

(TRANSLATION)

Annex

CONDITIONS OF BONDS

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

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

- (1) The aggregate principal amount of the Bonds is ¥7,800,000,000.
- (2) The Bonds will be issued on 22 May 2014 (the "**Issue Date**").
- (3) The amount of each of the Bonds shall be ¥100,000,000.
- (4) The Law Concerning Book-Entry Transfer of Corporate Bonds, Stocks, Etc. of Japan (Law No. 75, 2001, as amended) (the "**Book-Entry Transfer Law**") shall apply to the Bonds and the transfer of and other matters relating to the Bonds shall be dealt with in accordance with the Book-Entry Transfer Law and the business regulations and other rules relating to book-entry transfer of corporate bonds, etc. (collectively, the "**Business Rules**") adopted from time to time by the Book-Entry Transfer Institution (as defined in Condition 5).

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

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

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

2 **Status of the Bonds**

The Bonds constitute unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference among themselves (save for certain mandatory exceptions provided by law). The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable

law and subject to Condition 3, at all times rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

3 Negative Pledge

So long as any of the Bonds remain outstanding, the Issuer undertakes not to secure any of its other indebtedness, whether present or future, which is both (i) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (ii) not Domestic Indebtedness (as defined below).

"Domestic Indebtedness" means the indebtedness as referred to under (i) above of the Issuer which is denominated or payable (at the option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside the Netherlands.

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

- (1) Sumitomo Mitsui Banking Corporation acts as fiscal agent, issuing agent and paying agent (the **"Fiscal Agent"**, unless the context otherwise requires, the term **"Fiscal Agent"** means an agent acting in all these capacities) of the Issuer in connection with the Bonds. The Fiscal Agent shall perform the duties and functions provided for in these Conditions of Bonds, the Fiscal Agency Agreement (the **"Fiscal Agency Agreement"**) dated 15 May 2014 between the Issuer and the Fiscal Agent, and the Business Rules. The Fiscal Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the Bondholders. A copy of the Fiscal Agency Agreement, to which these Conditions of Bonds are attached, shall be kept at the head office of the Fiscal Agent up to the expiry of one year after the redemption date and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.
- (2) No commissioned companies for bondholders are appointed in respect of the Bonds.
- (3) The Issuer may vary the appointment of the Fiscal Agent; provided that the appointment of the Fiscal Agent shall continue until a replacement Fiscal Agent (provided that such replacement Fiscal Agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) shall be effectively appointed. In such case the Issuer shall give prior public notice thereof to the Bondholders.
- (4) The Issuer shall, without delay, appoint a replacement Fiscal Agent (provided that such replacement Fiscal Agent shall be qualified to act as both issuing agent and paying agent pursuant to the Business Rules) and give public notice to that effect to the Bondholders if the Book-Entry Transfer Institution notifies the Issuer that the Fiscal Agent will be disqualified from acting as a designated issuing agent or paying agent.

5 Book-Entry Transfer Institution

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

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

6 Interest

The Bonds bear interest at the rate of 0.953% per annum of their principal amount.

The Bonds bear interest from and including 23 May 2014 to and including 22 May 2024 (subject to the third paragraph of this Condition 6), payable in Japanese Yen semi-annually in arrears on 22 May and 22 November of each year in respect of the six-month period to and including each such date. Whenever it is necessary to compute an amount of interest for a period of other than six-month, such interest shall be calculated for the actual number of calendar days of the period from (and including) the first day of that period to (and including) the last day of that period on the basis of a 365-day year.

The Bonds shall cease to bear interest from but excluding the date on which they become due for redemption at maturity or otherwise; provided, however, that should the Issuer fail to redeem any of the Bonds when due, then the Issuer shall pay accrued interest on the unpaid principal amount in Japanese Yen for the actual number of days of the period from but excluding the due date to and including the date of the actual redemption of such Bonds, computed on the basis of a 365-day year at the rate specified in the first paragraph of this Condition 6. Such period, however, shall not exceed the date on which the Fiscal Agent (acting in its capacity of paying agent under the Business Rules) allocates the necessary funds for the full redemption of the Bonds received by it among the relevant participants which have opened their accounts to make book-entry transfer of the Bonds at the Book-Entry Transfer Institution (*kiko kanyusha*) (the "**Institution Participants**"); provided that if such overdue allocation is not permitted under the Business Rules, such period shall not exceed the 14th day counting from the date on which the last public notice is given by the Fiscal Agent in accordance with Condition 8(3).

7 Redemption and Purchase

(1) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in Condition 7(2) or (3), each Bond shall be finally redeemed on 22 May 2024 at a price equal to its principal amount.

(2) Redemption for Tax Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving notice to the Fiscal Agent and public notice to the Bondholders (which notice and public notice shall be given no less than 30 nor more than 45 days prior to the proposed redemption date and irrevocable), at their principal amount, together with any interest accrued to (and including) the date of redemption, if (i) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 9) as a result of any change in, or

amendment to, the laws or regulations of the Netherlands or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such public notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Bonds then due.

If the Issuer would be obliged to pay such Additional Amounts, but any law or regulation of the Netherlands or any political subdivision or any authority thereof or therein having power to tax prohibits the Issuer from paying such Additional Amounts in full, then the Issuer shall redeem all (but not less than all) of the Bonds then outstanding at a price equal to its principal amount together with accrued interest (but subject to such law or regulation), as soon as practicable, but in no event later than 40 days after the later of (i) the date of the occurrence of the events giving rise to the obligations of the Issuer to pay such Additional Amounts or (ii) the date on which such law or regulation becomes effective.

Prior to any public notice of redemption pursuant to this Condition 7(2), the Issuer shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer stating that the Issuer is entitled or obliged to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right or obligation of the Issuer so to redeem have occurred, and a written opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment and that (in case of the Issuer being obligated to redeem) the Issuer is prohibited by such law or regulation from paying the same.

The certificate and the opinion given under this Condition 7(2) shall be kept at the head office of the Fiscal Agent promptly after it receives them up to the expiry of one year after the redemption date, and shall be made available for perusal or photocopying by any Bondholder during normal business hours. All expenses incurred for such photocopying shall be borne by the applicant therefor.

All expenses necessary for the procedures under this Condition 7(2) shall be borne by the Issuer.

(3) Purchase and Cancellation

The Issuer may at any time in any manner purchase the Bonds at any price in the open market or otherwise and may at its option cancel or cause to be cancelled them so purchased except otherwise provided for by applicable laws and in the Business Rules.

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

8 Payment

(1) Payment of principal of and interest on the Bonds shall be made by the Fiscal Agent (acting in its capacity as paying agent under the Business Rules) to the Bondholders, directly in case when such Bondholders are the Institution Participants, and in other case through the relevant account management institution (*kouza kanri kikan*) (the "**Account Management Institution**") with which the relevant Bondholder has opened its account to have the relevant Bond recorded in accordance with the Book-Entry Transfer Law and the Business Rules.

- (2) If any due date for payment of principal of or interest on the Bonds falls on a day which is not a day on which banks are open for business in Tokyo, Japan (the "**Business Day**"), the Bondholders shall not be entitled to payment of the amount due until the next following Business Day and shall not be entitled to the payment of any further interest or other payment in respect of such delay.
- (3) If the full amount of principal of or interest on the Bonds payable on any due date is received by the Fiscal Agent (acting in its capacity as paying agent under the Business Rules) after such due date, the Fiscal Agent shall give public notice to the Bondholders of receipt of such amount and method and date for the payment as soon as practicable but not later than 14 days after receipt of such amount by the Fiscal Agent (acting in its capacity as such paying agent). If at the time when the Fiscal Agent (acting in its capacity as such paying agent) receives such amounts either of the method or the date for such payment (or both) is not determinable, the Fiscal Agent shall give public notice of receipt of such amount and of the method and/or date for such payment to the extent the same has been determined, and give at a later date public notice to the Bondholders of the method and/or the date for such payment promptly upon determination thereof. All expenses incurred in connection with the said public notice shall be borne by the Issuer.

9 Taxation

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

All references in these Conditions of Bonds to the principal of or interest on the Bonds shall be deemed also to refer to any Additional Amounts in respect thereof which may be payable under this Condition 9.

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

10 Events of Default

If any of the following events (each an "**Event of Default**") occurs, each Bondholder may by giving written notice together with the Certificate (as defined below) to the Fiscal Agent at its head office on behalf of the Issuer declare the Bonds held by such Bondholder to be forthwith due and payable, whereupon the principal of the Bonds held by such Bondholder together with accrued interest to the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer or the Fiscal Agent:

- (a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Bonds; or
- (b) the Issuer fails to perform or observe any of its other obligations under the Bonds, and such failure continues for the period of 60 days after the date on which written notice of such failure, requiring the Issuer to remedy the same, shall first have been given to the Fiscal Agent on behalf of the Issuer by any Bondholder, provided that such Bondholders shall have presented to the Fiscal Agent the certificates (the "**Certificates**") issued by the Book-Entry Transfer Institution or the relevant Account Management Institution, certifying holding of the relevant Bonds; or
- (c) the Issuer fails in the due repayment of borrowed money which exceeds euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer, provided that in each case no Event of Default shall be deemed to have occurred if the Issuer shall contest its liability in good faith or shall have been ordered not to make such payment by a competent court; or
- (d) the Issuer becomes bankrupt, an administrator is appointed, or an order is made or an effective resolution is passed for the winding-up, liquidation or administration of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a Bondholders' meeting) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (e) the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (f) the Issuer shall cease to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a Bondholders' meeting).

If an Event of Default with respect to the Bonds, or an event which, with the passing of time or the giving of the notice, or both, would be an Event of Default with respect to the Bonds, shall occur and be continuing, the Issuer shall no later than the following Business Day after it becomes aware thereof notify the Fiscal Agent in writing, and give public notice to the Bondholders, of such Event of Default with respect to the Bonds or event.

All expenses necessary for the procedure under this Condition 10 shall be borne by the Issuer.

11 Bondholders' Meetings

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

days prior to the proposed date of the meeting to the Fiscal Agent; provided, however, that any modification of these Conditions of Bonds shall require consent of the Issuer except for waiver of rights of the Bondholders under the Bonds.

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

- (2) The Bondholders may exercise their vote by themselves at the relevant Bondholders' meeting, by proxy, or in writing or (in the event the Issuer permits the exercise of the voting rights by electronic method) by an electronic method pursuant to the rules established by the Issuer or the Fiscal Agent on behalf of the Issuer. At any Bondholders' meeting, each Bondholder shall have voting rights in proportion to the principal amount of the Bonds for the time being outstanding held by such Bondholder; provided, however, that the Certificates shall have been presented to the Fiscal Agent at its head office, at least 7 days prior to the date set for such meeting and shall be presented to the Issuer or the Fiscal Agent at such meeting, on the date thereof; and, provided, further, that the Bondholder shall not make an application for book-entry transfer or an application for obliteration of the Bonds unless such Bondholder returns the Certificate so issued to the Book-Entry Transfer Institution or the relevant Account Management Institution which issued the Certificate. The Issuer may have its representative attend such meeting and express its opinion thereat.
- (3) Resolutions at such Bondholders' meeting shall be passed by a majority vote of the aggregate amount of voting rights held by the Bondholders who are entitled to exercise their voting rights (the "**Voting Rights Holders**") and present at such meeting; provided, however, that an Extraordinary Resolution (as defined below) is required with respect to the following items:
 - (a) giving a grace of payment, an exemption from liabilities resulting from a default, or settlement, to be effected with respect to all the Bonds (other than the matters referred to in (b) below);
 - (b) a procedural act to be made with respect to all the Bonds, or all acts pertaining to bankruptcy, corporate reorganisation or similar proceedings;
 - (c) the election or dismissal of representative(s) of the Bondholders who may be appointed and authorised by resolution of a Bondholders' meeting to make decisions on matters to be resolved at a Bondholders' meeting (provided each of such representative(s) must hold one-thousandth (1/1,000) or more of the aggregate principal amount of the Bonds (for the time being outstanding)) (the "**Representative(s) of the Bondholders**") or an executor (the "**Executor**") who may be appointed and authorised by resolution of a Bondholders' meeting so as to execute the resolutions of the Bondholders' meeting, or the change in any matters entrusted to them; and
 - (d) the alteration of any provisions concerning the majority required to pass an Extraordinary Resolution or the items with respect to which an Extraordinary Resolution is required.

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

thirds (2/3) or more of the aggregate amount of the voting rights held by the Voting Rights Holders present at such meeting.

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

- (4) The resolution passed pursuant to Condition 11(3) shall be binding on all the Bondholders whether present or not at such Bondholders' meeting to the extent permitted by the applicable Japanese law, and shall be carried out by the Representative(s) of the Bondholders or the Executor.
- (5) For the purpose of this Condition 11, the Bonds then held by the Issuer or any of its subsidiaries shall be disregarded and deemed not to be outstanding.
- (6) The Bondholders' meetings shall be held in Tokyo, Japan.
- (7) All expenses necessary for the procedures under this Condition 11 shall be borne by the Issuer.

12 Registration Book

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

13 Prescription

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

14 Public Notices

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

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

15 Currency Indemnity

In the event of a judgment or order being rendered or issued by any court for the payment of the principal of or interest on the Bonds or any other amount payable in respect of the Bonds, and such judgment or order being expressed in a currency other than Japanese Yen, any amount received or recovered in such currency by any Bondholder in respect of such judgment or order shall only constitute a discharge to the Issuer to the extent of the amount received or recovered by such Bondholder in Japanese Yen and the Issuer

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

16 Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with the laws of Japan.

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

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

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

The Issuer agrees to take, from time to time and so long as any of the Bonds shall remain outstanding, any and all action (including the execution and filing of any and all documents and instruments) that may be necessary to effect and to continue such designation in full force and effect. If at any time such person shall not, for any reason, serve as such authorised person, the Issuer shall immediately designate, and it undertakes to take any and all action that may be necessary to effect the designation of, a successor authorised person in Tokyo, Japan. The Issuer shall promptly notify the Fiscal Agent of the designation of such successor person and give a public notice thereof to the Bondholders.

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