SUPPLEMENT DATED 30 AUGUST 2011 TO THE PROSPECTUS DATED 4 AUGUST 2011

PALLADIUM SECURITIES 1 S.A.

(a public limited liability company (société anonyme)

incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 2, boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Luxembourg trade and companies register under number B.103.036 and subject as a regulated securitisation undertaking to the Luxembourg act dated 22 March 2004 on securitisation, as amended)

(acting in respect of Compartment 64-2011-06)

Up to EUR 100,000,000 Series 64 Range Accrual Notes due 31 March 2016 (ISIN: XS0654087831) linked to the EUR 1,250,000,000 Series 4 Fixed Rate *obbligazioni bancarie garantite* due March 2016 (ISIN: IT0004701568) issued by Banco Popolare - Società Cooperativa

to be issued under the Programme for the Issuance of Debt Instruments and Beneficiary Shares of Palladium Securities 1 S.A. (the "**Programme**")

This supplement (the "**Supplement**") is dated 30 August 2011 and should be read in conjunction with the Prospectus dated 4 August 2011 (the "**Prospectus**") in respect of the up to EUR 100,000,000 Series 64 Range Accrual Notes due 31 March 2016 (ISIN: XS0654087831) linked to the EUR 1,250,000,000 Series 4 Fixed Rate *obbligazioni bancarie garantite* due March 2016 (ISIN: IT0004701568) issued by Banco Popolare - Società Cooperativa (the "**Notes**") of Palladium Securities 1 S.A. (the "**Issuer**"). This Supplement constitutes a supplement to the Prospectus for the purposes of article 13 of the Luxembourg law of 10 July 2005 on prospectuses for securities (the "**Prospectus Act 2005**") and Article 16 of Directive 2003/71/EC. Terms defined in the Prospectus have the same meaning in this Supplement. Any information not updated or amended herein should be regarded as unchanged.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Further to its public offer of the Notes, the Issuer gives notice that :

(a) as a result of the entry into force of the new Italian Law Decree No. 138 of 13 August 2011 passed to introduce certain austerity measures in response to the European debt crisis, there will be major changes in the Italian tax regime in relation to incomes from financial investments, the main changes with respect to the Notes being that:

  (i) payments of interest and other proceeds to Noteholders resident in Italy accruing after 1 January 2012 in respect of the Notes will be subject to a substitute tax (*imposta sostitutiva*) at the rate of 20% (rather than 12.5%) in the Republic of Italy depending on the circumstances of the relevant Noteholder; and

  (ii) any capital gain realised after 1 January 2012 by Noteholders resident in Italy from the sale or redemption of Notes would be subject to an *imposta sostitutiva*, levied at the rate of 20% (rather than 12.5%) in the Republic of Italy depending on the circumstances of the relevant Noteholder.

(b) certain other changes with respect to the Notes are made as further described in the Annex to this Supplement; and

(c) as a result of (a) and (b) above with effect on and from 30 August 2011, the Prospectus will be amended as set out in the Annex to this Supplement.

Save as disclosed in the Prospectus and this Supplement, there has been no material adverse change in the financial position or prospects of the Issuer since its date of incorporation.

In accordance with Article 13 paragraph 2 of the Prospectus Act 2005, any investor who has agreed to purchase or subscribe for the Notes prior to the date of publication of this Supplement has the right, exercisable before the end of the period of two working days after the date of publication of this Supplement, to withdraw their acceptance.

This Supplement will be available on the Luxembourg Stock Exchange website (www.bourse.lu) and the following website: www.it.investmentprodukte.db.com.

ANNEX

The Prospectus is amended as follows:

1. In Section 1.1 (Summary of Risk Factors) of the Summary (page 6 of the Prospectus), the first paragraph of the risk factor which appears under the heading "*Risks in connection with the Interest Rate, the Collateral and the Hedging Agreement*" is amended and restated as follows:

   "During the period from and including the Issue Date to but excluding the Scheduled Maturity Date (the **Floating Rate Period**), the Notes pay interest at a rate determined by reference to how often during the relevant Interest Period the 3 month EURIBOR® rate is greater than or equal to 1.00 per cent. per annum and less than or equal to 4.50 per cent. per annum. During the period from and including the Scheduled Maturity Date to and including the Postponed Maturity Date (the **Pass-through Period**), the Notes pay interest in an amount equal to the amount of interest received by the Issuer in respect of the Collateral from time to time. Floating interest rates (such as the 3-month EURIBOR® rate) are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. The value of the Notes, on any day, is related to market levels of interest rates applicable to deposits denominated in Euros at such time. Fluctuations in short term and/or long term interest rates may affect the value of the Notes."

2. Section 1.2 (Summary of the Principal Terms of the Offer) of the Summary (beginning on page 7 of the Prospectus) is amended as follows:

2.1 Item entitled "Series Assets" (pages 7 and 8 of the Prospectus) is amended and restated as follows:

"**Series Assets:**	(i) the EUR 1,250,000,000 Series 4 Fixed Rate *obbligazioni bancarie garantite* due March 2016 (ISIN: IT0004701568) issued by Banco Popolare - Società in an aggregate principal amount equal to the Aggregate Nominal Amount of Notes as of the Issue Date (such aggregate principal amount will be specified in the Series Instrument) (the **Collateral**), where Banco Popolare - Società Cooperativa is the **Collateral Issuer**; (ii) the Issuer's rights under the interest rate swap with Deutsche Bank AG, acting through its London Branch as counterparty (the **Hedging Counterparty**), pursuant to which: (a) on the Issue Date, the Issuer will pay the proceeds of the issuance of the Notes to the Hedging Counterparty in exchange for delivery of the Collateral; and (b) the Issuer is obliged to pay to the Hedging Counterparty the interest payments and principal payments it is scheduled to receive under the Collateral up to and including the Scheduled Maturity Date and the Hedging Counterparty is obliged to pay to the Issuer interest and principal amounts equal to the aggregate interest and principal amounts payable by the Issuer under the Notes up to and including the Scheduled Maturity Date (the **Hedging Agreement**); (iii) all rights of the Issuer under the Agency Agreement and the Purchase Agreement. Payments received under the Series Assets will be paid to the account of the Issuer with the Custodian and will be used to pay

amounts in respect of the Hedging Agreement and to pay Interest Amounts and Redemption Amounts payable in respect of the Notes."

2.2 The item entitled "Maturity Date" (page 10 of the Prospectus) is amended and restated as follows:

"**Maturity Date:** 31 March 2016, provided that if such date is not a Business Day, the Maturity Date shall be the first following day that is a Business Day (the **Scheduled Maturity Date**) provided that, in the event that pursuant to the terms and conditions of the Collateral, the scheduled maturity date of the Collateral is extended from 31 March 2016 to 31 March 2017, the Maturity Date shall be postponed to the date that is three Business Days following (a) 31 March 2017 or (b) any date following the Scheduled Maturity Date and prior to 31 March 2017 on which the Collateral is redeemed in full (either such date, the **Postponed Maturity Date**)."

2.3 The item entitled "Redemption Amount" (page 10 of the Prospectus) is amended and restated as follows:

"**Redemption Amount:** 100 per cent. of the Nominal Amount per Note on the Scheduled Maturity Date, provided that in the event that the Maturity Date has been postponed to the Postponed Maturity Date, during the Pass-through Period (as defined below) an amount equal to the Principal Distribution Amount (if any) shall be paid to the Noteholders three Business days following each Collateral Payment Date by way of repayment of principal of the Notes, such amount to be paid to each Noteholder *pro rata* to the principal amount of Notes held by each Noteholder.

Collateral Payment Date means any date on which a Principal Distribution Amount or an Interest Distribution Amount, as the case may be, is received by the Issuer.

Interest Distribution Amount means any payment of interest received by the Issuer in respect of the Collateral on a Collateral Payment Date.

Principal Distribution Amount means any payment of principal received by the Issuer in respect of the Collateral on a Collateral Payment Date."

2.4 The item entitled "Interest/Payment Basis" (page 10 of the Prospectus) is amended and restated as follows:

"**Interest/Payment Basis:** During the period from and including the Issue Date to but excluding the Interest Accrual Date falling on the Scheduled

Maturity Date (the **Floating Rate Period**), the Notes bear interest at a rate (the **Interest Rate**) calculated as follows:

(i) 3.90 per cent. per annum; multiplied by

(ii) N divided by D,

where:

N means the number of calendar days in the relevant Interest Period on which the 3-month EURIBOR® rate is greater than or equal to 1.00 per cent. and less than or equal to 4.50 per cent.; and

D means the actual number of calendar days in the relevant Interest Period.

The level of the 3-month EURIBOR® rate will be determined by the Calculation Agent in respect of each Business Day during each Interest Period by reference to the Reuters screen page EURIBOR01, subject to certain fallback provisions. For any calendar day that is not a Business Day, the applicable rate shall be the rate published or otherwise determined by the Calculation Agent on the immediately preceding Business Day.

During the period from and including the Scheduled Maturity Date to and including the Postponed Maturity Date (the **Pass-through Period**), the Notes pay interest in an amount equal to the amount of interest received by the Issuer in respect of the Collateral from time to time."

2.5 The item entitled "Interest Amount" (page 10 of the Prospectus) is amended and restated as follows:

"**Interest Amount:**

In respect of each Interest Period during the Floating Rate Period, the interest amount payable in euro per Note will be calculated by the Calculation Agent on the basis of the following formula:

Interest amount in euro = Nominal Amount per Note in euro * Interest Rate * Day Count Fraction

In respect of the Pass-through Period, the interest amount payable in euro per Note will be calculated by the Calculation Agent on the basis of the following formula:

Interest amount in euro = Interest Distribution Amount divided by the number of Notes outstanding

The Agency Agreement provides that once the Interest Amount is calculated, the Calculation Agent will cause such amount to be notified to *inter alios*, the Issuer, the Trustee, the Principal Agent, each Paying Agent, the Noteholders and the Arranger. The Interest Amount will be notified to Noteholders in accordance with Condition 15."

2.6 The item entitled "Interest Accrual Date" (page 11 of the Prospectus) is amended and restated as follows:

"**Interest Accrual Date**	31 March, 30 June, 31 September and 31 December in each year commencing on and including 31 December 2011 to and including the Scheduled Maturity Date. If any Interest Accrual Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the first following day that is a Business Day."

2.7 The item entitled "Interest Payment Dates" (page 11 of the Prospectus) is amended and restated as follows:

"**Interest Payment Dates:**	During the Floating Rate Period, each Interest Accrual Date. With respect to the Pass-through Period, three Business days following each Collateral Payment Date."

2.8 The item entitled "Mandatory Early Redemption" (page 11 of the Prospectus) is amended and restated as follows:

"**Mandatory Early Redemption:**	The Notes will be subject to mandatory early redemption upon the occurrence of certain events (each, an **Early Redemption Event**) set out in the Conditions. Following the occurrence of any such event the Notes shall be redeemed and the Issuer shall pay the early termination amount (the **Early Termination Amount**) in respect of each Note. Such events include: (i) any of the Collateral becomes repayable prior to its originally scheduled maturity date as a result of a default, an event of default or other similar event or any event or condition having substantially the same effect, (ii) there is a default in the payment of any amount due as principal, interest or otherwise under any of the Collateral, (iii) any withholding or similar tax is imposed on amounts payable under all or any part of the Collateral or (iv) the Hedging Agreement is terminated in full prior to the Maturity Date. The Early Termination Amount payable per Note will be equal to a pro rata share of the proceeds from the realisation of the Series Assets after deduction of all prior ranking amounts (see "Application of Proceeds of Series Assets" below). Such amount may be lower than the Nominal Amount of the Notes and may be zero."

3. Section 1.3 (Summary of Economic Firms) of the Summary (beginning on page 14 of the Prospectus) is amended as follows:

3.1 Section 1.3(a) (Rights under the Notes) (pages 14, 15 and 16 of the Prospectus) is amended and restated as follows:

"**(a) Rights under the Notes**

The Notes represent the right to receive:

(i) during the Floating Rate Period, interest payments (referred to as **Interest Amounts**) calculated by reference to how often during the relevant Interest Period the 3 month EURIBOR® rate (the **Underlying Floating Interest Rate**) is greater than 1.00 per cent per annum and less than or equal to 4.50 per cent. per annum (the **Interest Rate**);

(ii) during the Pass-through Period, interest payments (referred to as **Interest Amounts**) equal to the Interest Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time; and

(iii) a redemption amount of EUR 1,000 per Note which is equal to the Nominal Amount of each Note (the **Redemption Amount**) payable on the Scheduled Maturity Date (scheduled to be 31 March 2016), or in the event that the Maturity Date has been postponed to the Postponed Maturity Date, during the Pass-through Period, amounts equal to the Principal Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time.

Interest Payments

During the Floating Rate Period, each Interest Amount payable will reflect the specified Nominal Amount of the Note, the Interest Rate and the day count fraction for the relevant Interest Period. An Interest Amount will be payable on each specified interest payment date (scheduled to be each Interest Accrual Date during the Floating Rate Period) (each such date an **Interest Payment Date**). For the purposes hereof **Interest Accrual Date** means 31 March, 30 June, 31 September and 31 December in each year commencing on and including 31 December 2011 to and including the Scheduled Maturity Date, save that where any such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day.

During the Pass-through Period, each Interest Amount will reflect the Interest Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time. An Interest Amount will be payable three Business days following each Collateral Payment Date (each such date an **Interest Payment Date**). For the purposes hereof **Collateral Payment Date** means any date on which an Interest Distribution Amount is received by the Issuer.

During the Floating Rate Period, the Underlying Floating Interest Rate will be determined by the Calculation Agent in respect of each Business Day during each Interest Period by reference to Reuters screen page: EURIBOR01, subject to certain fallback provisions in the event that such rate does not appear on Reuters screen page: EURIBOR01. During the Pass-through Period, the Interest Amount will be determined by the Calculation Agent by reference to the Interest Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time.

The Agency Agreement provides that once the Interest Amount is calculated, the Calculation Agent will cause such amount to be notified to, amongst others, the Issuer, the Trustee, the Principal Agent, each Paying Agent, the Noteholders and the Arranger. The Interest Amount will be notified to Noteholders in accordance with Condition 15.

Repayment of Notes at Maturity; Early Redemption

Unless previously redeemed for any of the reasons set out below, the Notes will be redeemed by the Issuer on the Scheduled Maturity Date. The Issuer intends to repay the Notes from the proceeds that it has received from the redemption of the Collateral. In the event that the Maturity Date has been postponed to the Postponed Maturity Date, during the Pass-through Period, amounts equal to the Principal Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time shall be paid to the Noteholders three Business days following each Collateral Payment Date by way of repayment of principal of the Notes, such amount to be paid to each Noteholder *pro rata* to the principal amount of Notes held by each Noteholder.

If (i) any of the Collateral becomes repayable prior to its originally scheduled maturity date as a result of a default, an event of default or other similar event or any event or condition having substantially the same effect, (ii) there is a default in the payment of any amount due as principal, interest or otherwise under any of the Collateral, (iii) any withholding or similar tax is imposed on amounts payable under all or any part of the Collateral or (iv) the Hedging Agreement is terminated in full prior to the Maturity Date, the Notes shall be mandatorily redeemed and the Series Assets shall be subject to realisation by the Selling Agent. The redemption amount (referred to as the **Early Termination Amount**) payable to Noteholders in these circumstances will be their pro rata share of the proceeds of realisation of the Series Assets after deduction of prior ranking amounts such as the costs and fees of the Trustee, the legal and ancillary costs of the Issuer and the Hedging Counterparty incurred as a result of the event causing such early redemption, and any outstanding claims of the Hedging Counterparty and the Principal Agent. Furthermore, potential investors should note that the Selling Agent will be able to deduct any of its commissions and/or expenses in connection with the realisation of the Series Assets from the proceeds of realisation of the Series Assets prior to the distribution of such proceeds to the other Series Parties.

Deductions due to taxes, duties, expenses

Any amounts payable in respect of the Notes are subject to the deduction of certain taxes, duties and/or expenses."

3.2 Section 1.3(b) (Economic nature of the Notes) (pages 16 and 17 of the Prospectus) is amended and restated as follows:

"**(b) Economic nature of the Notes**

General

The Notes are designed to enable holders (i) to receive the Interest Amounts on each Interest Payment Date, (ii) during the Floating Rate Period to participate, through the Interest Amounts, in the variable level of the Underlying Floating Interest Rate and (iii) to be repaid their originally invested capital of EUR 1,000 per Note at the end of the approximately 5 year investment term of the Notes, unless the Maturity Date is postponed to the Postponed Maturity Date, in which case during the Pass-through Period, amounts equal to the Principal Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time shall be paid to the Noteholders three Business days following each Collateral Payment Date by way of repayment of principal of the Notes, such amount to be paid to each Noteholder *pro rata* to the principal amount of Notes held by each Noteholder.

Accrual of Interest

During the Floating Rate Period, the Interest Rate and consequently each Interest Amount will be determined by reference to how often during the relevant Interest Period the 3 month EURIBOR® rate is greater than or equal to 1.00 per cent. per annum and less than or equal to 4.50 per cent. per annum. Since the 3 month EURIBOR® rate is a variable rate, in the event that in respect of the relevant Interest Period the 3 month EURIBOR® rate is greater than or equal to 1.00 per cent. per annum and less than or equal to 4.50 per cent. per annum for more calendar days during such Interest Period as compared to the preceding Interest Period, the amount of interest payable in respect of the Notes will rise. Conversely, in the event that in respect of the relevant Interest Period the 3 month EURIBOR® rate is greater than or equal to 1.00 per cent. per annum and less than or equal to 4.50 per cent. per annum for fewer calendar days during such Interest Period as compared to the preceding Interest Period, the amount of interest payable in respect of the Notes will fall. The level of the 3-month EURIBOR® rate will be influenced by a wide range of factors, including economic and political factors and market conditions. Accordingly, an investment in the Notes involves interest rate risk where there are fluctuations in the Interest Amount. This may also influence the market value of the Notes. Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term and/or long term interest rates may affect the value of the Notes.

The level of the 3-month EURIBOR® rate applicable to a calendar day in an Interest Period will be influenced by a wide range of factors, including economic and political factors and market conditions. Investors should review carefully the basis upon which the Interest Amounts are calculated (see above section (a) (*Rights under the Notes*)) and be satisfied that an investment return linked in this manner to the 3-month EURIBOR® rate is suitable for them.

Investment Return

Subject to no default occurring with respect to the Collateral, the Scheduled Maturity Date not being postponed to the Postponed Maturity Date and the Hedging Agreement not being terminated early and no other early redemption of the Notes, investors who have bought the Notes on the Issue Date and hold them until the Scheduled Maturity Date will receive (over the life of the Notes) a return equal to the sum of the Interest Amounts and the repayment of the principal amount invested by them. If the Scheduled Maturity Date is postponed to the Postponed Maturity Date or there is a default by the issuer of the Collateral or the Hedging Counterparty under the Hedging Agreement or the Collateral is otherwise redeemed or liquidated prior to its scheduled maturity or the Hedging Agreement is otherwise terminated, or the Notes are being redeemed early for other reasons, investors in the Notes may receive less than their initial investment in the Notes and may receive nothing.

Secondary Market Trades

Where an investor sells the Notes on the secondary market during their term, the investor will achieve a positive return only where the sum of the sale proceeds and the Interest Amounts received exceeds the price originally paid for the Notes."

4. Section 2 of the Prospectus entitled "Risk Factors" (beginning on page 18 of the Prospectus)

is amended as follows:

4.1 In section 2.2(b) (Risks relating to the Underlying Floating Interest Rate and Market Factors) of the Risk Factors, the risk factor appearing under the heading (*Level of the 3-month EURIBOR® Rate*) (page 22 of the Prospectus) is amended and restated as follows:

"*Level of the 3-month EURIBOR® Rate*

Prospective purchasers of the Notes should be aware that an investment in the Notes involves performance risk as regards the 3-month EURIBOR® rate. Prospective purchasers should be experienced with respect to transactions in floating rate notes with a value derived from underlying reference rates.

During the Floating Rate Period, the Notes bear interest at a rate calculated as follows:

(b) 3.90 per cent.; multiplied by

(c) N divided by D

Where

N means the number of calendar days in the relevant Interest Period on which the Underlying Floating Interest Rate is greater than or equal to 1.00 per cent. and less than or equal to 4.50 per cent.; and

D means the actual number of calendar days in the relevant Interest Period.

Information with respect to the 3-month EURIBOR® rate may be available from publicly available sources, but no representation is made with respect thereto by the Issuer, the Arranger, the Purchaser, the Trustee, the Hedging Counterparty, the Calculation Agent, or any of their respective affiliates as to the accuracy or completeness of any such information."

4.2 Section 2.2(c) (Interest Rate Risk) of the Risk Factors (pages 23 and 24 of the Prospectus) is amended and restated as follows:

"**(c) Interest Rate Risk**

During the Floating Rate Period, the Notes pay interest at a rate determined by reference to how often during the relevant Interest Period the 3 month EURIBOR® rate is greater than or equal to 1.00 per cent. per annum and less than or equal to 4.50 per cent. per annum. Floating interest rates (such as the 3-month EURIBOR® rate) are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. The value of the Notes, on any day, is related to market levels of interest rates applicable to deposits denominated in Euros at such time. Fluctuations in short term and/or long term interest rates may affect the value of the Notes. Fluctuations in interest rates of the currency in which the Notes are denominated may affect the value of the Notes."

4.3 Section 2.2(e) (Certain Hedging Considerations) of the Risk Factors (page 24 of the Prospectus) is amended and restated as follows:

"**(e) Certain Hedging Considerations**

Prospective purchasers who intend to purchase the Notes for the purpose of hedging their exposure to the 3-month EURIBOR® rate during the Floating Rate Period or otherwise should recognise the risks of utilising the Notes in such manner. No assurance is or can be given that the trading or liquidation value of the Notes will correlate with movements in the levels of the 3-month EURIBOR® rate. Therefore, notwithstanding losses suffered by investors with respect to investments in or exposure to the 3-month EURIBOR® rate, it is possible that investors could also suffer substantial losses in the Notes.

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

4.4 In section 2.2(f) (The Collateral and the Hedging Agreement) of the Risk Factors, the risk factor appearing under the heading "The Collateral" (pages 25 and 26 of the Prospectus) is amended and restated as follows:

"(iii) The Collateral

On or about the Issue Date the Issuer will use the proceeds of the issue to purchase EUR 1,250,000,000 Series 4 Fixed Rate *obbligazioni bancarie garantite* due March 2016 (ISIN: IT0004701568) issued by Banco Popolare - Società Cooperativa in an aggregate principal amount equal to the Aggregate Nominal Amount of the Notes as of the Issue Date (the **Collateral**) where Banco Popolare - Società Cooperativa is the **Collateral Issuer**.

On the Scheduled Maturity Date (scheduled to be 31 March 2016) the aggregate redemption proceeds of the Collateral are expected to be equal in principal amount to the principal amount of the Notes and, provided that none of the Collateral has become repayable (other than on their scheduled maturity date) and that no payment default has occurred in respect of, and no withholding or similar tax has been imposed on amounts payable under, the Collateral, the Issuer will use the redemption proceeds thereof to make scheduled payments under the Hedging Agreement on and prior to the Scheduled Maturity Date, and the Issuer will use the corresponding principal amounts due from the Hedging Counterparty on the Scheduled Maturity Date under the Hedging Agreement to pay the redemption amount in respect of each Note being the Nominal Amount of a Note (the **Redemption Amount**).

However, if (a) the Collateral Issuer is not able to redeem the Collateral on the Scheduled Maturity Date and (b) the relevant guarantor, BP Covered Bond S.r.l. (the **Guarantor**) has insufficient moneys available to redeem the Collateral due to the Cover Pool (as defined in the section "*Description of the Collateral and the Collateral Issuer*" below) not generating sufficient funds to meet scheduled payments of principal in respect of the Collateral, then pursuant to the terms and conditions of the Collateral, the obligation of the Guarantor to redeem the Collateral shall automatically be deferred to 31 March 2017. To the extent the Guarantor has sufficient moneys available to pay in part redemption amounts due and remaining unpaid prior to 31 March 2017, the Guarantor shall make such partial payments in accordance with the terms and conditions of the Collateral on any subsequent Collateral Payment Date falling during the Pass-through Period (being the period from and including the Scheduled Maturity Date to and including the Postponed Maturity Date). Pursuant to the terms and conditions of the Collateral, interest will continue to accrue and be payable on the redemption amounts due and remaining unpaid. In such circumstances, the Maturity Date of the Notes will be postponed to the Postponed Maturity Date, the Hedging Agreement will terminate on the Scheduled Maturity Date (subject to the performance of each party of their obligations under the Hedging Agreement on such date) and during the Pass-through Period, Noteholders will be entitled to receive only amounts equal to the payments of principal and interest (if any) received by the Issuer in respect of the Collateral.

Potential investors should note that on and prior to the Scheduled Maturity Date, they are exposed to the credit risk of the Collateral Issuer and the Guarantor and that, upon the default by the Collateral Issuer and the Guarantor in respect of the Collateral, the Issuer will not be able to redeem the Notes at their principal amount on the Scheduled Maturity Date and may not be able to pay all interest scheduled to be paid in respect of the Notes. In this case, to the extent that the Issuer or the Selling Agent is not able to sell or realise the Collateral on the secondary market or is able to do so only at a lower price than the Nominal Amount of the Notes, Noteholders will only receive a pro rata share per Note of the realisation proceeds in respect of the Collateral and the other Series Assets after deduction of all prior ranking amounts. Such amounts may be substantially lower than the Redemption Amount of the Notes and any outstanding Interest Amounts and may be zero. The amount of proceeds of such sale or realisation of the Collateral may be affected by various factors, including the liquidity of the Collateral.

Where any of the Collateral is accelerated or default or the Hedging Agreement is terminated in full prior to the Scheduled Maturity Date, the Notes will be subject to early redemption. In this case, the Issuer may not receive sufficient proceeds from the realisation of the Collateral and the other Series Assets to repay the Nominal Amount of the Notes and any outstanding Interest Payments. Potential investors should be prepared that the early termination amount payable in the event of a redemption of the Notes prior to the Scheduled Maturity Date may be substantially lower than the Nominal Amount of the Notes and may be zero.

In the event that the Maturity Date of the Notes is postponed to the Postponed Maturity Date in the circumstances described above, potential investors should note that they would be exposed to the credit risk of the Guarantor and Noteholders will only receive in respect of the Notes amounts equal to the payments of principal and interest (if any) received by the Issuer in respect of the Collateral. Such amounts of principal may be substantially lower than the Nominal Amount of the Notes and may be zero."

4.5 Section 2.2(g) (Realisation of the Series Assets) of the Risk Factors (page 28 of the Prospectus) is amended and restated as follows:

"**(g) Realisation of the Series Assets**

Where any of the Collateral becomes repayable prior to its originally scheduled maturity date as a result of a default, an event of default or other similar event or any event or condition having substantially the same effect or where there is a default in the payment of any amount due as principal, interest or otherwise under any of the Collateral or any withholding or similar tax is imposed on amounts payable under all or any part of the Collateral or the Hedging Agreement is terminated in full prior to the Maturity Date, the Notes will be mandatorily redeemed and the Series Assets will be realised by the Selling Agent.

Potential investors should note that the Early Termination Amount payable to Noteholders in these circumstances will be their pro rata share of the proceeds of realisation of the Series Assets which will only rank after certain payments payable to (i) the Trustee, (ii) the Hedging Counterparty and (iii) the Principal Agent."

4.6 Section 2.2(l) (Taxation) of the Risk Factors (pages 30, 31 and 32 of the Prospectus) is amended by the addition of the following new paragraph at the end thereof:

"As a result of the entry into force of the new Italian Law Decree No. 138 of 13 August 2011 (**Decree No. 138**) passed to introduce certain austerity measures in response to the European debt crisis, there will be major changes to the Italian tax regime in relation to incomes from financial investments and as a result, the tax regime which will be applicable to the Notes will be different from the tax regime applicable as at the current date. Payments of interest and other proceeds to Noteholders resident in Italy accruing after 1 January 2012 in respect of the Notes will be subject to a substitute tax (*imposta sostitutiva*) at the rate of 20% (rather than the 12.5 per cent tax rate currently applicable) depending on the circumstances of the relevant Noteholder. In addition, any capital gain realised after 1 January 2012 by Noteholders resident in Italy from the sale or redemption of Notes would be subject to an *imposta sostitutiva*, levied at the rate of 20% (rather than the 12.5 per cent tax rate currently applicable) depending on the circumstances of the relevant Noteholder. Such changes will be finally introduced if, as expected, Decree No. 138 is converted into law within 60 days of 13 August 2011."

5. Section 3 of the Prospectus entitled "Terms and Conditions of the Notes" (beginning on page 37 of the Prospectus) is amended as follows:

5.1 Section 1.1 (Definitions) (beginning on page 37 of the Prospectus) is amended as follows:

(A) The following definition is added after the definition of "Collateral" and before the definition of "Company":

"**Collateral Payment Date** means any date on which a Principal Distribution Amount or an Interest Distribution Amount, as the case may be, is received by the Issuer."

(B) The following definition is added after the definition of "Extraordinary Resolution" and before the definition of "Hedging Agreement":

"**Floating Rate Period** means the period from and including the Issue Date to but excluding the Scheduled Maturity Date."

(C) The definition of "Interest Accrual Date" is amended and restated as follows:

"**Interest Accrual Date** means 31 March, 30 June, 31 September and 31 December in each year commencing on and including 31 December 2011 to and including the Scheduled Maturity Date, save that where any such date does not fall on a Business Day, it shall be postponed to the next day which is a Business Day."

(D) The following definition is added after the definition of "Interest Amount" and before the definition of "Interest Payment Date":

"**Interest Distribution Amount** means any payment of interest received by the Issuer in respect of the Collateral on a Collateral Payment Date."

(E) The definition of "Interest Payment Date" is amended and restated as follows:

"**Interest Payment Date** means, during the Floating Rate Period, each Interest Accrual Date and during the Pass-through Period, three Business Days following each Collateral Payment Date."

(F) The definition of "Maturity Date" is amended and restated as follows:

"Maturity Date shall mean the Scheduled Maturity Date or the Postponed Maturity Date, as the case may be."

(G) The following is added after the definition of "Offer Period" and before the definition of "Paying Agents":

"**Pass-through Period** means the period from and including the Scheduled Maturity Date to and including the Postponed Maturity Date."

(H) The following definition is added after the definition of "Permitted Investments" and before the definition of "Potential Event of Default":

"**Postponed Maturity Date** has the meaning given to that term in Condition 3.1 (*Redemption at Maturity*)."

(I) The following definition is added after the definition of "Principal Agent" and before the definition of "Programme":

"**Principal Distribution Amount** means any payment of principal received by the Issuer in respect of the Collateral on a Collateral Payment Date."

(J) The following definition is added after the definition of "Representative Amount" and before the definition of "Securities Act":

"**Scheduled Maturity Date** has the meaning given to that term in Condition 3.1 (*Redemption at Maturity*)."

5.2 Section 3.1 (Redemption at Maturity) (page 43 of the Prospectus) is amended as follows:

"**3.1 Redemption at Maturity**

Unless previously redeemed or purchased and cancelled and subject as provided in these Conditions, each Note will be redeemed by the Issuer, by payment of the Nominal Amount (the **Redemption Amount**) on 31 March 2016 (the **Scheduled Maturity Date**).

In the event that pursuant to the terms and conditions of the Collateral, the scheduled maturity date of the Collateral is extended from 31 March 2016 to 31 March 2017, the Maturity Date shall be postponed to the date that is three Business Days following (a) 31 March 2017 or (b) any date following the Scheduled Maturity Date and prior to 31 March 2017 on which the Collateral is redeemed in full (either such date, the **Postponed Maturity Date**). In such circumstances, during the Pass-through Period (as defined below) an amount equal to the Principal Distribution Amount (if any) shall be paid to the Noteholders three Business days following each Collateral Payment Date by way of repayment of principal of the Notes, such amount to be paid to each Noteholder *pro rata* to the principal amount of Notes held by each Noteholder.

The Issuer shall notify the Noteholders (in accordance with Condition 15 (*Notices and Provision of Information*), the other Series Parties and the Relevant Rating Agency as soon as reasonably practicable after it becoming aware that pursuant to the terms and conditions of the Collateral, the scheduled maturity date of the Collateral has been extended from 31 March 2016 to 31 March 2017 and that the Maturity Date of the Notes has been postponed to the Postponed Maturity Date. Any failure by the Issuer to notify such parties shall not affect the validity or effectiveness of the postponement of the Maturity Date nor give rise to any rights in any such party.

For the purposes of the Luxembourg Company Law, the Notes shall not be redeemable by the drawing of lots."

5.3 Section 3.2 (Interest Amount) (page 44 of the Prospectus) is amended as follows:

"**3.2 Interest Amount**

Subject to Condition **Error! Reference source not found.** (***Error! Reference source not found.***), on each Interest Payment Date, the Issuer shall pay, in respect of each Note, the relevant Interest Amount determined in respect of the Interest Period ending immediately prior to such Interest Payment Date.

Interest Amount means

(a) in relation to an Interest Period during the Floating Rate Period and each Note equal to the Nominal Amount, an amount calculated by the Calculation Agent as follows:

Nominal Amount x Interest Rate x Day Count Fraction

(b) in relation to an Interest Payment Date during the Pass-through Period and each Note equal to the Nominal Amount, an amount calculated by the Calculation Agent as follows:

Interest Distribution Amount divided by the number of Notes outstanding

Interest Amounts shall be rounded to the nearest whole unit in EUR, with half a unit being rounded downwards.

The Interest Amount (if any) is payable by the Issuer as consideration for the use of the Nominal Amount in respect of a Note.

Interest Rate means a rate calculated as follows:

(i) 3.90 per cent. per annum; multiplied by

(ii) N divided by D,

where:

N means the number of calendar days in the relevant Interest Period on which the Underlying Floating Interest Rate is greater than or equal to 1.00 per cent. and less than or equal to 4.50 per cent.; and
D means the actual number of calendar days in the relevant Interest Period."

5.4 Section 5.1 (Mandatory Redemption) (pages 45 and 46 of the Prospectus) is amended by the replacement of sub-sections 5.1.1 and 5.1.2 with the following:

"5.1.1 any of the Collateral becomes repayable prior to its originally scheduled maturity date as a result of a default, an event of default or other similar event or any event or condition having substantially the same effect;

5.1.2 there is a default in the payment of any amount due as principal, interest or otherwise under any of the Bond Collateral;".

5.5 Section 8.4 (page 53 of the Prospectus) is amended and restated as follows:

> "**8.4** issue or create any other series of instruments unless either (a) the trustee thereof is the same person as the Trustee for the instruments or (b) subject to the provisions of the Securitisation Act 2004, the Trustee has received legal advice satisfactory to it from reputable legal advisers in England and the jurisdiction of incorporation of the Company to the effect that the appointment of a person other than the Trustee as trustee of such series of instruments will not adversely affect the ability of the Trustee to appoint an administrative receiver over the assets of the Company pursuant to the Deed of Floating Charge, and provided that notice thereof has been given to the Relevant Rating Agency;".

5.6 Section 12.1 (Meetings of Noteholders) (pages 55 and 56 of the Prospectus) is amended and restated as follows:

"12.1 Meetings of Noteholders

The Series Instrument contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions or the provisions of the Series Instrument insofar as the same may apply to such Notes). The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing in the aggregate more than 50 per cent. in Aggregate Nominal Amount of the Notes for the time being outstanding or, at any adjourned such meeting, one or more persons being or representing Noteholders, whatever the aggregate Nominal Amount of the Notes so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, except that any Extraordinary Resolution proposed, *amongst other things*:

(i) to amend the dates of maturity of the Notes, or any date for any payment in respect thereof,

(ii) to cancel any Note or reduce the Nominal Amount of any Note or reduce any amount payable on redemption or cancellation of, the Notes,

(iii) to reduce the rate or rates of interest (if any) or to modify, except where such modification is in the opinion of the Trustee bound to result in an increase, the method of calculating the amount payable or to modify of the date of payment, or, where applicable the method of calculating the date of payment in respect of any principal, premium or interest (if any) in respect of the Notes,

(iv) to change any maximum or minimum interest rate,

(v) to change any method of calculating the Early Termination Amount or, any other amount payable in respect thereof,

(vi) to change the currency or currencies of payment or denomination of the Notes,

(vii) to take any steps which as specified in the Series Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply,

(viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,

(ix) to modify the provisions of the Series Instrument concerning this exception, or

(x) to modify any other provisions specifically identified for this purpose in the Series Instrument,

will only be binding if passed at a meeting of the Noteholders, the quorum at which shall be one or more persons holding or representing 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in Aggregate Nominal Amount of the Notes for the time being outstanding and provided that notice thereof has been given to the Relevant Rating Agency.

Noteholders will be entitled to examine fifteen days before the annual general meeting at the registered office of the Issuer (i) the annual accounts and the list of directors as well as the list of the approved statutory auditors ("*réviseurs d'entreprises agréés*"), (ii) the list of sovereign debt, shares, bonds and other company securities making up the portfolio, (iii) the report of the board of directors of the Company and (iv) the report of the approved statutory auditors.

Noteholders may attend general meetings of the shareholders of the Company and shall be entitled to speak but not to vote.
The provisions relating to meetings of bondholders contained in articles 86 to 94-8 of the Luxembourg Company Law will not apply in respect of the Notes."

5.7 Section 12.2 (Modification) (pages 56 and 57 of the Prospectus) is amended and restated as follows:

"12. 2 Modification

Without prejudice to the need to obtain the consent of each other party to the relevant agreement or deed, the Trustee may, without the consent of the Noteholders but only with the prior written consent of each Hedging Counterparty, agree to (i) any modification to the Series Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Notes which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) any modification of any of the provisions of the Series Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Notes which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders and provided in each case that notice thereof has been given to the Relevant Rating Agency and (iii) any modification of the provisions of the Series Instrument, any Hedging Agreement or any other agreement or document entered into in relation to the Notes which is made to satisfy any requirement of the Relevant Rating Agency or any stock exchange on which the Notes are or are proposed to be, listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders. The Series Instrument provides that the Issuer shall not agree to any amendment or modification of the Series Instrument without first obtaining the consent in writing of the Hedging Counterparty, which consent shall not be unreasonably withheld or delayed.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 15 (*Notices and Provision of Information*).

The Trustee shall be entitled to assume, for the purpose of exercising any power, trust, duty or discretion under or in relation to this Condition 12.2, that any exercise of such power, trust, duty or discretion will not be materially prejudicial to the interests of the relevant Noteholders if the Relevant Rating Agency has confirmed in writing that its current rating(s) of the relevant Notes then in force will not be adversely affected by such exercise."

6. Section 5 of the Prospectus entitled “Taxation” is amended by the addition of the following new paragraph at the end of the section which appears under the heading “Italian Taxation” (beginning on page 68 of the Prospectus):

"**Italian Law Decree No. 138 of 13 August 2011**

As a result of the entry into force of the new Italian Law Decree No. 138 of 13 August 2011 (Decree No. 138) passed to introduce certain austerity measures in response to the European debt crisis, there will be major changes to the Italian tax regime in relation to incomes from financial investments and as a result, the tax regime which will be applicable to the Notes will be different from the tax regime applicable as at the current date. Payments of interest and other proceeds to Noteholders resident in Italy accruing after 1 January 2012 in respect of the Notes will be subject to a substitute tax (*imposta sostitutiva*) at the rate of 20% (rather than the 12.5 per cent tax rate currently applicable) depending on the circumstances of the relevant Noteholder. In addition, any capital gain realised after 1 January 2012 by Noteholders resident in Italy from the sale or redemption of Notes would be subject to an *imposta sostitutiva*, levied at the rate of 20% (rather than the 12.5 per cent tax rate currently applicable) depending on the circumstances of the relevant Noteholder. Such changes will be finally introduced if, as expected, Decree No. 138 is converted into law within 60 days of 13 August 2011."

7. Section 7.1 of the Prospectus (General description of the structure) (page 79 of the Prospectus) is amended and restated as follows:

“**7.1 General description of the structure**

The Issuer will use the proceeds from the issue of the Notes to purchase the Collateral which will form part of the Series Assets. The Series Assets are exclusively allocated to Compartment 64-2011-06 established by the Board in respect of the Notes and will be kept separate from the other assets of the Issuer.

The Series Assets underlying the Notes, as specified in Condition 6.1 (*Series Assets*), essentially consist of bonds bearing interest at a fixed rate (referred to as the **Collateral**), an interest rate swap transaction (referred to as the **Hedging Agreement**) and rights of the Issuer under the Agency Agreement and the Purchase Agreement.

The issuer of the Collateral is Banco Popolare – Società Cooperativa (the **Collateral Issuer**).

The counterparty of the Issuer under the Hedging Agreement is Deutsche Bank AG, acting through its London Branch (the **Hedging Counterparty**).

The Issuer will purchase Collateral in an amount sufficient to ensure that, unless an Early Redemption Event has occurred, it is in a position to meet its obligation under the Notes to repay the Nominal Amount on the Scheduled Maturity Date. This will be achieved by the Issuer purchasing, on the Issue Date and under the Hedging Agreement, Collateral with an aggregate principal amount corresponding to the Aggregate Nominal Amount of Notes as of the Issue Date. The Collateral and the Collateral Issuer are described in greater detail in the section entitled “*Description of the Collateral and the Collateral Issuer*” below.

In the event that the Maturity Date has been postponed to the Postponed Maturity Date, during the Pass-through Period, amounts equal to the Principal Distribution Amounts (if any) received by the Issuer in respect of the Collateral from time to time shall be paid to the Noteholders three Business days following each Collateral Payment Date by way of repayment of principal of the Notes, such amount to be paid to each Noteholder *pro rata* to the principal amount of Notes held by each Noteholder.

The Issuer will further enter into the Hedging Agreement in respect of this issue of Notes with the Hedging Counterparty, on or prior to the Issue Date. Under the Hedging Agreement the Hedging Counterparty undertakes to make periodic payments to the Issuer equalling the interest and principal payments payable by the Issuer in respect of the Notes. In return, the Issuer undertakes to make payments to the Hedging Counterparty equalling the interest and principal payments (in each case, howsoever described) received under the Collateral up to and including the Scheduled Maturity Date. This is to ensure that the Issuer is in a position to meet its interest payment obligations under the Notes. The Hedging Agreement and the Hedging Counterparty are described in greater detail in the section entitled "*Description of the Hedging Agreement and Hedging Counterparty*" below.

On or before the Scheduled Maturity Date of the Notes, the Collateral is scheduled to be redeemed by the Collateral Issuer and the Hedging Agreement will terminate on the Scheduled Maturity Date of the Notes. Provided that no Early Redemption Event has occurred, the Issuer intends to use the proceeds from redemption of the Collateral to make scheduled payments under the Hedging Agreement, and the Issuer will use the corresponding principal amounts due from the Hedging Counterparty under the Hedging Agreement to pay the Redemption Amount, and any outstanding Interest Amount, to the Noteholders.

In the event of an early termination of the Notes in accordance with the Terms and Conditions of the Notes, the Issuer or the Selling Agent will be required to sell or otherwise realise the Collateral and terminate the Hedging Agreement. In such a case, the Issuer will pay to the Noteholders, subject to the priority of payments specified in Condition 6.5 (*Application of Proceeds of Series Assets*), the Early Termination Amount in respect of each of the Notes. The Early Termination Amount payable to the Noteholders will be their pro rata share of the proceeds of realisation of the Series Assets minus all prior ranking payments and any commissions or expenses due to the Selling Agent in connection with the realisation of the Series Assets. The Early Termination Amount may be lower than the Nominal Amount of the Notes and may be zero."

8. Section 9.1 of the Prospectus (Description of the Hedging Agreement) (pages 90 and 91 of the Prospectus) is amended and restated as follows:

"**9.1 Description of the Hedging Agreement**

The Issuer and Deutsche Bank AG, acting through its London Branch (the **Hedging Counterparty**) will enter into a Hedging Agreement on the basis of a 1992 Master Agreement (Multicurrency-Cross Border) and schedule under English law, as published by the International Swaps and Derivatives Association, Inc. (ISDA), as supplemented by a confirmation in respect of the interest rate swap and a credit support annex. The Hedging Agreement will be entered into on the Issue Date.

The Hedging Agreement is an interest rate swap transaction related to the Notes and the Collateral and for the purposes of which both the Issuer and the Hedging Counterparty undertake to make periodic payments.

The payments which the Hedging Counterparty undertakes to make under the Hedging Agreement equal the Issuer's interest and principal payments in respect of the Notes up to and including the Scheduled Maturity Date. In return, the Issuer will pay to the Hedging Counterparty the fixed rate interest payments, and all principal amounts (in each case, howsoever described), that it receives under the Collateral up to and including the Scheduled Maturity Date. Also under the Hedging Agreement, on the Issue Date the Issuer will pay to the

Hedging Counterparty the proceeds of the issuance of the Notes and the Hedging Counterparty will deliver the Collateral.

The Hedging Agreement will be terminated on or about the Scheduled Maturity Date of the Notes unless terminated earlier in accordance with its terms, including due to an event of default or termination event under the Hedging Agreement. An event of default under the Hedging Agreement includes, amongst other things, (subject to applicable grace period) a failure by a party to pay any amount due under the Hedging Agreement, (subject to applicable grace period) a failure by the Hedging Counterparty to perform any obligation under the Hedging Agreement or the bankruptcy of a party.

The Hedging Agreement will terminate in full if all Notes are cancelled prior to the Scheduled Maturity Date or if an Event of Default occurs in respect of the Notes. Events of Default in respect of the Notes include:

(i) a payment default by the Issuer in respect of the Notes which continues unremedied for a period of 14 days or more;

(ii) failure by the Issuer to perform or observe any of its other obligations under the Notes and the Series Instrument which failure continues unremedied for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice is required); and

(iii) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution (including, without limitation, any bankruptcy (*faillite*), insolvency, voluntary of judicial liquidation (*liquidation volontaire ou judiciaire*), composition with creditors (*concordat préventif de faillite*), reprieve from payment (*sursis de paiement),* controlled management (*gestion contrôlée),* fraudulent conveyance (*actio pauliana*), general settlement with creditors or reorganisation proceedings or similar proceedings affecting the rights of creditors generally) of the Company or the Issuer (as appropriate) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or formal notice is given of an intention to appoint an administrator (including, without limitation, any receiver (*curateur*), liquidator (*liquidateur*), auditor (*commissaire*), verifier (*expert-vérificateur*), *juge délégué* or *juge commissaire*), or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Company or the Issuer (as appropriate).

The Hedging Agreement will terminate in part (on a pro rata basis in a proportion of its nominal amount equal to the proportion that the Nominal Amount of the Notes being cancelled bears to the Aggregate Nominal Amount of Notes immediately prior to such cancellation) if some of the Notes are cancelled prior to the Scheduled Maturity Date pursuant to the Conditions. Furthermore, the Hedging Agreement may be terminated early in case of an early redemption of the Notes."