in respect of redemption of the principal amount of each Class of Notes on such Note Payment Date in accordance with the Order of Seniority unless expressly provided otherwise in the Conditions in which case payments should be made in accordance with Pro Rata Redemption;

- (g) to pay *pari passu* and *pro rata* to the Operating Creditors (other than the Trustee) any Exceptional Expenses due and unpaid on such Note Payment Date (to the extent not paid out of Available Income Funds);
- (h) to pay *pari passu* and *pro rata* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement and to pay to the Repo Counterparty any termination amount under the Repo Agreement, as applicable; and
- (i) to pay to the Swap Counterparty the Swap Termination Payment,

where the "**Swap Termination Payment**" means an amount equal to the balance of the Available Redemption Funds (if any) remaining on the Scheduled Redemption Date or (as the case may be) the Early Redemption Date (or, if the Extension Period commences on the Scheduled Redemption Date or (as the case may be) the Early Redemption Date, on the Final Redemption Date) after applying such funds to items (a) to (h) (inclusive) above;

"**Priorities of Payments**" means the Pre-Enforcement Available Income Funds Priority of Payments, the Pre-Enforcement Available Redemption Funds Priority of Payment and the Post-Enforcement Priority of Payments;

"**Principal Deficiency**" shall have the meaning given to it in Condition 7(i) (*Redemption, Reduction, Reinstatement and Cancellation - Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*);

"**Principal Liability**" has the meaning given to it in the Trust Deed;

"**Principal Reinstatement Available Amount**" shall have the meaning given to it in 7(j) (*Redemption, Reduction, Reinstatement and Cancellation - Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*);

"**Pro Rata Redemption**" means, with respect to any payment of principal or interest on the Notes, payments that are made *pari passu* and *pro rata* among the Classes of Notes (and *pari passu* and *pro rata* among the Notes in a Class) based on their respective Adjusted Principal Balances provided, however, that in respect of the Class A Notes, the *pro rata* entitlement of the Class A Noteholders shall be calculated by reference to the Adjusted Principal Balance of the Class A Notes but shall be applied, as between the Class A Noteholders, in the Class A Order of Seniority;

"**Provisions for Meetings of Noteholders**" means those provisions contained in the Trust Deed;

"**Quarterly Investor Report**" means the duly completed quarterly investor report to be prepared by the Cash Administrator setting out details of, amongst other things, payments of interest and payments of principal on the Notes;

"**Rating Agencies**" means S&P, Moody's and Fitch and "**Rating Agency**" means any of them;

"**Receipholders**" means the persons who for the time being are holders of the Receipts;

"**Receipts**" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"**Reference Banks**" has the meaning given to it in Condition 6(c)(ii) (*Interest – Interest Rates on the Notes*);

"**Reference Obligation**" means those obligations identified on the Reference Register by the Swap Counterparty pursuant to the terms of the Credit Default Swap;

"**Reference Obligation Notional Amount**" means, in respect of any Reference Obligation, the amount specified as the Reference Obligation Notional Amount for such Reference Obligation in the Reference Register;

"**Reference Portfolio**" means the portfolio of Reference Obligations that are the subject of the Credit Default Swap;

"**Reference Portfolio Schedule**" has the meaning given to it in the Credit Default Swap;

"**Reference Register**" means the register maintained by the Swap Counterparty in relation to the Reference Portfolio;

"**Regulatory Change**" means, on or after the Closing Date, a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework" (the "**Basle Accord**") or in the international, European or Dutch regulations, rules and instructions (the "**Bank Regulations**") applicable to the Swap Counterparty (including any change in the Bank Regulations enacted for the purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch central bank or other competent authority) which has the effect of adversely affecting the rate of return on capital of the Swap Counterparty or increasing the cost or reducing the benefit to the Swap Counterparty with respect to the transactions contemplated by the Credit Default Swap as if the Swap Counterparty was the holder of the Reference Obligations and the Repo Agreement (if any);

"**Reinstated Principal**" shall have the meaning given to it in Condition 7(i) (*Redemption, Reduction, Reinstatement and Cancellation - Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*);

"**Repo Agreement**" means any repurchase agreement and the annexes and confirmations thereto entered into after the Closing Date between the Issuer and the Repo Counterparty;

"Repo Counterparty" means an entity that has the Repo Counterparty Required Rating, in its capacity as counterparty to the Issuer pursuant to the terms of the Repo Agreement and any successor thereto;

"Repo Counterparty Required Rating" means a rating satisfactory to the Rating Agencies;

"Repo Securities" means such securities as may be purchased by the Issuer (using the proceeds from the liquidation of any Cash Deposit) pursuant to the Repo Transactions under the Repo Agreement and any such securities purchased by the Issuer from time to time under the Repo Agreement;

"Repo Transaction" means a repurchase transaction pursuant to the terms of the Repo Agreement;

"Reverse Order of Seniority" means with respect to any reduction of the Adjusted Principal Balance of the Notes, the following order of priority: *first* the Class E Notes, *second* the Class D Notes, *third* the Class C Notes, *fourth* the Class B Notes and *fifth* the Class A Notes (*pari passu* and *pro rata* between the Class A1 Notes and the Class A2 Notes), in each case until the Adjusted Principal Balance of such Class has been reduced to zero;

"Rights Pledge" means a Dutch law governed pledge agreement dated the Closing Date between the Issuer and the Trustee in relation to the Issuer's rights under certain Transaction Documents;

"RONA Reduction" means, in relation to any Reference Obligation that was removed from the Reference Portfolio or its Reference Obligation Notional Amount was reduced as a result of (i) non-compliance with the Eligibility Criteria (as defined in the Credit Default Swap) on the Portfolio Cut-Off Date (as defined in the Credit Default Swap) or (ii) a prepayment, repayment or cancellation or (iii) the occurrence of a Bankruptcy or Restructuring Credit Event in the period from and including the Portfolio Cut-Off Date to but excluding the Closing Date, an amount equal to the Reference Obligation Notional Amount of such Reference Obligation or (as applicable) equal to the reduction in such Reference Obligation Notional Amount;

"S&P" means Standard and Poor's Rating Services, a division of The McGraw-Hill Companies Inc. or any successor to its rating business;

"Scheduled Redemption Date" means the Note Payment Date scheduled to fall in January 2012;

"Screen Rate" has the meaning given to it in Condition 6(c)(i) (*Interest - Interest Rates on the Notes*);

"Secured Liabilities" means all present and future obligations owed by the Issuer to the Trustee pursuant to the Parallel Debt and, if and to the extent that at the time of the creation of the relevant right of pledge, or at any time thereafter, a Principal Liability

owed to the Trustee cannot be validly secured through the Parallel Debt, such Principal Liability itself;

"Secured Parties" means:

- (a) the Trustee (for itself);
- (b) the Noteholders;
- (c) the Swap Counterparty;
- (d) the Repo Counterparty (if any);
- (e) the Custodian (if any);
- (f) the Cash Deposit Bank;
- (g) the Issuer Account Bank;
- (h) the Cash Administrator;
- (i) the Calculation Agent;
- (j) the Paying Agents;
- (k) the Agent Bank;
- (l) the Trustee Management; and
- (m) the Issuer Management,

and such other creditor for the benefit of whom the Security is expressed to be granted in accordance with the Trust Deed;

"Secured Property" means all the property of the Issuer which is subject to the Security;

"Securities Pledge" means any Dutch law securities pledge deed entered into after the Closing Date between the Issuer and the Trustee;

"Security" has the meaning given to it in Condition 4 (*Security*);

"Security Documents" means the Accounts Pledge, the Rights Pledge, the Securities Pledge (if any), the Belgian Pledge Agreement (if any), the Luxembourg Pledge Agreement (if any) and any Additional Pledge Agreement;

"Security Interest" means any mortgage, pledge, lien, charge, right of set-off, assignment, retention of title, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security;

"Specified Office" means, in relation to any Agent:

- (a) the office specified against its name in the Agency Agreement; or

(b) such other office as such Agent may specify in accordance with the Agency Agreement;

"**Subscription Agreement**" means the subscription agreement in relation to the Notes dated on or about the Closing Date and made between the Issuer and the Managers;

"**Swap Counterparty**" means ABN AMRO (acting through its BU NL head office);

"**Synthetic Excess Spread Amount**" means, in respect of the Closing Date and each Note Payment Date thereafter, the product of (i) the aggregate of the Reference Obligation Notional Amounts as at the Closing Date or (as applicable) the relevant Note Payment Date, (ii) 0.25 per cent. per annum and (iii) the actual number of days in the period beginning on (and including) the Closing Date or such Note Payment Date (as the case may be) and ending on (but excluding) the following Note Payment Date, divided by 360;

"**Synthetic Excess Spread Balance**" means the aggregate of (i) the amount standing to the credit of the Synthetic Excess Spread Ledger and (ii) any Issuer Payment Adjustment Amount from time to time;

"**Synthetic Excess Spread Ledger**" means the ledger that the Calculation Agent maintains in which the credits and debits to the Synthetic Excess Spread Balance are recorded;

"**Synthetic Excess Spread Priority of Payments**" means the application of the Synthetic Excess Spread Balance in the following order of priority:

(a) *firstly*, in the determination of any Issuer Payment payable on such Note Payment Date; and

(b) *secondly*, towards reinstatement of Notes which have a Principal Deficiency;

"**Talon**" has the meaning given to it in Condition 2(c) (*Form, Denomination and Title*);

"**TARGET Settlement Day**" means a day on which the TARGET System is open;

"**TARGET System**" means the Trans-European Automated Real-time Gross settlement Express Transfer ("**TARGET**") system;

"**Tax**" means any present or future tax, levy, impost, duty or other charge or withholding of any nature whatsoever (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of a Tax Authority and "**Taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Tax Authority**" means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official anywhere in the world;

"**Tax Redemption Event**" has the meaning ascribed to it in Condition 7(g) (*Redemption, Reduction, Reinstatement and Cancellation - Optional Redemption of the Notes in Whole for Tax Reasons*);

"**Temporary Global Note**" means each Class A1 Temporary Global Note, each Class A2 Temporary Global Note, each Class B Temporary Global Note, each Class C Temporary Global Note, each Class D Temporary Global Note and each Class E Temporary Global Note;

"**Transaction Documents**" means the Trust Deed, any Security Documents, the Agency Agreement, the Credit Default Swap, the Cash Deposit Agreement, the Issuer Account Agreement, the Repo Agreement (if any), the Custody Agreement (if any), the Cash Administration Agreement, the Issuer Management Agreement, the Holding Management Agreement, the Trustee Management Agreement and the Letter of Undertaking;

"**Trust Documents**" means the Trust Deed and the Security Documents (each as from time to time modified in accordance therewith);

"**Trustee Management**" means N.V. Algemeen Nederlands Trustkantoor ANT, whose registered office is at Herengracht 420, 1017 BZ Amsterdam, The Netherlands, or such other entity or entities appointed from time to time as the corporate services provider to the Trustee subject to and in accordance with the Trustee Management Agreement;

"**Trustee Management Agreement**" means the trustee management agreement dated on or about the Closing Date and entered into between, among others, the Issuer and the Trustee;

"**Work Out Pending Reference Obligation**" has the meaning ascribed to it in Condition 7(h) (*Redemption, Reduction, Reinstatement and Cancellation - Redemption during the Extension Period*); and

"**Written Resolution**" means, in relation to all, or, as the case may be, any Class of Notes, a resolution in writing signed by or on behalf of all holders of Notes, or, as the case may be, of such Class who, in either case, for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed whether contained in one document or several documents in like form, each signed by or on behalf of one or more such Noteholders.

2. **Form, Denomination and Title**

- (a) Each Class of the Notes is initially represented by a Temporary Global Note in bearer form, without Coupons or Receipts, in the initial principal amount of €4,280,000,000 for the Class A1 Notes, €2,000,000,000 for the Class A2 Notes, €135,000,000 for the Class B Notes, €100,000,000 for the Class C Notes, €100,000,000 for the Class D Notes and €135,000,000 for the Class E Notes. Each Temporary Global Note will be deposited on behalf of the subscribers of each Class of the Notes with a common depositary (the "**Common Depositary**") for Clearstream, Luxembourg and Euroclear

or with Euroclear Netherlands on or about the Closing Date. Upon deposit of the Temporary Global Notes, Clearstream, Luxembourg or Euroclear or Euroclear Netherlands (as the case may be) will credit each subscriber of the Notes with the principal amount of Notes of the relevant Class equal to the aggregate principal amount thereof for which it had subscribed and paid. Interests in each Temporary Global Note are exchangeable 40 days after the Closing Date (in each case, the "**Exchange Date**"), provided certification of non-U.S. beneficial ownership by the relevant Noteholders has been received, for interests in a Permanent Global Note in bearer form (which will also be deposited with the Common Depositary or with Euroclear Netherlands) representing the same Class of Notes, without Coupons or Receipts. The expressions "**Global Notes**" and "**Global Note**" mean, respectively, (i) all the Temporary Global Notes and the Permanent Global Notes or the Temporary Global Note and the Permanent Global Note of a particular Class or (ii) any Temporary Global Notes or Permanent Global Notes, as the context may require. On the exchange of the Temporary Global Note for the Permanent Global Note of the relevant Class, the Permanent Global Notes will remain deposited with the Common Depositary or with Euroclear Netherlands. Title to the Global Notes will pass by delivery. For Notes held by Euroclear Netherlands, deliveries will be made in accordance with the Dutch Giro Securities Transfer Act (*Wet Giraal Effectenverkeer*). The Permanent Global Notes will only be exchangeable for Definitive Notes in certain limited circumstances as specified in such Permanent Global Notes.

For so long as any Notes are represented by a Global Note, interests in such Notes will be transferable in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear or Euroclear Netherlands, as appropriate. Under Dutch law, the valid transfer of the Notes requires, *inter alia*, delivery (*levering*) thereof. Holders of the Class A2 Notes which are deposited with Euroclear Netherlands, shall not have the right to request delivery (*uitlevering*) of the Class A2 Notes under the Dutch Giro Securities Transfer Act (*Wet Giraal Effectenverkeer*) other than as set out in the Class A2 Note in global form.

- (b) The Notes will each have a denomination of EUR 100,000. Definitive Notes of each Class of Notes will, if issued, be serially numbered and will be issued in bearer form with (at the date of issue) interest coupons ("**Coupons**"), receipts for payments of principal ("**Receipts**") and talons for further Coupons and Receipts (each, a "**Talon**") attached at the time of issue. Title to the Definitive Notes, Coupons and Receipts shall pass by delivery.
- (c) The holder of any Note, of any Coupon and of any Receipt shall (to the fullest extent permitted by applicable laws) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Note, Coupon or Receipt, as the case may be, regardless of any notice of ownership, theft or loss, of any trust or other interest therein or of any writing thereon.
- (d) References to "Notes" include the Global Notes and the Definitive Notes.

3. **Status and Ranking of the Notes**

(a) *Status*

The Notes of each Class and the Coupons and the Receipts relating thereto constitute direct and limited recourse obligations of the Issuer and are secured, through the Parallel Debt, by the Security held by the Trustee.

(b) *Ranking within each Class*

The Class A Notes rank *pari passu* without preference or priority amongst themselves (save as provided in the definition of Order of Seniority and Class A Notes Order of Seniority), the Class B Notes rank *pari passu* without preference or priority amongst themselves, the Class C Notes rank *pari passu* without preference or priority amongst themselves, the Class D Notes rank *pari passu* without preference or priority amongst themselves and the Class E Notes rank *pari passu* without preference or priority amongst themselves.

(c) *Ranking between Classes*

Prior to the delivery of a Note Enforcement Notice by the Trustee, (i) payments of interest on each Class from Available Income Funds are subordinated to, as provided herein, in the Trust Deed and in the Cash Administration Agreement, *inter alia*, payments of interest on each Class which is a More Senior Class of Notes to such Class and payments of principal on each Class from Available Redemption Funds are subordinated, as provided herein, in the Trust Deed and in the Cash Administration Agreement, to, *inter alia*, payments of principal on each Class which is a More Senior Class of Notes to such Class, except as set out in Condition 7(c) (*Redemption, Reduction, Reinstatement and Cancellation - Unscheduled Redemptions*), in which case payments of principal shall be made to each Class in accordance with Pro Rata Redemption and, except in relation to payments of principal on the Class A Notes other than in accordance with the Post-Enforcement Priority of Payments, in which case payment of principal shall be made on the Class A Notes in accordance with the Class A Notes Order of Seniority. Following delivery of a Note Enforcement Notice by the Trustee, payments of principal and interest in respect of each Class are, as provided herein, in the Trust Deed and the Cash Administration Agreement to be made in accordance with the Order of Seniority.

(d) *Priorities of Payments*

Prior to the delivery of a Note Enforcement Notice by the Trustee, the amounts payable to the Noteholders and the other Secured Parties will be applied in accordance with both the Pre-Enforcement Available Income Funds Priority of Payments and the Pre-Enforcement Available Redemption Funds Priority of Payments and, following the delivery of a Note Enforcement Notice by the Trustee, in accordance with the Post-Enforcement Priority of Payments.

On each Note Payment Date, the Synthetic Excess Spread Balance will be applied in accordance with the Synthetic Excess Spread Priority of Payments.

(e) *Status and Relationship between the Classes of Notes and the Secured Parties*

The Trust Deed contains provisions requiring the Trustee to have regard to the interests of the Noteholders equally as regards all rights, powers, trusts, authorities, duties and discretions of the Trustee (except where expressly provided otherwise), but requiring the Trustee to have regard only to the interests of the holders of the Most Senior Class of Notes then outstanding if, in the Trustee's opinion, there is a conflict between the interests of the holders of such class and any other class of Notes then outstanding.

So long as any of the Notes remain outstanding, in the exercise of its rights, powers, trusts, authorities and discretions under the Trust Documents, the Trustee is not required to have regard to the interests of the other Secured Parties.

The Trust Deed contains provisions limiting the powers of the holders of the lower-ranking classes of Notes, *inter alia*, to request or direct the Trustee to take any action or to pass an effective Extraordinary Resolution according to the effect thereof on the interests of the holders of the More Senior Class of Notes. Except in certain circumstances, the Trust Deed contains no such limitation on the powers of the holders of the Most Senior Class of Notes by reference to the effect thereof on the interests of the holders of the other Classes of Notes outstanding, the exercise of which will be binding on all such holders, irrespective of the effect thereof on their interests.

The Trustee shall be entitled to assume, for the purpose of exercising any right, power, trust, authority, duty or discretion under or in relation to these Conditions and/or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders (or any Class thereof) if the Rating Agencies have confirmed that the then current ratings of the applicable Class or Classes of Notes would not be adversely affected by such exercise.

4. **Security**

As far as permitted by, and subject to compliance with, any applicable law, and as security for the payment or discharge of the Secured Liabilities, the Issuer has agreed to grant the following security (the "**Security**") in favour of the Trustee, for the benefit of the Secured Parties:

- (i) pursuant to the Rights Pledge, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, under certain Transaction Documents to which it is a party;
- (ii) pursuant to the Accounts Pledge, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, in respect of the Cash Deposit Account and the Issuer Account and all monies standing to the credit thereof;

- (iii) pursuant to the Belgian Pledge Agreement (if any), a Belgian law pledge of the Repo Securities which are from time to time held in the Custody Account of the Custodian at Euroclear;
- (iv) pursuant to the Luxembourg Pledge Agreement (if any), with the Trustee, a Luxembourg law pledge of the Repo Securities which are from time to time held in any Custody Account of the Custodian at Clearstream, Luxembourg;
- (v) pursuant to a Securities Pledge (if any) a right of pledge on the Repo Securities if and to the extent required in order to create a valid security interest over any Repo Securities from time to time; and
- (vi) at any relevant time, pursuant to any Additional Pledge Agreement, any first ranking security interest as may be required to effectively secure any Repo Securities not at such time cleared through Clearstream, Luxembourg's, Euroclear's clearing systems or subject to the Securities Pledge (if any) as described under (v) above.

Each of the Secured Parties will, through the Trustee, share the benefit of the Security under the Security Documents, upon and subject to the terms thereof and are deemed to have acknowledged, and are bound by, the Parallel Debt provisions of the Trust Deed.

5. Issuer Covenants

(a) *Issuer Covenants*

Save as permitted by the Transaction Documents, the Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness, dispose of assets or change the nature of its business. So long as any Note remains outstanding, the Issuer shall comply with the Issuer Covenants.

(b) *Financial Statements and Quarterly Investor Reports*

The Issuer undertakes to provide to the Trustee, the Rating Agencies and the Paying Agents or to procure that the Trustee, the Rating Agencies and the Paying Agents are provided with:

- (i) the Financial Statements; and
- (ii) the Quarterly Investor Reports; and
- (iii) to publish or procure the publication of the Quarterly Investor Reports on a website previously identified and accessible to Noteholders,

except to the extent that disclosure of such financial information would at that time breach any law, regulation, Stock Exchange requirement or rules of any applicable regulatory body to which the Issuer is subject.

The Financial Statements and the Quarterly Investor Reports will be available for inspection by the Noteholders during normal business hours on any Business Day at the Specified Office for the time being of each of the Paying Agents. Upon receipt of such information, the Principal Paying Agent will, upon written request by a Noteholder to the Principal Paying Agent and confirmation satisfactory to the Principal Paying Agent of its current holding of the Notes, post to it the most recent Quarterly Investor Report held by the Principal Paying Agent.

6. **Interest**

(a) *Period of Accrual*

Each Note bears interest on its Adjusted Principal Balance from (and including) the Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption, unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any decree or judgment) at the rate applicable to such Note up to (but excluding) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the day after notice is duly given by the Principal Paying Agent to the holder thereof (in accordance with Condition 17 (*Notices to Noteholders*)) that upon presentation thereof, such payment will be made, provided that upon such presentation, such payment is in fact made.

(b) *Note Payment Dates and Note Interest Periods*

Interest on the Notes is payable quarterly in arrear on the 20th day of January, April, July and October in each year (or, if such day is not a Business Day, the next succeeding Business Day unless such succeeding Business Day falls in the next succeeding calendar month, in which case, the immediately preceding Business Day), any Early Redemption Date and the Note Business Day following the end of any Extension Period (each, a "**Note Payment Date**") in respect of the Note Interest Period ending immediately prior thereto, except that the first such payment is due on the Note Payment Date falling in April 2006 in respect of the period from (and including) the Closing Date to (but excluding) the Note Payment Date falling in April 2006.

A "**Note Interest Period**" means the period from (and including) the Closing Date to (but excluding) the Note Payment Date falling in April 2006 and, thereafter, each successive Note Interest Period will commence on (and include) a Note Payment Date and end on (but exclude) the next succeeding Note Payment Date.

(c) *Interest Rates on the Notes*

The rate of interest applicable to each Class of Notes (the "**Interest Rate**") for each Note Interest Period will be determined by the Agent Bank on the following basis:

- (i) at or about 12.00 noon (Amsterdam time) on each Interest Determination Date, the Agent Bank will determine the offered quotation to leading banks in

the euro-zone interbank market ("**EURIBOR**") for three month euro deposits (or, in the case of the first Note Interest Period, four months) (rounded to five decimal places with the mid-point rounded up) by reference to the display designated as EURIBOR03 as quoted on the Reuters Screen (the "**Screen Rate**"). If the agreed page is replaced or service ceases to be available, the Agent Bank may specify another page or service displaying the appropriate rate after consultation with the Trustee and the Paying Agents; or

- (ii) if the Screen Rate is not then available for euro or for the Note Interest Period of the Notes, the arithmetic mean of the rates (rounded to five decimal places with the mid-point rounded up) as supplied to the Agent Bank at its request by the principal office of each of four major banks in the euro-zone interbank market (which may include ABN AMRO) as selected by the Agent Bank in its discretion (the "**Reference Banks**") at or about 12.00 noon (Amsterdam time) on the Interest Determination Date for the offering of deposits to the leading banks in the euro-zone interbank market in euro and for a period comparable to the Note Interest Period for the Notes. If on any Interest Determination Date, only three of four of the Reference Banks provide such offered quotations to the Agent Bank, the relevant rate shall be determined, as aforesaid, on the basis of the offered quotations of those Reference Banks providing such quotations. If on any such Interest Determination Date, less than three quotations are provided as requested, the rate for that Interest Determination Date will be the arithmetic mean (rounded to five decimal places with the mid-point rounded up) of the rates quoted by leading banks in Amsterdam selected by the Agent Bank (which bank or banks is or are in the opinion of the Trustee suitable for such purpose).

The Interest Rate for such Note Interest Period shall be the sum of:

- (1) the Screen Rate or, as the case may be, the arithmetic mean so determined pursuant to paragraph (c)(ii) above provided that if it has not been possible to determine any such rate, the Screen Rate or, as the case may be, the arithmetic mean last determined pursuant to paragraph (c)(ii) above for a prior Note Interest Period shall be used; and
 - (2) the Margin.
- (d) *Calculation of Interest Amount and Determination of Interest Rates in Respect of the Notes*

The Agent Bank will, as soon as practicable after each Interest Determination Date in relation to each Note Interest Period, determine and notify the Issuer, the Trustee and the Paying Agents and will cause notice thereof to be given to the relevant Noteholders in accordance with Condition 17 (*Notices to Noteholders*) of (i) the Interest Rate applicable to the Note Interest Period commencing on or immediately after that Interest Determination Date in respect of each Class of the Notes and (ii) the amount of interest (the "**Interest Amount**") payable in respect of each Note for such Note Interest Period.

The Interest Amounts will be calculated by applying the relevant Interest Rate for such Note Interest Period to the then Adjusted Principal Balance of such Note and multiplying the product by the actual number of days in such Note Interest Period divided by 360 and rounding the resulting figure to the nearest €0.01 (half of €0.01 being rounded upwards).

(e) *Failure of Agent Bank*

If the Agent Bank fails at any time to determine an Interest Rate or to calculate an Interest Amount, the Trustee, or its appointed agent without accepting any liability therefor, will determine such Interest Rate, as the case may be, as it considers fair and reasonable in the circumstances (having such regard as it thinks fit to paragraphs (c) or (d) above (as applicable)) or (as the case may be) calculate such Interest Amount, as the case may be, in accordance with paragraphs (c) or (d) above (as applicable), and each such determination or calculation shall be deemed to have been made by the Agent Bank.

In doing so, the Trustee shall apply all of these Conditions with any necessary consequential amendments to the extent that, in its sole opinion and with absolute discretion, 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 circumstances and will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof, and any such determination and/or calculation made by the Trustee shall, save in the case of manifest error, be final and binding on the Issuer, the Noteholders and the Couponholders.

(f) *Publication of Interest Rates, Interest Amounts and other Notices*

As soon as practicable after receiving notification thereof, the Issuer will cause each Interest Rate and Interest Amount applicable to each Class of Notes for the relevant Note Interest Period and the immediately succeeding Note Payment Date to be notified to the Stock Exchange (for so long as the Notes are admitted to listing on the Stock Exchange and the rules of the Stock Exchange so require) and will cause notice thereof to be given to the relevant class of Noteholders in accordance with Condition 17 (*Notices to Noteholders*). The Interest Amounts and the Note Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Note Interest Period.

(g) *Notification to be Final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Interest*), whether by the Reference Banks (or any of them), the Agent Bank or the Trustee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and all Noteholders, Couponholders and Receiptholders, the Reference Banks, the Agent Bank, the Trustee and (in the absence of wilful default, bad faith or manifest error) no liability to the Trustee, the Noteholders, the Couponholders or the

Receiptholders shall attach to the Issuer, the Reference Banks, the Agent Bank or the Trustee in connection with the exercise or non-exercise by them or any of them of their powers, duties and discretions under this Condition 6 (*Interest*).

(h) *Agent Bank*

The Issuer shall ensure that, so long as any of the Notes remain outstanding, there shall at all times be an Agent Bank approved in writing by the Trustee. The Agent Bank may not resign until a successor so approved by the Trustee has been appointed.

7. **Redemption, Reduction, Reinstatement and Cancellation**

(a) *Final Redemption of the Notes*

Unless previously redeemed or repaid in full and cancelled as provided in this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), the Issuer shall redeem the Notes in accordance with the Order of Seniority at their then aggregate Adjusted Principal Balance together with accrued but unpaid interest on the Final Redemption Date.

The Issuer may not redeem Notes in whole or in part prior to that date, except as described in this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), but without prejudice to Condition 11 (*Note Events of Default*).

(b) *Mandatory Redemption of the Notes on the Scheduled Redemption Date*

Unless previously redeemed in full and cancelled as provided in this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), the Issuer shall redeem on the Scheduled Redemption Date, in accordance with the Order of Seniority but at all times subject to non-redemption during the Extension Period for any Note Extension Amount in accordance with Condition 7(h) (*Redemption, Reduction, Reinstatement and Cancellation - Redemption of the Notes during the Extension Period*), each Class of Notes at its then Adjusted Principal Balance together with all interest accrued thereon (including, for the avoidance of doubt, any Make-up Interest Amount);

(c) *Unscheduled Redemptions*

On each Note Payment Date, the Issuer shall redeem the Actual Principal Balance of each Class on that Note Payment Date to the extent of any Partial Redemption Funds Amount in respect of the Calculation Period ending immediately preceding that Note Payment Date. Redemption shall be made in accordance with the Order of Seniority to the extent that Partial Redemption Funds Amounts are available to be applied in accordance with the Order of Seniority as specified in the definition of Partial Redemption Funds Amount and redemption shall be made in accordance with Pro Rata Redemption to the extent that Partial Redemption Funds Amounts are available to be applied in accordance with Pro Rata Redemption as specified in the definition of Partial Redemption Funds Amount. If the Partial Redemption Funds Amount will not be sufficient on such Note Payment Date to redeem a Class in full, such Class shall

remain outstanding to the extent of the difference between the Actual Principal Balance of the Notes of such Class and the Partial Redemption Funds Amount applied to such redemption on that Note Payment Date. In relation to any Note Payment Date, the Issuer will advise the Trustee, the Principal Paying Agent and the Agent Bank on the last day of the Calculation Period ending immediately prior to that Note Payment Date of the amount of any Partial Redemption Funds Amounts to be made available on such Note Payment Date.

(d) *Mandatory Redemption of the Notes in Whole following Termination of the Cash Deposit Agreement or the Repo Agreement*

In the event that the Cash Deposit Agreement, or Repo Agreement (as the case may be), is terminated in whole or in part (which termination shall, if ABN AMRO is the Cash Deposit Bank or (as the case may be) Repo Counterparty, be at no cost to the Issuer) and, in the case of the Cash Deposit Agreement, is not replaced with a further Cash Deposit Agreement or a Repo Agreement is not entered into in substitution for such Cash Deposit Agreement or, in the case of the termination in whole or in part of the Repo Agreement, such Repo Agreement is not assigned to another Repo Counterparty or the obligations of the Repo Counterparty are not assumed by another financial institution which has the Repo Counterparty Required Rating or are not collateralised (subject to, and in accordance with, the terms of the Repo Agreement) or the Repo Agreement is not replaced by a further Cash Deposit Agreement or Repo Agreement, as applicable, in each case subject to the requirements specified below, then the Issuer shall redeem the Notes in whole but not in part in accordance with the Order of Seniority at their Adjusted Principal Balance, after reduction in respect of the Aggregate Issuer Payments, if any, payable on such redemption date together with any interest accrued to such redemption date. The Issuer shall give notice of such early redemption to Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Trustee, the Swap Counterparty, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo Counterparty (as the case may be), and each of the Rating Agencies not less than 55 Note Business Days before the relevant redemption date.

If a Repo Agreement is entered into, the Repo Counterparty will be required to agree in such Repo Agreement that, if it ceases to meet the Repo Counterparty Required Rating, (i) it shall use reasonable endeavours to procure that its obligations under the Repo Agreement are transferred to another Repo Counterparty or are assumed by another financial institution or are collateralised (subject to and in accordance with the terms of the Repo Agreement) and (ii) the Repo Agreement may not be terminated until the Repo Counterparty has certified to the Trustee that it has used its reasonable endeavours to prevent termination of the Repo Agreement by taking the foregoing measures.

(e) *Mandatory Redemption of the Notes following Termination of the Credit Default Swap*

In the event the Credit Default Swap is terminated (including, without limitation, an early termination due to any payment default by the Swap Counterparty), the Issuer shall become liable to redeem the Notes then outstanding in whole but not in part in

accordance with the Order of Seniority on the day which is 55 Note Business Days following the date on which the Credit Default Swap was terminated at their Adjusted Principal Balance after reduction in respect of the Aggregate Issuer Payments, if any, payable on such redemption date, together with any interest accrued to the date of redemption. The Issuer shall give notice of such early redemption to Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Trustee, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo Counterparty (as the case may be) as soon as practicable after the Issuer becomes aware of the termination of the Credit Default Swap.

(f) *Mandatory Redemption of the Notes - 10 per cent. clean up*

In the event that the aggregate Adjusted Principal Balance of the outstanding Notes is less than 10 per cent. of the Initial Principal Balance of all of the Notes, the Issuer shall (subject as set out below) redeem, in whole but not in part, all of the Notes of each Class in accordance with the Order of Seniority on the next Note Payment Date at their Adjusted Principal Balance (including for the avoidance of doubt, but without limitation, any Make-up Interest Amount), after reduction in respect of the Aggregate Issuer Payments, if any, payable on the next Note Payment Date, together with any interest accrued to such Note Payment Date.

The Issuer shall give notice of such early redemption to Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and to the Trustee, the Swap Counterparty, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo Counterparty (as the case may be), and each of the Rating Agencies not less than 55 Note Business Days before the relevant redemption date.

The Issuer may only redeem the Notes in accordance with this Condition 7(f) if the Cash Administrator confirms to the Trustee not later than two Note Business Days prior to the Early Redemption Date that the Issuer will have the funds, not subject to the interest of any person, required to redeem the Notes at their Adjusted Principal Balance and any amounts required under the relevant Priorities of Payments to be paid in priority to or *pari passu* with the Notes outstanding in accordance with the terms and conditions thereof.

(g) *Optional Redemption of the Notes in Whole for Tax Reasons*

If the Issuer satisfies the Trustee (with respect to which the Trustee shall be entitled, but not obliged, to request a legal opinion addressed and acceptable to the Trustee from legal counsel of its choosing) that, as a result of any change in or amendment to the laws or regulations of The Netherlands or any other jurisdiction or any political subdivision or any authority of any such jurisdiction, or any change in the application or official interpretation of such laws or regulations having power to tax (including the holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date:

- (i) either the Issuer or the Swap Counterparty is to make any payment under the Credit Default Swap and the Issuer or the Swap Counterparty would be required to make a deduction or withholding on account of tax in respect of such payment;
- (ii) the Issuer determines that the payment of any Issuer CD/Repo Income is subject to deduction or withholding for or on account of any tax, duty, assessment or other governmental charge or is otherwise subject to taxation in The Netherlands; or
- (iii) the Issuer is required, as a result of any change in or amendment to the laws or regulations of The Netherlands or any other jurisdiction or any political sub-division or any authority of any such jurisdiction, or any change in the application or official interpretation of such laws or regulations having power to tax, which change becomes effective on or after the Closing Date, to deduct or withhold from any payment to be made in respect of the Notes any amount for or on account of any present or future taxes, duties, assessments of whatever nature imposed, levied, collected, withheld or assessed by The Netherlands or any other jurisdiction or any political sub-division or any authority of such jurisdiction having power to tax;

then the Issuer shall, in order to avoid the relevant events described above (and provided in the case of (i) above, only if the deduction or withholding applies in relation to payments by the Issuer), use all reasonable endeavours to change its place of residence for taxation purposes to a jurisdiction where no such event would apply or to arrange its substitution as principal obligor under the Notes and as a party under the Transaction Documents by a company incorporated in another jurisdiction where no such event would apply, in each case, subject to the criteria set out in the Trust Deed, which jurisdiction is approved in writing by the Trustee and subject to receipt by the Trustee of confirmation from each of the Rating Agencies that such change or substitution would not have an adverse effect on the rating of any Class.

If the Issuer is unable (after using reasonable endeavours) to arrange such change of residence or substitution, the Issuer shall give notice thereof to the Swap Counterparty who may, but shall not be bound, to commit to make available additional funds to the Issuer (in the event that any of the events described above will result in the Issuer being unable to fulfil its payment obligations to Noteholders in full) so that the Issuer is able to pay any amount owing to Noteholders as though the events described above had not occurred. If the Swap Counterparty does not make a commitment within 20 days of receipt of such notice or fails to make such additional funds available to the Issuer, the Issuer shall give notice thereof to the Noteholders and the Issuer shall, if so directed by an Extraordinary Resolution of Noteholders, redeem the Notes in whole but not in part at their Adjusted Principal Balance, after reduction in respect of the Aggregate Issuer Payments, if any, payable on such redemption date together with any interest accrued to such redemption date. The Issuer shall give notice of such early redemption to Noteholders and to the Trustee, the Swap Counterparty, Principal Paying Agent, the

Cash Deposit Bank or the Repo Counterparty (as the case may be), and each of the Rating Agencies, not less than 55 Note Business Days before the relevant redemption date provided that prior to the delivery of any such notice of redemption, the Issuer shall deliver to the Trustee:

- (1) a legal opinion addressed and acceptable to the Trustee from a firm of lawyers in The Netherlands, or any other jurisdiction as applicable, opining on the relevant change in tax law and a certificate signed by a duly authorised signatory of the Issuer stating that the obligation to make a deduction for or on account of tax cannot be avoided; and
- (2) a certificate signed by a duly authorised signatory of the Issuer to the effect that the Issuer will have the funds on the relevant Interest Payment Date, not subject to the interest of any other person, required to redeem the Notes and meet its payment obligations of a higher priority under the priority of payments set forth in the Conditions.

(h) *Redemption of the Notes during the Extension Period*

During the Extension Period, to the extent that the Swap Counterparty has delivered a Credit Event Notice at least five Note Business Days prior to the Scheduled Redemption Date or, as the case may be, prior to the Early Redemption Date (resulting from the giving of a Note Enforcement Notice), and in respect of which the Conditions to Credit Protection have been satisfied, but the relevant Defaulted Reference Obligation(s) (each, a "**Work Out Pending Reference Obligation**") has not become a Worked Out Obligation prior to the Calculation Date immediately preceding the Scheduled Redemption Date or, as the case may be, on or prior to the Early Redemption Date (resulting from the giving of a Note Enforcement Notice), then a portion of the most junior Class (or Classes, as applicable) of Notes (the "**Note Extension Amount**") shall remain outstanding pending such Work Out Pending Reference Obligation becoming a Worked Out Obligation. The Note Extension Amount will remain outstanding until the end of the Extension Period.

To the extent that the Note Extension Amount when re-calculated during the Extension Period, is reduced from one Note Payment Date to the next following Note Payment Date, the Issuer shall redeem, in accordance with the Order of Seniority, (but only to the extent of an amount equal to such reduction less the Issuer Payment (if any) payable in respect of the Credit Protection Payment Amounts), each Class of Notes at its then Adjusted Principal Balance together with all interest accrued thereon (including for the avoidance of doubt but without limitation, any Make-up Interest Amount) on the next Note Payment Date.

The "**Note Extension Amount**" shall be calculated by the Swap Counterparty on the Calculation Date immediately preceding the Scheduled Redemption Date or, as the case may be, on (or as soon as practicable after) the Early Redemption Date (resulting from the giving of a Note Enforcement Notice) and thereafter on each Calculation Date

immediately preceding each Note Payment Date during the Extension Period and on the Note Business Day at the end of the Extension Period and is an amount equal to:

- (i) the aggregate of the Reference Obligation Notional Amounts of the Work Out Pending Reference Obligations calculated at the date originally fixed for redemption in whole of the Notes less all Issuer Payments paid in respect of such Work Out Pending Reference Obligations; less
- (ii) the aggregate of the Reference Obligation Notional Amounts of the Work Out Pending Defaulted Reference Obligation(s) which have become Worked Out Obligations since the Scheduled Redemption Date or Early Redemption Date (as the case may be).

Any Notes remaining outstanding during the Extension Period shall continue to bear interest on the then Adjusted Principal Balance of such Notes in accordance with Condition 6 (*Interest*) provided, however, that the applicable Interest Rate:

- (i) in the case of an Extension Period commencing on the Scheduled Redemption Date, shall be the Interest Rate that would be applicable if the Screen Rate or rate provided by the Reference Banks was determined through the use of straight-line interpolation by reference to two rates, one of which shall be determined as if the reference in Condition 6(c) (*Interest Rates on the Notes*) to "three month euro deposits" was a reference to "one month euro deposits" and the other of which shall be determined as if the reference in such condition to "three month euro deposits" was a reference to "two month euro deposits"; and
 - (ii) if the Extension Period falls on a date which is not a Note Payment Date, the Notes shall continue to bear interest at the Interest Rate to but excluding the next following Note Payment Date and, thereafter, shall bear interest calculated as provided in the foregoing paragraph (i) but as if references to "one month euro deposits" was replaced by "the period of time for which rates are available next shorter than the period of time from such Note Payment Date to but excluding the end of the Extension Period" and as if the reference to "two month euro deposits" was replaced by a reference to "the period of time for which rates are available next longer than the period of time from such Note Payment Date to but excluding the end of the Extension Period".
- (i) *Reduction and Reinstatement of the Adjusted Principal Balance of the Notes*

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in these Conditions.

- (i) *Reduction of Adjusted Principal Balance of Notes following Aggregate Issuer Payment:* On each Note Payment Date, the Adjusted Principal Balance of a Class or Classes of Notes shall be reduced by an amount equal to the Aggregate Issuer Payment payable on that Note Payment Date (provided that

the Adjusted Principal Balance of any Class of Notes shall not be reduced below zero) in Reverse Order of Seniority.

(ii) *Reinstatement of the Adjusted Principal Balance of the Notes:* If, on any Note Payment Date:

- (1) the Adjusted Principal Balance of any Class of Notes is less than the Actual Principal Balance of such Class of Notes (any such difference, a "**Principal Deficiency**"); and
- (2) there is a Synthetic Excess Spread Balance on the Calculation Date immediately preceding such Note Payment Date which has not been allocated in respect of any Credit Protection Payment Amount in accordance with the Synthetic Excess Spread Priority of Payments (the available balance of the Synthetic Excess Spread Balance being the "**Principal Reinstatement Available Amount**").

then the Issuer shall apply, on that Note Payment Date (and consequently for the Note Interest Period commencing on that Note Payment Date), an amount equal to the Principal Reinstatement Available Amount to each Class of Notes to reinstate the Adjusted Principal Balance of such Notes in accordance with the Order of Seniority (up to a maximum amount, in respect of each such Class, equal to the Principal Deficiency for each such Class of Notes on such Note Payment Date). Any amount so applied in respect of any Class is referred to as "**Reinstated Principal**".

If the Synthetic Excess Spread Balance is allocated in reinstating the Adjusted Principal Balance of a Class, Make-up Interest Amount shall be paid to the holders of such Class in respect of the Reinstated Principal of such Class.

(j) *Note Principal Payment*

The principal amount (the "**Note Principal Payment**") which is required to be repaid in respect of each Note on any Note Payment Date under this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), shall be that Note's pro rata share of the aggregate amount required to be applied in redemption of the Notes of that Class on such Note Payment Date under this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), provided that no Note Principal Payment may exceed the Actual Principal Balance of the related Note.

(k) *Calculation of Note Principal Payments, Actual Principal Balance and Adjusted Principal Balance*

On each Calculation Date, the Issuer (or the Cash Administrator on its behalf) shall determine or shall cause to be determined:

- (i) if there is to be a redemption (in whole or in part) of the Notes or any Class thereof pursuant to this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), the amount of any Note Principal Payment due in respect

of each Note on the Note Payment Date immediately following such Calculation Date;

- (ii) the Actual Principal Balance of each Note on such Note Payment Date (after deducting any Note Principal Payment to be paid on that Note Payment Date); and
- (iii) the Adjusted Principal Balance of each Note on such Note Payment Date (after deducting any Note Principal Payment to be paid in respect of such Note on that Note Payment Date and any Aggregate Issuer Payment).

Each determination by or on behalf of the Issuer (or the Cash Administrator on its behalf) of any Note Principal Payment, the Actual Principal Balance and the Adjusted Principal Balance of a Note shall in each case (in the absence of wilful default, bad faith or manifest error) be final and binding on all persons.

The Issuer (or the Cash Administrator on its behalf) will cause each determination of a Note Principal Payment, Actual Principal Balance and Adjusted Principal Balance to be notified in writing forthwith to the Trustee, the Paying Agents, the Rating Agencies, the Agent Bank and, for so long as the Notes are admitted to trading on the Irish Stock Exchange, the Irish Stock Exchange, and will cause notice of each determination of a Note Principal Payment, Actual Principal Balance and Adjusted Principal Balance to be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) by no later than the day which is three Note Business Days prior to the Note Payment Date immediately following the Calculation Date on which such calculations are made.

If the Issuer or the Cash Administrator on behalf of the Issuer does not at any time for any reason determine a Note Principal Payment, Actual Principal Balance or Adjusted Principal Balance in accordance with the preceding provisions of this Condition 7(k) (*Calculation of Note Principal Payments, Actual Principal Balance and Adjusted Principal Balance*), such amounts may be determined by the Trustee (but without any liability accruing of the Trustee as a result), in accordance with this Condition 7(k) (*Calculation of Note Principal Payments, Actual Principal Balance and Adjusted Principal Balance*), and each such determination or calculation shall be conclusive and binding on all persons and shall be deemed to have been made by the Issuer or the Cash Administrator, as the case may be.

(l) *Notice of Redemption*

Any such notice of redemption given by the Issuer in connection with a redemption described in this Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*) shall be irrevocable. Upon the expiration of such notice, the Issuer will be bound to redeem the Notes of the related Class in the amounts specified in these Conditions.

(m) *Purchase by the Issuer*

The Issuer shall be entitled to purchase any Notes, Receipts, Coupons or Talons, provided that the purchase of the Notes is made in Order of Seniority, beginning with

the Most Senior Class then outstanding, and provided that the Issuer has obtained a prior written confirmation from the Rating Agencies that the rating of any outstanding Notes will not be affected thereby.

(n) *Cancellation*

All Notes redeemed in full together with payment of all accrued but unpaid interest or purchased in accordance with Condition 7(m) (*Purchase by the Issuer*) or surrendered pursuant to Condition 16 (*Replacement of Notes, Coupons, Receipts and Talons*) will be cancelled upon redemption or surrender, together with any unmatured Coupons, Receipts and Talons (if any) appertaining thereto and attached thereto or surrendered therewith, and may not be resold or re-issued.

8. **Payments**

(a) *Payments of Interest and Principal*

Payments of interest in respect of the Definitive Notes will (subject as provided in Condition 8(c) (*Payments - Unmatured Coupons for Notes Void*) and Condition 8(e) (*Payments - Payments of Interest on Improperly Withheld or Refused Notes*) below) be made only against presentation and surrender of the relevant Coupons at the Specified Office of any Paying Agent and otherwise in accordance with the provisions of this paragraph. Payments of principal and premium (if any) in respect of the Definitive Notes will be made against presentation and surrender of the relevant Receipts (except where, after such presentation and surrender, the unpaid principal amount of a Definitive Note would be reduced to zero (including as a result of any other payment of principal due in respect of such Definitive Note) in which case each payment of principal will be made against presentation and surrender of such Definitive Note) at the Specified Office of any Paying Agent. Each such payment will be made in respect of the Notes, in euro at the Specified Office of any Paying Agent by euro cheque drawn on or, at the option of the holder, by transfer to a euro account maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union.

(b) *Payments Subject to Fiscal Laws*

Payment of principal and interest in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and to the provisions of the Agency Agreement and the other Transaction Documents.

(c) *Unmatured Coupons for Notes Void*

On the date upon which any Note becomes due and payable in full under Condition 7 (*Redemption, Reduction, Reinstatement and Cancellation*), unmatured Coupons, Receipts and Talons (if any) appertaining thereto (whether or not attached to such Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Note is not a Note Payment Date, accrued interest will be paid only against presentation and surrender of the relevant Note.

(d) *Presentation on Non-Business Days*

If the due date for payment of any amount in respect of any Note, Coupon or Receipt is not a business day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding business day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(e) *Payments of Interest on Improperly Withheld or Refused Notes*

If any amount of principal or premium (if any) is improperly withheld or refused on or in respect of any Note or part thereof, the interest which continues to accrue in respect of such Note in accordance with Condition 6 (*Interest*) will be paid against presentation of such Note at the Specified Office of any Paying Agent.

(f) *Other Interest*

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agents outside the United States.

(g) *Partial Payments*

If a Paying Agent makes a partial payment in respect of any Note, Coupon or Receipt presented to it for payment, such Paying Agent will endorse on such Note, Coupon or Receipt a statement indicating the amount and date of such payment.

(h) *Exchange of Talons*

On or after the relevant Note Payment Date on which the final Coupon or Receipt forming part of a Coupon or Receipt sheet is surrendered, each Talon forming part of such Coupon or Receipt sheet may be surrendered at the Specified Office of any Paying Agent for a further Coupon or Receipt sheet (including a further Talon) but excluding any Coupons or Receipts in respect of which claims have already become void under Condition 10 (*Prescription*). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon or Receipt will be delivered in respect of such Talon.

9. **Taxation**

(a) *Payments Free of Tax*

All payments of principal and interest in respect of the Notes, Coupons or Receipts shall be made free and clear of, and without withholding or deduction for or on account of any present or future Taxes unless the Issuer, the Trustee or any Paying Agent is required by applicable law to make any payment in respect of the Notes, Coupons or Receipts subject to any such withholding or deduction. In that event (unless the Swap Counterparty elects to pay additional amounts to the Issuer that cover the amount of any such withholding or deduction (which the Swap Counterparty is under no

obligation to do)), the Issuer, the Trustee or such Paying Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted.

(b) *No Payment of Additional Amounts*

Unless the Swap Counterparty elects to pay additional amounts to the Issuer that cover the amount of any such withholding or deduction (which the Swap Counterparty is under no obligation to do), none of the Issuer, the Trustee or any Paying Agent will be obliged to make any additional payments to holders of Notes, Coupons or Receipts in respect of such withholding or deduction as is referred to in Condition 9(a) (*Taxation - Payments Free of Tax*).

(c) *Taxing Jurisdiction*

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Issuer's jurisdiction of incorporation, references in these Conditions to the Issuer's jurisdiction shall be construed as references to the Issuer's jurisdiction of incorporation and/or such other jurisdiction.

(d) *Tax Deduction Not Note Event of Default*

If the Issuer, the Trustee or any Paying Agent is required to make a withholding or deduction as is referred to in Condition 9(a) (*Taxation - Payments Free of Tax*), this shall not constitute a Note Event of Default.

(e) *EU Savings Directive*

The Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax under European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

10. **Prescription**

(a) *Principal*

Notes and Receipts (which expression shall not in this Condition 10 (*Prescription*) include Talons) shall become void unless presented for payment within a period of ten (10) years from the relevant date in respect thereof.

(b) *Interest*

Coupons shall become void unless presented for payment within a period of five years from the relevant date in respect thereof.

(c) *Note, Coupon or Receipt*

After the date on which a Note, Coupon or a Receipt becomes void, no claim may be made in respect thereof.

(d) *Relevant Date*

For the purpose of this Condition 10 (*Prescription*), the "**relevant date**" in respect of a Note, Coupon or Receipt is the date on which a payment in respect thereof first becomes due or (if the full amount of the monies payable in respect of all the Notes, Coupons or Receipts due on or before the date has not been duly received by the Paying Agents or the Trustee on or prior to such date) the date on which notice that the full amount of such monies has not been received is duly given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

11. **Note Events of Default**

(a) *Note Events of Default*

Each and any of the following events shall be treated as a "**Note Event of Default**":

- (i) *Non-Payment*: default is made in the payment of any principal or interest in respect of any Class of Notes when due in accordance with these Conditions and such default continues for a period of five Note Business Days, or, if the Paying Agent notifies the Trustee in writing that any default in payment is solely as a result of technical problems in the interbank payment systems, ten Note Business Days;
- (ii) *Breach of Other Obligations*: default is made, which in the opinion of the Trustee is materially prejudicial to the interests of the Most Senior Class of Noteholders, by the Issuer in the performance or observance of any other obligation, Condition, provision, representation or warranty binding upon or made by it under the Notes or the Transaction Documents (other than any obligation whose breach would give rise to the Note Event of Default provided for in Condition 11(a)(i) (*Note Events of Default - Non-Payment*), and, except, where in the opinion of the Trustee, such default is not capable of remedy, such default continues for a period of 30 days (or such longer period as the Trustee may permit) after written notice by the Trustee to the Issuer requiring the same to be remedied;
- (iii) *Insolvency, etc*: (i) a receiver (*curator*), administrator (*bewindvoerder*) or liquidator or similar officer in respect of the Issuer or the whole or any part of the undertaking, assets or revenues of the Issuer is appointed (or application for any such appointment is made) or an encumbrancer shall take possession of the whole or any substantial part of the assets or revenues of the Issuer, (ii) proceedings are initiated against the Issuer under any applicable bankruptcy (*faillissement*), suspension of payments (*surséance van betaling*), liquidation, administration, insolvency, composition, reorganisation or other similar laws

and such proceedings are not, in the opinion of the Trustee, being disputed in good faith (each an "**Insolvency Proceeding**" and together the "**Insolvency Proceedings**"), (iii) the Issuer takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or is granted by a competent court a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it, or (iv) the Issuer ceases or threatens to cease to carry on all or any substantial part of its business except for the purposes of, or pursuant to, an amalgamation or reconstruction as is referred to in Condition 11(a)(v) (*Note Events of Default - Unlawfulness*) below;

- (iv) *Winding-up, etc.*: an order is made or an effective resolution is passed for the winding-up (*ontbinding*), liquidation or dissolution of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (v) *Unlawfulness*: it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Trust Documents provided that where such unlawfulness has not yet taken effect then there shall not be a Note Event of Default if such unlawfulness can be avoided by the substitution for the Issuer of a substitute issuer (a "**Substitute Issuer**") in accordance with the Trust Deed and such substitution is effected before such unlawfulness takes effect (but where such unlawfulness has taken effect, then there shall be a Note Event of Default if such substitution cannot be effected within a reasonable time before the next succeeding Note Payment Date) and provided further that it shall not be a Note Event of Default (1) if the relevant unlawfulness relates solely to the ability of the Issuer to make payments under the Notes and (2) the other provisions of the Trust Deed relating to substitutions have been fully complied with prior to the first date following such unlawfulness taking effect on which the Issuer is required under these Conditions to make any payment in respect of the Notes.

(b) *Delivery of Note Enforcement Notice*

If a Note Event of Default occurs and is continuing, the Trustee may at its discretion and shall:

- (i) if so requested in writing by the holders of at least 25 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes then outstanding; or
- (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding,

deliver a Note Enforcement Notice to the Issuer, with a copy to the Trustee, the Principal Paying Agent, the Issuer Account Bank, the Cash Administrator and the Cash Deposit Bank or the Repo Counterparty (as the case may be) and each of the Rating Agencies.

(c) *Conditions to Delivery of Note Enforcement Notice*

Notwithstanding Condition 11(b) (*Note Events of Default - Delivery of Note Enforcement Notice*), the Trustee:

- (i) shall not deliver a Note Enforcement Notice unless, in the case of the occurrence of any of the events mentioned in Condition 11(a)(ii) (*Note Events of Default - Breach of Other Obligations*), the Trustee shall have certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Most Senior Class of Noteholders; and
- (ii) shall not be obliged to deliver a Note Enforcement Notice unless it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

(d) *Consequences of Notes becoming Due and Payable and Delivery of Note Enforcement Notice*

Upon the delivery of a Note Enforcement Notice, all Classes of the Notes then outstanding shall, subject to Condition 7(h) (*Redemption of the Notes during the Extension Period*), become due and repayable on the day which is two Note Business Days following the delivery of such Note Enforcement Notice at their then Adjusted Principal Balance together with accrued interest as provided in the Trust Deed and the Security shall become enforceable by the Trustee in accordance with the Security Documents upon the giving of such Note Enforcement Notice.

12. **Enforcement**

Subject to the provisions of Condition 11 (*Note Events of Default*) and Condition 18 (*Non-petition and Limited Recourse*), the Trustee may, at any time after the delivery of a Note Enforcement Notice, at its discretion and without notice, institute such proceedings as it thinks fit to enforce the provisions of the Notes or the Trust Documents and the other Transaction Documents and at any time after delivery of a Note Enforcement Notice, the whole or any part of the Security shall become enforceable. The Trustee shall not be bound to take any such proceedings or steps to enforce the Security unless:

- (i) so requested in writing by the holders of at least 25 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes then outstanding; or
- (ii) so directed by an Extraordinary Resolution of the Noteholders of the Most Senior Class of Notes then outstanding.

and in any such case, only if it shall have been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

Enforcement of the Security shall be the only remedy available to the Trustee and the Noteholders for the repayment of the Notes and any interest on the Notes. No Noteholder shall be entitled to proceed directly against the Issuer or any other party to the Transaction Documents. The Trustee may not, while any of the Notes are outstanding, be required to enforce the Security at the request of any other Secured Party under the Trust Deed.

All monies received by the Issuer or the Trustee following a Note Event of Default, the delivery of a Note Enforcement Notice and the enforcement of the Security will be applied in accordance with the Post-Enforcement Priority of Payments.

13. **Meetings of Noteholders**

(a) *Convening*

The Trust Deed contains provisions for convening separate or combined meetings of the Noteholders of any Class or Classes to consider any matters relating to the Notes, including the sanctioning by Extraordinary Resolution of each relevant Class of Noteholders of a modification of the provisions of the Trust Deed, the Notes or these Conditions or the provisions of any of the other Transaction Documents. Meetings to vote on Extraordinary Resolutions may be convened on not less than 21 clear days' notice.

(b) *Request from Noteholders*

A meeting of Noteholders (or any Class thereof) may be convened by the Trustee or the Issuer at any time and must be convened by the Issuer upon the request in writing of Noteholders of a particular Class holding not less than 10 per cent. of the aggregate Adjusted Principal Balance of the outstanding Notes of that Class.

(c) *Quorum*

The Trust Deed provides that the quorum at any meeting convened to vote on:

- (i) a resolution, other than an Extraordinary Resolution at any meeting, will be two (2) or more persons present holding voting certificates or being proxies and holding or representing, in the aggregate, not less than one-tenth of the aggregate Adjusted Principal Balance of the Notes and shall form a quorum for the transaction of business and no business (other than choosing a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of the meeting;
- (ii) an Extraordinary Resolution, other than regarding a Basic Terms Modification, will be two (2) or more persons present holding voting certificates or being proxies and holding or representing not less than one-half

of the aggregate Adjusted Principal Balance of the Notes then outstanding or, at any adjourned meeting, two (2) or more persons being or representing the Noteholders, whatever the aggregate Adjusted Principal Balance of the Notes (or any Class thereof) then outstanding so held or represented; and

- (iii) an Extraordinary Resolution relating to a Basic Terms Modification (which must be proposed separately to each Class of Noteholders) will be two (2) or more persons present holding voting certificates, or being proxies, and holding or representing, in the aggregate, not less than three-quarters of the aggregate Adjusted Principal Balance of the Notes of such Class then outstanding or, at any adjourned meeting, one or more persons holding or representing in the aggregate not less than one-third of the Adjusted Principal Balance of the Notes of such Class then outstanding.

(d) *Relationship Between Classes*

- (i) No Extraordinary Resolution involving a Basic Terms Modification that is passed by the holders of one Class of Notes shall be effective unless it is sanctioned by an Extraordinary Resolution of the holders of each of the other Classes of Notes at separate Class meetings convened for that purpose (to the extent that there are Notes outstanding in each such other Class);
- (ii) No Extraordinary Resolution to approve any matter other than a Basic Terms Modification that is passed by the holders of any Class of Notes shall be effective unless (x) it is sanctioned by separate Extraordinary Resolutions of the holders of each of the More Senior Classes of Notes (to the extent that there are any) or (y) the Trustee considers that the respective interests of the holders of each of the More Senior Classes of Notes would not be materially prejudiced by the implementation of such Extraordinary Resolution;
- (iii) Any resolution passed at a meeting of the Noteholders (or any Class thereof) duly convened and held in accordance with the Trust Deed shall be binding upon all Noteholders (or, as the case may be, all Noteholders of such Class), whether or not present at such meeting and whether or not voting and upon all Couponholders and Receiptholders (or, as the case may be, all Couponholders and Receiptholders of such Class);
- (iv) Subject to paragraphs (i) and (ii) above, any resolution passed at a meeting of the holders of the Most Senior Class of Notes then outstanding which is duly convened and held as aforesaid shall also be binding upon the holders of all the other Classes of Notes and the holders of the Coupons and Receipts relating thereto; and
- (v) For the purposes of this Condition 13, the Class A1 Notes and the Class A2 Notes shall be treated as one Class other than in relation to any matters which only affect the Class A1 Notes or the Class A2 Notes (as the case may be).

(e) *Resolutions in Writing*

A Written Resolution shall take effect as if it were an Extraordinary Resolution.

14. **Modification, Waiver and Substitution**

(a) *Modification*

The Trustee may agree, without the consent or sanction of the Noteholders, the Couponholders, the Receipholders or any other Secured Parties at any time and from time to time, with the Issuer and any other relevant party to any of the Transaction Documents in making any modification to these Conditions, the Trust Documents (other than in the case of (i) below, in respect of a Basic Terms Modification), the Notes or the other Transaction Documents to which it is a party or over which it has security, or may give its consent to any event, matter or thing, if:

- (i) in its opinion, the interests of the holders of the Most Senior Class of Notes then outstanding would not be materially prejudiced thereby;
- (ii) it is required or permitted, subject to the satisfaction of specified conditions under the terms of these Conditions or the Transaction Documents provided such conditions are satisfied; or
- (iii) if in its opinion, it is required to correct a manifest error or an error which in the opinion of the Trustee, is proven or is of a formal, minor, administrative or technical nature or is necessary or desirable for the purposes of clarification.

(b) *Waiver*

In addition, subject to this Condition 14 (*Modification, Waiver and Substitution - Waiver*), the Trustee may, without the consent or sanction of the Noteholders, the Couponholders, the Receipholders or any other Secured Parties authorise or waive any proposed breach or breach of the covenants or provisions contained in the Trust Documents, the Notes or any of the other Transaction Documents (including a Note Event of Default) or determine that any such default shall not be treated as such if the Conditions in Condition 14(a) (*Modification, Waiver and Substitution - Modification*) are satisfied.

(c) *Restriction on Power to Waive*

The Trustee shall not exercise any powers conferred upon it by Condition 14(a) (*Modification, Waiver and Substitution - Modification*) or Condition 14(b) (*Modification, Waiver and Substitution - Waiver*) in contravention of any express direction by an Extraordinary Resolution of the holders of the Most Senior Class of Notes then outstanding or of a request or direction in writing made by the holders of not less than 25 per cent. in aggregate Adjusted Principal Balance of the Most Senior Class of Notes then outstanding but so that no such direction or request shall:

- (i) affect any authorisation, waiver or determination previously given or made; or
- (ii) authorise or waive any such proposed breach or breach relating to a Basic Terms Modification unless the holders of each class of Notes have authorised or waived such proposed breach or breach pursuant to an Extraordinary Resolution of the holders of such other class of Notes then outstanding.

(d) *Notification*

Unless the Trustee otherwise agrees, the Issuer shall cause any such authorisation, waiver, modification or determination to be notified to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*) and the other Secured Parties and the Transaction Documents, as soon as practicable after it has been made.

(e) *Binding Nature*

Any authorisation, waiver, determination or modification referred to in Condition 14(a) (*Modification, Waiver and Substitution - Modification*) or Condition 14(b) (*Modification, Waiver and Substitution - Waiver*) shall be binding on the Noteholders, the Couponholders, the Receiptholders and the other Secured Parties.

(f) *Substitution of Principal Debtor*

If any of the events listed in Condition 7(g) (*Redemption, Reduction, Reinstatement and Cancellation - Optional Redemption of the Notes in Whole for Tax Reasons*) is subsisting, the Trustee will agree, subject to such amendments of these Conditions and of any of the Transaction Documents and to such other Conditions as the Trustee (in the interest of the Noteholders) may require and subject to the terms of the Trust Deed, but without the consent of the Noteholders or the Couponholders or the Receiptholders, to the substitution of another body corporate in place of the Issuer as principal debtor under the Trust Deed and the Notes and in respect of the other Secured Liabilities, subject to the Notes being unconditionally and irrevocably guaranteed by the Issuer (unless all or substantially all of the assets of the Issuer are transferred to such body corporate) and to such body corporate being a single purpose vehicle and undertaking itself to be bound by provisions corresponding to those set out in Condition 5 (*Issuer Covenants*) and the covenants applying to the Issuer under the Trust Deed provided that it shall be satisfied that the interests of the Noteholders or the other Secured Parties shall not be materially prejudiced thereby and subject to the conditions set out in the Trust Deed.

15. **Trustee and Agents**

(a) *Trustee's Right to Indemnity*

Under the Transaction Documents, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed any Liabilities incurred by it in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the Issuer and the other Secured Parties without accounting for any profit.

(b) *Trustee Not Responsible for Loss or for Monitoring*

The Trustee will not be responsible for any loss, expense or Liability which may be suffered as a result of any assets comprised in the Security or any documents of title thereto being uninsured or inadequately insured. The Trustee shall not be responsible for monitoring the compliance of any of the other parties to the Transaction Documents with their obligations under the Transaction Documents.

(c) *Appointment and Removal of director of the Trustee*

The power of appointing a new director of the Trustee shall be vested in the board of directors of the Trustee, but the Trustee Management Agreement provides that no person shall be appointed who shall not previously have been approved by an Extraordinary Resolution of the Noteholders in accordance with the Trust Deed. Any appointment of a new director of the Trustee shall as soon as practicable thereafter be notified by the Issuer to the Paying Agents, the Rating Agencies and the Noteholders. The Noteholders shall together have the power, exercisable by Extraordinary Resolution to remove any director of the Trustee. Pursuant to the Trust Deed, the removal of any director of the Trustee shall not be effected unless there remains a director of the Trustee in office after such removal.

(d) *Paying Agents and Agent Bank Solely Agents of Issuer*

In acting under the Agency Agreement and in connection with the Notes, the Coupons and the Receipts, the Agents act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards, or relationship of agency or trust for or with, any of the Noteholders, the Couponholders or the Receiptholders.

(e) *Initial Paying Agents and Agent Bank*

The initial Paying Agents and the Agent Bank and their initial Specified Offices are listed below. The Issuer reserves the right (subject to the prior written approval of the Trustee) to vary or terminate the appointment of any Paying Agent or Agent Bank and to appoint a successor principal paying agent or agent bank and additional or successor paying agents at any time, having given not less than 30 days' notice to such Paying Agent or the Agent Bank (as the case may be).

(f) *Maintenance of Agents*

The Issuer will at all times maintain a Paying Agent with a Specified Office in Ireland (so long as the Notes are listed on the Irish Stock Exchange) and a Paying Agent in The Netherlands or a Paying Agent with Specified Offices in Ireland and The Netherlands, respectively, a principal paying agent and an agent bank.

The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 17 (*Notices to Noteholders*).

16. **Replacement of Notes, Coupons, Receipts and Talons**

If any Note, Coupon, Receipt or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, subject to all applicable laws and Stock Exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons, Receipts or Talons must be surrendered before replacements will be issued.

17. **Notices to Noteholders**

(a) *Valid Notices and Date of Publication*

Notices to Noteholders will be deemed to be validly given if published in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times* or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe) and, if the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require, a leading newspaper having general circulation in Dublin (which is expected to be the *Irish Times*). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed. 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.

Until such time as any Definitive Notes are issued, there may, so long as Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands, be substituted for publication in such newspaper(s) as are mentioned above the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or with Euroclear Netherlands for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice will be deemed to have been given on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or Euroclear Netherlands or, if publication in any newspaper is required on the date of the first publication in all required newspapers.

(b) *Other Methods*

The Trustee may approve some other method of giving notice to the Noteholders if, in its opinion, that other method is reasonable having regard to market practice then prevailing and to the requirements of any Stock Exchange on which Notes are then listed and provided that notice of that other method is given to the Noteholders in the manner required by the Trustee.

(c) *Couponholders and Receiptholders Deemed to Have Notice*

Couponholders and Receiptholders shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders. 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 in the manner referred to above.

(d) *Notices to Irish Stock Exchange and Rating Agencies*

A copy of each notice given in accordance with this Condition 17 (*Notices to Noteholders*) shall be provided to the Rating Agencies and the Irish Stock Exchange for so long as the Notes are listed on the Irish Stock Exchange and the rules of the Irish Stock Exchange so require.

18. Non-petition and Limited Recourse

(a) Each of the Noteholders by purchasing or subscribing for the Notes agrees with the Issuer that notwithstanding any other provision of the Transaction Documents, all obligations of the Issuer to the Noteholders, including, without limitation, its obligations under the Notes and the Transaction Documents, are limited in recourse as set out below:

- (i) it will have a right of recourse (*verhaalsrecht*) only in respect of the Secured Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital;
- (ii) sums payable to each Noteholder in respect of the Issuer's obligations to such Noteholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Noteholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the Trustee in respect of the Secured Property whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable by the Issuer in accordance with the Pre-Enforcement Available Income Funds Priority of Payments, the Pre-Enforcement Available Redemption Funds Priority of Payments and the Post-Enforcement Priority of Payments in priority to or *pari passu* with sums payable to such Noteholder; and

- (iii) upon the Trustee giving written notice to the Noteholders that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Secured Property (whether arising from an enforcement of the Security or otherwise) which would be available to pay amounts outstanding under the Transaction Documents and the Notes, the Noteholders shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.
- (b) Subject to Condition 12 (*Enforcement*), none of the Noteholders or the parties to the Transaction Documents shall be entitled to petition or take any corporate action or other steps or legal proceedings for the winding-up, dissolution, court protection, examinership, reorganisation, liquidation, bankruptcy or insolvency of the Issuer or for the appointment of a receiver, administrator, receiver, or manager, administrative receiver, trustee, liquidator, examiner, sequestrator or similar officer in respect of the Issuer or any of its revenues or assets for so long as the Notes are outstanding or for two years and a day after all sums outstanding and owing in respect of the Notes have been paid in full, provided that the Trustee may prove or lodge a claim in liquidation of the Issuer initiated by another party and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer under the Trust Deed.
- (c) None of the parties to the Transaction Documents shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Trust Deed or any other Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.).

20. **Governing Law**

The Trust Deed, the Credit Default Swap, the Agency Agreement and the Notes will be governed by English law. The other Transaction Documents to be executed on the Closing Date will be governed by Dutch law.

TAXATION IN THE NETHERLANDS

The comments below are of a general nature based on taxation law and practice in The Netherlands as at the date of this Prospectus and are subject to any changes therein. They relate only to the position of persons who are absolute beneficial owners of the Notes. The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and so should be treated with appropriate caution. In particular, it does not take into consideration any tax implications that may arise on a substitution of the Issuer. Prospective investors should consult their own professional advisors concerning the possible tax consequences of purchasing, holding and/or selling Notes and receiving payments of interest, principal and/or other amounts under the Notes under the applicable laws of their country of citizenship, residence or domicile.

1. **Withholding Tax**

All payments of interest and principal by the Issuer under the Notes can be made free of withholding or deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld, or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

2. **Taxes On Income And Capital Gains**

A holder of a Note who derives income from a Note or who realises a gain on the disposal or redemption of a Note will not be subject to Dutch taxation on such income or capital gain, unless:

- (a) the holder is, or is deemed to be, resident in The Netherlands, or, where the holder is an individual, such holder has elected to be treated as a resident of The Netherlands; or
- (b) such income or gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (c) the holder is an individual and such income or gain qualifies as income from activities that exceed normal active portfolio management in The Netherlands.

3. **Gift, Estate Or Inheritance Taxes**

Dutch gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder unless:

- (a) the holder is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or

- (b) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (c) such Note is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment or a permanent representative in The Netherlands.

4. **Value Added Tax**

There is no Dutch value added tax payable in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of a Note, provided that Dutch value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Dutch value added tax purposes such services are rendered, or are deemed to be rendered, in The Netherlands and an exemption from Dutch value added tax does not apply with respect to such services.

5. **Other Taxes And Duties**

There is no Dutch registration tax, stamp duty or any other similar tax or duty payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgement in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes.

6. **Residence**

A holder of a Note will not be treated as a resident of The Netherlands by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

SUBSCRIPTION AND SALE

The Managers have, under a subscription agreement dated 19 December 2005 (the "**Subscription Agreement**") between the Managers and the Issuer, agreed with the Issuer to subscribe, or to procure subscriptions, for the Class A1 Notes at the issue price of 100 per cent. of their initial principal amount, the Class A2 Notes at the issue price of 100 per cent. of their initial principal amount, the Class B Notes at the issue price of 100 per cent. of their initial principal amount, the Class C Notes at the issue price of 100 per cent. of their initial principal amount, the Class D Notes at the issue price of 100 per cent. of their initial principal amount and the Class E Notes at the issue price of 100 per cent. of their initial principal amount, subject to certain conditions contained therein.

The Issuer has agreed to indemnify the Managers against certain liabilities incurred in connection with the offer and sale of the Notes.

The Subscription Agreement is subject to a number of conditions and may be terminated by the Lead Managers in certain circumstances prior to payment for the Notes to the Issuer.

Attention is also drawn to the information set out on the inside cover of this Prospectus.

United Kingdom

The Managers have represented to and agreed with the Issuer, amongst other things, that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

The United States of America

The Managers have represented to and agreed with the Issuer, amongst other things, that it has not offered or sold, and will not offer or sell, the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes and the Closing Date, except in accordance with Rule 903 of Regulation S under the Securities Act and, accordingly, that:

- (a) neither it nor any of its affiliates (including any person acting on its behalf or any of its affiliates) have engaged or will engage in any directed selling efforts with respect to the Notes; and
- (b) it and its affiliates have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

The Managers have also undertaken that, at or prior to confirmation of sale, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration which purchases Notes from it during the restricted period a confirmation or notice in substantially the following form:

"The Securities covered hereby have not been registered under the United States Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

In addition, the Managers have represented and agreed with the Issuer that:

- (a) except to the extent permitted under United States Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period that it will not offer or sell, any Notes to a person who is within the United States or its possessions or to a US person, and (ii) it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes that are sold during the restricted period;
- (b) it has, and throughout the restricted period it will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a US person, except as permitted by the D Rules; and
- (c) with respect to each affiliate which acquires Notes from it for the purpose of offering or selling such Notes during the restricted period, it has either (i) repeated and confirmed the representations and agreements contained in paragraphs (a) and (b) on its own behalf or (ii) agreed that it will obtain from such affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a) and (b).

Terms used in this section have the meanings given to them by the Securities Act and Regulation S and by the United States Internal Revenue Code 1986, as amended, and regulations thereunder, including the D Rules.

The Netherlands

Each Manager has represented to and agreed with the Issuer that all Notes (including rights representing an interest in a Global Note) shall be offered in accordance with the following conditions:

- (a) such Notes shall upon the Closing Date have a denomination of at least EUR 100,000 (or the equivalent in other currency);
- (b) either the Issuer is not reasonably able to identify the holders of the Notes on the Closing Date (other than the Managers) or, to the extent that Notes are issued directly

to such holders or issued in circumstances where the Issuer is reasonably aware of their identity on or prior to the Closing Date (as will be the case for the Managers), such holders must qualify as PMPs and be verified as such by the Issuer on or prior to the Closing Date in accordance with the Dutch Central Bank's 2005 policy rules pursuant to the Dutch Banking Act Exemption Regulation (*Beleidsregel 2005 kernbegrippen markttoetreding en handhaving Wtk 1992*); and

- (c) all Notes are held at the time of issuance through a clearing system that is established in a Member State of the European Economic Area, the United States, Japan, Australia, Canada or Switzerland, in which securities can only be held through a licensed bank or securities firm or directly by a member of such clearing system qualifying as a PMP.

The Republic of Ireland

The Managers have represented to and agreed with the Issuer that it will not underwrite or place the Notes in or involving Ireland otherwise than in conformity with the provisions of the Investment Intermediaries Act, 1995 of Ireland, as amended, including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and the codes of conduct made under Section 37 thereof or, in the case of a credit institution exercising its rights under the Banking Consolidation Directive (2000/12/EC of 20 March, 2000) in conformity with the codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989, of Ireland, as amended.

General

Except for listing the Notes on the Official List of the Irish Stock Exchange, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Managers have undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.

GENERAL INFORMATION

1. All authorisations, consents and approvals to be obtained by the Issuer for, or in connection with, the creation and issue of the Notes, the performance by the Issuer of the obligations expressed to be undertaken by it and the distribution of this Prospectus have been obtained and are in full force and effect. The issue of the Notes has been authorised by a resolution of the Board of Managing Directors of the Issuer passed on 16 December 2005.
2. Application has been made to list the Notes on the Official List of the Irish Stock Exchange by the Issuer, through the Listing Agent, Arthur Cox Listing Services Limited (the "**Irish Listing Agent**"). The Irish Listing Agent is not seeking admission to listing on the Irish Stock Exchange for the purposes of the Prospectus Directive.
3. The Notes have been accepted for clearance through Clearstream, Luxembourg, Euroclear and, in respect of the Class A2 Notes only, Euroclear Netherlands as follows:

Class of Notes	Common Code	ISIN
Class A1 Notes	23892022	XS0238920226
Class A2 Notes	023918803	NL0000081552
Class B Notes	23892049	XS0238920499
Class C Notes	23892065	XS0238920655
Class D Notes	23892103	XS0238921034
Class E Notes	23892138	XS0238921380

4. The Issuer is not involved, nor has been involved, in any legal, governmental or arbitration proceedings which may have, or have had, since the date of its incorporation, a significant effect on its financial position, nor is the Issuer aware that any such proceedings are pending or threatened.
5. Save as disclosed in this Prospectus, since 7 December 2005 (being the date of incorporation of the Issuer), the Issuer has not:
 - (a) commenced operations;
 - (b) made up annual financial accounts as at the date of this Prospectus; or
 - (c) entered into any contracts or arrangements not being in its ordinary course of business.
6. Save as disclosed in this Prospectus, since 7 December 2005 (being the date of incorporation of the Issuer), there has been no material adverse change in the financial position or prospects and no significant change in the financial or trading position of the Issuer.
7. For so long as the Notes are admitted to listing on the Official List of the Irish Stock Exchange, the most recently published Reference Portfolio Schedule will be available

at the Specified Office of the Irish Paying Agent and at the Issuer's registered office free of charge.

8. In connection with the application to list the Notes on the Official List of the Irish Stock Exchange, copies of the Articles of Association of the Issuer and a legal notice relating to the issue of the Notes will be filed with the Register of Companies in Ireland where such documents may be examined and copies obtained upon request. It is expected that the Notes which are to be admitted to the Official List of the Irish Stock Exchange will be admitted, when issued, subject only to the issue of the Global Notes.
9. For so long as the Notes are listed on the Official List of the Irish Stock Exchange and the rules of the Irish Stock Exchange so require, copies of the following documents and this Prospectus may be inspected (in either physical or electronic format) (and, in the case of the documents listed in items (d)(i) to (xv) (inclusive), may be obtained free of charge) during usual business hours on any week day (excluding Saturdays, Sundays and public holidays) at the Specified Offices of the Irish Paying Agent and at the registered office of the Issuer from the date of this Prospectus:
 - (a) the Articles of Association of the Issuer;
 - (b) the latest annual financial reports of the Issuer (which will be prepared in accordance with statutory requirements) will be available on or about 31 December in each year in respect of the preceding financial year (the first such report, in respect of the period from the date of the Issuer's incorporation to 31 December 2006 being available on or about 1 June 2007). No interim financial reports will be produced by the Issuer;
 - (c) prior to the Closing Date, drafts (subject to modification) and, after the Closing Date, copies of the following documents:
 - (i) the Notes and the Conditions appended thereto;
 - (ii) the Trust Deed;
 - (iii) the Rights Pledge;
 - (iv) the Agency Agreement;
 - (v) the Accounts Pledge;
 - (vi) the Cash Administration Agreement;
 - (vii) the Securities Pledge (if any);
 - (viii) the Credit Default Swap;
 - (ix) the Repo Agreement (if any);
 - (x) the Cash Deposit Agreement;
 - (xi) the Issuer Account Agreement;

- (xii) the Custody Agreement (if any);
- (xiii) the Belgian Pledge Agreement (if any);
- (xiv) the Luxembourg Pledge Agreement (if any);
- (xv) the Issuer Management Agreement;
- (xvi) the Holding Management Agreement;
- (xvii) the Trustee Management Agreement; and
- (xviii) the Letter of Undertaking.

INDEX OF DEFINED TERMS

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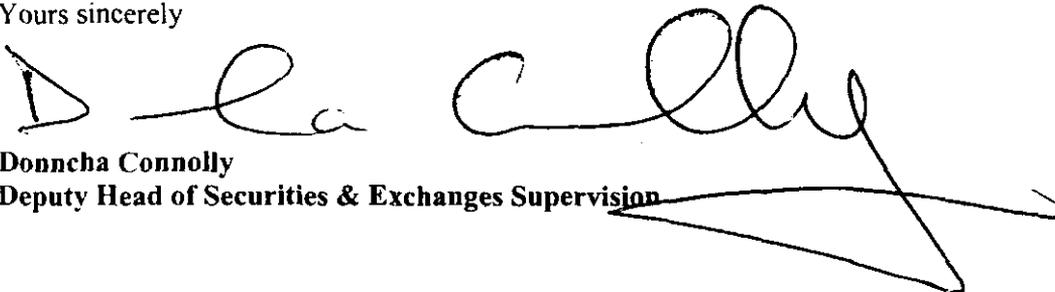
- €4,280,000,000 Class A1 Asset-Backed Credit Linked Notes due 2015
- €2,000,000,000 Class A2 Asset-Backed Credit Linked Notes due 2015
- €135,000,000 Class B Asset-Backed Credit Linked Notes due 2015
- €100,000,000 Class C Asset-Backed Credit Linked Notes due 2015
- €100,000,000 Class D Asset-Backed Credit Linked Notes due 2015
- €135,000,000 Class E Asset-Backed Credit Linked Notes due 2015

Dear Ms Farrelly

The Irish Financial Services Regulatory Authority (Financial Regulator) hereby approves the above Prospectus under Part 7 of the Prospectus (Directive 2003/71/EC) Regulations, 2005 (the Regulation) as having been drawn up in accordance with the Regulation and Commission Regulation No. 809/2004/EC.

The above Prospectus will be published in accordance with Part 8 of the Regulation on the website of the Financial Regulator. In accordance with Regulation 48 of the Regulation, where the above Prospectus is otherwise published, the text and format must at all times be identical to the original version approved by the Financial Regulator and published on its website.

Yours sincerely



Donncha Connolly
Deputy Head of Securities & Exchanges Supervision