

Securities Note and Summary dated October 19, 2006 relating to Series 3808**MERRILL LYNCH & CO., INC.**

(incorporated under the laws of the State of Delaware, U.S.A.)

Up to EUR 77,000,000 Equity Index Linked Coupon Notes due December 15, 2011
(the "Notes")
under the U.S.\$50,000,000,000 Euro Medium-Term Note Program

Merrill Lynch & Co., Inc. (the "**Company**" or the "**Offeror**") has prepared a Registration Document dated May 10, 2006 (the "**Registration Document**" which definition shall also include all information incorporated by reference therein), for use in connection with notes issued from time to time under its U.S.\$50,000,000,000 Euro Medium-Term Note Program (the "**Program**"). Such Registration Document contemplates the use of a securities note documenting certain information relating to notes offered pursuant to the Program and such other information as may be required from time to time under the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**", which term includes relevant implementing measures) and a summary conveying the essential characteristics and risks associated with the Offeror and the Notes. The Registration Document, together with this securities note (the "**Securities Note**") and the summary, a copy of which is set out herein (the "**Summary**"), constitute a prospectus in respect of the Notes for the purposes of the Prospectus Directive. This Securities Note and the Summary must be read in conjunction with the Registration Document and the information incorporated herein by reference, as supplemented and amended from time to time. References in the Securities Note to "this Securities Note" should be read and construed as references to the Securities Note together with the Registration Document and the Summary. Full information on the Offeror and the offer of the Notes is only available on the basis of the combination of this Securities Note, the Registration Document and the Summary. The Offeror has also prepared a base prospectus dated May 10, 2006 (the "**Prospectus**" which definition also includes the Prospectus, as supplemented, amended or updated from time to time and all information incorporated by reference therein) for use in connection with the issue of notes under the Program. The Prospectus does not form part of this Securities Note, other than those provisions of the Prospectus specifically incorporated by reference herein (see "*Incorporation by Reference*" herein).

This Securities Note and Summary, when read together with the Registration Document, constitute a prospectus which has been approved for the purpose of the Prospectus Directive by the Financial Services Authority (the "**FSA**") in its capacity as competent authority under the Financial Services and Markets Act 2000 ("**FSMA**") (the "**UK Listing Authority**"). Application is being made for the Notes to be admitted to the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The London Stock Exchange's Gilt Edged and Fixed Interest Market is a regulated market for the purposes of Directive 93/22/EC (the "**Investment Services Directive**"). Information concerning the Notes and the terms and conditions thereof are set forth in this Securities Note which will be delivered to the London Stock Exchange's Gilt Edged and Fixed Interest Market, on or before the date of issue of the Notes. The Offeror intends to request that the UK Listing Authority provide to the competent authority in the Republic of Italy ("**Italy**") a certificate of approval attesting that the Registration Document and this Securities Note and the Summary have been drawn up in accordance with the Prospectus Directive.

The final terms of the Notes containing pricing information are set out herein (see "**Final Terms**") and should be read together with, and construed in accordance with, the terms and conditions of the Notes (the "**Terms and Conditions**") as set out in Appendix A (*Special Conditions*) and Appendix C (*Terms and Conditions of the Notes*) herein.

See "**Additional Risk Factors Relating to the Notes**" herein for a discussion of certain risks, additional to those which are set out in the Registration Document, that should be considered in connection with an investment in the Notes offered hereby.

Arranger and Dealer
Merrill Lynch International

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PART 1 - SUMMARY

This Summary must be read as an introduction to Registration Document dated May 10, 2006, prepared by the Issuer in connection with notes issued under its U.S.\$50,000,000,000 Euro Medium Term Note Program (the "Registration Document") and the Securities Note dated October 19, 2006 prepared by the Issuer in connection with the Notes (the "Securities Note"). Any decision to invest in any Notes should be based on a consideration by a prospective investor of the Registration Document and the Securities Note, taken together, including any documents or information incorporated by reference herein and therein. No civil liability in respect of this Summary will attach to the Issuer in any European Economic Area member state (each, an "EEA State") in which the provisions of the Prospectus Directive (Directive 2003/71/EC) have been implemented unless the Summary, including any translation thereof is misleading, inaccurate or inconsistent when read together with such Registration Document or Securities Note. Where a claim relating to information contained in this Summary and/or the Registration Document or the Securities Note is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Registration Document and Securities Note before the legal proceedings are initiated.

Words and expressions defined in Appendix C (Terms and Conditions of the Notes) and in Appendix A (Special Conditions) to the Securities Note shall have the same meanings in this Summary.

Issuer:

Merrill Lynch & Co., Inc. (the "**Company**" or the "**Offeror**"), a Delaware corporation, is a holding company that, through its subsidiaries and affiliates, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending and related products and services on a global basis. The Offeror provides these products and services to a wide array of clients, including individual investors, small and large businesses, public companies, financial institutions, governments and government agencies. The Offeror conducts business from various locations throughout the world.

Dealer:	Merrill Lynch International
Distribution Manager in respect of the Distribution Network:	<p>MPS Finance Banca Mobiliare SpA Via Nino Bixio, 2 53100 Siena Republic of Italy</p> <p>(Offices: Viale Mazzini 23 53100 Siena Republic of Italy)</p>
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Amount:	Up to €77,000,000 in aggregate principal amount.
Distribution:	Notes may be distributed outside the United States to persons other than U.S. persons (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended from time to time (the " Securities Act ")) in accordance with the selling restrictions described under " <i>Subscription and Sale</i> " incorporated by reference into the Securities Note.
Currency:	Euro (" EUR " or " € ")
Issue Date:	December 15, 2006
Maturity Date:	December 15, 2011
Issue Price:	100.00 per cent. of the aggregate principal amount of the Notes
Offer Price:	<p>The Notes will be publicly offered through the Distribution Network, as defined herein, to both institutional and individual investors at 100.00 per cent. of their aggregate principal amount.</p> <p>Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Notes from its financial advisor, bank or financial intermediary.</p>
Total commission:	The selling commission and management fee to be paid to the Distribution Network and Distribution Manager on the Issue Date in connection with the Offer will be equal to 3.80 per cent. of the aggregate principal amount of the Notes placed by the Distribution Network.
Offer Period and Distributors:	<p>From (and including) October 23, 2006 up to (and including) December 11, 2006, during the hours in which banks are generally open for business in Milan, Italy.</p> <p>The Notes will be publicly offered in the Republic of Italy through the following institutions (together the "Distribution Network", or the "Distributors" and each, a "Distributor"): </p> <p>Banca Monte dei Paschi di Siena S.p.A. Piazza Salimbeni 53100 Siena</p>

Republic of Italy

Banca Agricola Mantovana S.p.A.
Corso Vittorio Emanuele, 30
46100 Mantova
Republic of Italy

Banca Toscana S.p.A.
Via Leone Pancaldo, 4
50100 Firenze
Republic of Italy

The Notes will be placed into the Republic of Italy without any underwriting by the Distributors. No undertakings have been made by third parties to guarantee the subscription of the Notes.

A prospective Noteholder should contact a Distributor prior to the end of the Offer Period. A prospective Noteholder will subscribe for Notes in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with the Offeror related to the subscription for the Notes.

Passporting:

A Prospectus (as defined in the Prospectus Directive) has been prepared in connection with the Notes and shall be submitted for approval by the UK Listing Authority. The Offeror intends to request that the UK Listing Authority provide to the competent authority in Italy a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. The Prospectus will not be notified to the competent authority of any other European Economic Area member state.

Any investor intending to purchase the Notes in Italy should contact a Distributor or if such prospective Noteholder intends to purchase the Notes in another jurisdiction, its financial advisor, bank or financial intermediary for more information.

Form of Notes:

Bearer

Interest payable on the Notes:

The Notes will pay interest linked to the performance of the EURO STOXX 50SM Index, as further specified in Item 20 of the Final Terms and in paragraph 2.1 of Appendix A (*Special Conditions*). In summary, (i) if a Barrier Breach Event has occurred during a given Observation Period, an investor will receive on the applicable Interest Payment Date an Interest Amount equal to the Specified Denomination of each Note held multiplied by 3.85 per cent; and (ii) if a Barrier Breach Event has not occurred during a given Observation Period, an investor will receive on the applicable Interest Payment Date an Interest Amount equal to the Specified Denomination of each Note held multiplied by the greater of (A) 50 per cent. multiplied by the Equity Index Performance for the applicable Observation Period and (B) 1.00 per cent.

Redemption:

Final Redemption Amount

100.00 per cent. of the aggregate principal amount.

Early Redemption Amount

The Notes may be redeemed prior to the Maturity Date in certain circumstances, including for taxation reasons, upon a Regulatory Redemption Event (as defined in paragraph 2.2 of Appendix A (*Special Conditions*)) or upon an acceleration of the Notes. In such case, the Early Redemption Amount of the Notes will be based upon the Calculation Agent's determination of the market value of each Note subject to deduction of Associated Costs. See the section entitled "*Risk Factors – Risks Relating to the Notes – Early Redemption and Associated Costs*" included in this Summary for a description of certain risks related to early redemption.

Denomination of Notes:	€1,000
Taxation:	All payments with respect to the Notes will be made without withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in the United States of America, except as provided in Condition 8. The relevant provisions of Italian taxation law are described in Appendix D (<i>Information Regarding Italian Taxation</i>) of this Securities Note.
Status of the Notes:	The Notes will constitute direct, unsecured, unsubordinated and general obligations of the Offeror and will rank <i>pari passu</i> with all other unsecured and unsubordinated indebtedness of the Offeror.
Rating:	The Program under which the Notes are to be issued has been rated S&P: A+/A-1; Moody's: Aa3; Fitch: AA-
Listing:	Application will be made for the Notes to be admitted to the Official List of the UKLA and to trading on the Gilt Edged and Fixed Interest Market of the London Stock Exchange. No assurance can be given that such applications will be successful.
Governing Law:	The Notes will be governed by, and construed in accordance with, the laws of the State of New York, United States of America.
Selling Restrictions:	<p><i>General</i></p> <p>The Notes have not been and will not be registered under the Securities Act and may not at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. In addition, the Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or to United States Persons, as that term is defined in the section of the Prospectus entitled "<i>United States Income and Estate Taxes</i>" which is incorporated by reference into the Securities Note. For a description of certain restrictions on offers, sales and deliveries of Notes in the United States, European Economic Area, United Kingdom, Japan, Republic of Italy, Grand Duchy of Luxembourg and Singapore see "<i>Subscription and Sale</i>" incorporated by reference into the Securities Note.</p>

Republic of Italy

The Notes can only be offered in compliance with all applicable laws and regulations in the Republic of Italy, as provided in Item 42, of the Final Terms.

Risk Factors:

Prospective investors should consult their own financial and legal advisors about risks associated with an investment in the Notes and the suitability of investing in such Notes in light of their particular circumstances.

Risks Relating to the Notes

Investor suitability. Investors in the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk and be capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Offeror.

Potential Conflicts of Interest. The Offeror's subsidiary, Merrill Lynch International, is the Offeror's agent for the purposes of calculating, among other things, the Interest Amount payable on each Interest Payment Date and in certain circumstances the Early Redemption Amount. Under certain circumstances, Merrill Lynch International status as the Offeror's subsidiary and its responsibilities as Calculation Agent for the Notes could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the level of the Equity Index can be obtained on a particular trading day. Merrill Lynch International is required to carry out its duties as Calculation Agent in good faith, acting reasonably and on an arms-length basis. However, investors should be aware that because the Offeror controls Merrill Lynch International potential conflicts of interest could arise. An investor that is unwilling or unable to accept such potential conflicts of interest should not purchase the Notes.

The Offeror and its affiliates may buy, sell or have long positions in securities related to the Notes. The Offeror and its affiliates may buy or sell obligations or have long positions in securities economically related to the Notes for their own account for business reasons or in connection with hedging of the obligations under the Notes. The Offeror and its affiliates have not and are not required to consider the interests of investors as holders of the Notes in connection with entering into any of the above mentioned transactions.

The Notes are likely to be illiquid. The Offeror does not expect a trading market for the Notes to develop.

Potential investors should conduct their own investigation of the Equity Index and not rely on any views expressed by the Offeror or its affiliates. In the ordinary course of its businesses, the Offeror or its affiliates from time to time may express views on expected movements in the Equity Index. In connection with any purchase of the Notes, investors should investigate the markets and not rely on views which may be expressed by the Offeror or its affiliates in the ordinary course of its businesses with respect to future movements in equity indices or exchange rate movements. Investors should make such investigation as they deem appropriate as to the merits of an investment linked to the performance of the Equity Index. Neither the offering of the Notes nor any views which may from time to time be expressed by the Offeror or its affiliates in the ordinary course of its businesses with respect to future equity index levels or exchange rate movements constitutes a recommendation as to the merits of an investment in the Notes.

Past performance not indicative of future performance. Potential

investors should be aware that past performance of the Equity Index is not necessarily indicative of future performance.

Trading value of the Notes will be affected by a variety of interrelated factors. The trading value of the Notes will be affected by factors that interrelate in complex ways. It is important for investors to understand that the effect of one factor may offset the increase in the trading value of the Notes caused by another factor and that the effect of one factor may exacerbate the decrease in the trading value of the Notes caused by another factor.

The Notes involve a high degree of risk associated with the performance of the Equity Index. In general, the Notes involve a high degree of risk, including, without limitation, principal, interest rate, currency, credit, political, liquidity and market risk and are not suitable for all investors. In addition, calculation of the return on the Notes is linked to the performance of the Equity Index and is designed for investors who believe that the Equity Index will increase over the term of the Notes, but not in excess of the Barrier Breach Level in any particular Interest Period. As such, an investment in the Notes may not be suitable for persons unfamiliar with the Equity Index and the factors that affect movements in the level of the Equity Index or who are unwilling or unable to bear the risk attendant with this trade.

Early Redemption and Associated Costs. The Notes may be redeemed early in certain circumstances, including for taxation reasons, upon a Regulatory Redemption Event or upon an acceleration of the Notes. In such case, the Early Redemption Amount of the Notes will be based upon the Calculation Agent's determination of the market value of each Note subject to deduction of Associated Costs. The quantum of such Associated Costs will be affected by many factors including, but not limited to, any funding related costs and any costs associated with unwinding any hedge positions relating to the Notes. Investors should be aware that in the event of an early redemption the Notes are not principal protected and the Early Redemption Amount payable to any investor may be substantially less than the par value of the Notes or, alternatively, an investor may lose all of its investment.

The Interest Amount on the Notes may be less than a comparable vanilla debt security. Calculation of the Interest Amount payable on the Notes is linked through a formula to the level of the Equity Index, which may depreciate as well as appreciate over the term of the Notes. It is possible that the level of the Equity Index over the term of the Notes will be at or below the Official Closing Level of the Equity Index on the Issue Date, in which case the return on the Notes could be as low as the Minimum Rate of Interest. If the Equity Index level falls over the life of the Notes, this may affect the value at which the Notes trade in the secondary market. Investors should be aware that the value of the Notes in the secondary market may be well below par prior to the Maturity Date.

PART 2 – SECURITIES NOTE

RESPONSIBILITY STATEMENT

The Offeror accepts responsibility for the information contained in this Securities Note and the Summary. To the best of the knowledge of the Offeror (which has taken all reasonable care to ensure such is the case) the information contained in this Securities Note and the Summary when read together with the Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Terms used in the Securities Note and the Summary shall, save as otherwise defined herein, have the same meanings as set forth in the Terms and Conditions included herein.

This Securities Note and the Summary should be read and construed together with any amendment or supplement hereto and with any other document incorporated by reference herein and should be read and construed together with the Terms and Conditions, as supplemented by the Final Terms herein.

INCORPORATION BY REFERENCE

The following sections of the Prospectus, which have been approved by the UK Listing Authority as a base prospectus for the purposes of the Prospectus Directive, shall be deemed to be incorporated in, and form part of, this Securities Note: (i) Form of the Notes; (ii) Use of Proceeds; (iii) Subscription and Sale; (iv) United States Income and Estate Taxes; (v) European Union Savings Tax Directive; and (vi) General Information. The Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 and the Company's Current Report on Form 8-K dated July 18, 2006, which, respectively, form part of the supplementary prospectuses dated August 9, 2006 and July 24, 2006 and which have been previously published and approved by the Financial Services Authority and filed with it, shall also be deemed to be incorporated in, and to form part of, this Securities Note for the purposes of the Prospectus Directive. Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Securities Note to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Securities Note.

The Offeror will provide, without charge, to each person to whom a copy of this Securities Note has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which or portions of which are incorporated by reference herein or which are incorporated by reference into the Registration Document. Written or oral requests for such documents or portions thereof should be directed to the principal office of Deutsche Bank AG, London Branch, the issuing and principal paying agent for the Notes. Copies of documents or portions thereof incorporated by reference in this Securities Note can also be obtained from the Offeror's corporate secretary's office at 222 Broadway, 17th Floor, New York, NY 10038-2510, USA.

ADDITIONAL RISK FACTORS RELATING TO THE NOTES

Prospective investors should consult their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. In particular, the Notes may not be an appropriate investment for investors who are unsophisticated with respect to such transactions. Capitalised terms used in this section "Additional Risk Factors Relating to the Notes" are defined elsewhere in this Securities Note, including in Appendix A (Special Conditions) and Appendix C (Terms and Conditions of the Notes).

AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD CONSIDER CAREFULLY ALL THE INFORMATION SET OUT IN THE REGISTRATION DOCUMENT AND THIS SECURITIES NOTE, IN PARTICULAR, THE RISK FACTORS DESCRIBED BELOW, BEFORE MAKING ANY DECISION TO INVEST IN THE NOTES.

1. Understanding and appropriateness of the investment

- 1.1 Each investor (a) should be an investor with substantial knowledge of and/or experience in structured products and other derivatives and having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks (including tax, legal, regulatory, accounting) of an investment in the Notes because the Notes are not an appropriate investment for investors who are unsophisticated with respect to such transactions; (b) should be financially able to bear such risks; (c) in making such investment, should not, and shall be deemed not to, rely on any advice or recommendations of or any information, representation or warranty provided by the Dealer, the Calculation Agent and/or any of their respective affiliates (together, "**Merrill Lynch**"), the Offeror, any other Dealer or any of their respective representatives; and (d) should seek advice from such advisors as such investor considers necessary and appropriate, to enable such investor to make its own independent decision with regard to the suitability and appropriateness of the Notes as an investment for its own account. Each investor should be capable of assessing and independently deciding, and should have assessed and independently decided, to assume the risks of an investment in the Notes.
- 1.2 Each investor in the Notes should consider the tax consequences of investing in the Notes. None of the Offeror, the Dealer or any of their respective representatives makes any representation nor has given to any potential investor, and will not give to potential investors, any advice concerning the appropriate accounting treatment or possible tax consequences of purchasing the Notes. Each investor should consult its own financial, tax, accounting and legal advisors about risks associated with an investment in the Notes and the suitability of investing in such Notes in light of the investor's particular circumstances.
- 1.3 Any information communicated (in any manner) to investors by the Offeror or Merrill Lynch should not be relied upon as investment advice or as a recommendation to invest in the Notes, which shall include, amongst other things, any such information, explanations or discussions concerning the terms and conditions of the Notes, or related features.
- 1.4 Investment in the Notes should comply, and be fully consistent, with all investment policies, guidelines and restrictions applicable to an investor. It is the responsibility of each investor to ensure that it is compliant with all regulations relevant to its acquisition of the Notes and that it is lawful for it to enter into such investment.
- 1.5 Any information communicated (in any manner) to investors by the Offeror, Merrill Lynch, the Dealer or any of the Distributors should not be relied upon, nor shall such be deemed to be an assurance or guarantee, as to the expected results of an investment in the Notes. Each investor should be aware that any return on the Notes may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.
- 1.6 Each investor should be aware that none of the Offeror, Merrill Lynch or the Dealer is acting as a fiduciary or trustee for, or as an advisor to the investor with regard to, an investment in the Notes.
- 1.7 The Notes are denominated in euro. Investors that purchase the Notes with a currency other than euro should note that changes in rates of exchange may have an adverse effect on the value, price or income of

their investment.

- 1.8 The Notes will constitute direct, unsubordinated, unsecured and general obligations of the Offeror and will rank equally with all other unsubordinated and unsecured indebtedness of the Offeror. Investors in the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk and be capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Offeror. Investors in the Notes do so in reliance on their own assessment of the Offeror, this Securities Note, the Registration Document and the Prospectus.
- 1.9 None of the Offeror, the Calculation Agent, the Paying Agents, the Dealer, the Distributors or any of their affiliates has performed any investigation or review of the Equity Index, nor do they make any guarantee or express or implied warranty in respect of the selection of the underlying securities comprised within the Equity Index or the methodology of calculating the Equity Index nor is any assurance or guarantee given as to the performance of the Equity Index nor the Interest Amount to be obtained based upon the performance of the Equity Index. Investors should not conclude that the sale by the Offeror of the Notes is any form of investment recommendation by the aforementioned entities or any of them.
- 1.10 The credit ratings of the Offeror are an assessment of its ability to pay its obligations and may not reflect the potential impact of all risks related to the Notes. In addition, real or anticipated changes in its credit ratings may affect the value of the Notes. However, because the return on the Notes is dependent upon factors in addition to its ability to pay its obligations under the Notes, an improvement in its credit ratings will not reduce the other investment risks related to the Notes.

2. Investment considerations relating to the Notes

- 2.1 *Potential Conflict of Interest.* The Offeror's subsidiary, Merrill Lynch International, is the Offeror's agent for the purposes of calculating, among other things, the Interest Amount payable on each Interest Payment Date and in certain circumstances the Early Redemption Amount. Under certain circumstances, Merrill Lynch International status as the Offeror's subsidiary and its responsibilities as Calculation Agent for the Notes could give rise to conflicts of interest. These conflicts could occur, for instance, in connection with its determination as to whether the level of the Equity Index can be obtained on a particular trading day. Merrill Lynch International is required to carry out its duties as Calculation Agent in good faith, acting reasonably and on an arms-length basis. However, investors should be aware that because the Offeror controls Merrill Lynch International potential conflicts of interest could arise. An investor that is unwilling or unable to accept such potential conflicts of interest should not purchase the Notes.
- 2.2 *The Offeror and its affiliates may buy, sell or have long positions in securities related to the Notes.* The Offeror and its affiliates may buy or sell obligations or have long positions in securities economically related to the Notes for their own account for business reasons or in connection with hedging of the obligations under the Notes. The Offeror and its affiliates have not and are not required to consider the interests of investors as holders of the Notes in connection with entering into any of the above mentioned transactions.
- 2.3 *The Notes are likely to be illiquid.* The Offeror does not expect a trading market for the Notes to develop. The Notes are structured and not liquid. No assurances can be made that any meaningful secondary market will develop in the Notes. Merrill Lynch may, but is not obligated to, make a market in the Notes. At its sole discretion, Merrill Lynch may discontinue any market-making activities at any time without notice. If an active public market for the Notes does not develop, the market prices and liquidity of the Notes may be adversely affected. Bid-offer spreads are expecting to be significantly higher than for vanilla bonds.
- 2.4 *Potential investors should conduct their own investigation of the Equity Index and not rely on any views expressed by the Offeror or its affiliates.* In the ordinary course of its businesses, the Offeror or its affiliates from time to time may express views on expected movements in the Equity Index. These views are sometimes communicated to clients who participate in related markets. However, these views, depending upon world-wide economic, political and other developments, may vary over differing time-horizons and are subject to change. Moreover, other professionals who deal in equity markets may at any time have significantly different views from those of the Offeror or its affiliates. For reasons such as these, it is believed that most investors in shares or equity indices affected by foreign exchange markets derive information concerning those markets from multiple sources. In connection with any purchase of the Notes, investors should investigate the markets and not rely on views which may be expressed by the Offeror or its

affiliates in the ordinary course of its businesses with respect to future movements in equity indices or exchange rate movements. Investors should make such investigation as they deem appropriate as to the merits of an investment linked to the performance of the Equity Index. Neither the offering of the Notes nor any views which may from time to time be expressed by the Offeror or its affiliates in the ordinary course of its businesses with respect to future equity index levels or exchange rate movements constitutes a recommendation as to the merits of an investment in the Notes.

- 2.4 *Past performance not indicative of future performance.* Potential investors should be aware that past performance of the Equity Index is not necessarily indicative of future performance.
- 2.5 *Trading value of the Notes will be affected by a variety of interrelated factors.* The trading value of the Notes will be affected by factors that interrelate in complex ways. It is important for investors to understand that the effect of one factor may offset the increase in the trading value of the Notes caused by another factor and that the effect of one factor may exacerbate the decrease in the trading value of the Notes caused by another factor. For example, a change in the volatility or anticipated volatility of the Equity Index may offset some or all of any increase in the trading value of the Notes attributable to another factor, such as an increase in the level of the Equity Index. The following paragraphs describe the possible impact on the trading value of the Notes given a change in a specific factor, assuming all other conditions remain constant.
- *Volatility.* Volatility is the term used to describe the size and frequency of price and/or market fluctuations. If the volatility, or anticipated volatility, of the Equity Index increases or decreases, the trading value of the Notes may be adversely affected.
 - *Time Premium.* The Offeror anticipates that before their maturity, the Notes may trade at a value above that which would be expected based on the performance of the Equity Index. This difference will reflect a "time premium" due to expectations concerning the levels of the Equity Index prior to the maturity of the Notes. However, as the time remaining to the maturity of the Notes decreases, the Offeror expects that this time premium will decrease, lowering the trading value of the Notes.
- 2.6 *The Notes involve a high degree of risk associated with the performance of the Equity Index.* In general, the Notes involve a high degree of risk, including, without limitation, principal, interest rate, currency, credit, political, liquidity and market risk and are not suitable for all investors. In addition, calculation of the return on the Notes is linked to the performance of the Equity Index and is designed for investors who believe that the Equity Index will increase over the term of the Notes, but not in excess of the Barrier Breach Level in any particular Interest Period. As such, an investment in the Notes may not be suitable for persons unfamiliar with the Equity Index and the factors that affect movements in the level of the Equity Index or who are unwilling or unable to bear the risk attendant with this trade.
- 2.7 *Early Redemption and Associated Costs.* The Notes may be redeemed early in certain circumstances, including for taxation reasons, upon the occurrence of a Regulatory Redemption Event or upon an acceleration of the Notes. In such case, the Early Redemption Amount of the Notes will be based upon the Calculation Agent's determination of the market value of each Note subject to deduction of Associated Costs. The quantum of such Associated Costs will be affected by many factors including, but not limited to, any funding related costs and any costs associated with unwinding any hedge positions relating to the Notes. **Investors should be aware that in the event of an early redemption the Notes are not principal protected and the Early Redemption Amount payable to any investor may be substantially less than the par value of the Notes or, alternatively, an investor may lose all of its investment.**
- 2.9 *The Interest Amount on the Notes may be less than a comparable vanilla debt security.* Calculation of the Interest Amount payable on the Notes is linked through a formula to the level of the Equity Index, which may depreciate as well as appreciate over the term of the Notes. It is possible that the level of the Equity Index over the term of the Notes will be at or below the Official Closing Level of the Equity Index on the Issue Date, in which case the return on the Notes could be as low as the Minimum Rate of Interest. Although an investor has an opportunity to receive a higher return, an investor risks a lower return than comparable vanilla debt securities. As such, the Notes may not be a suitable investment for persons unfamiliar with the Equity Index, or who are unwilling or unable to bear the risk attendant with the Notes. If the Equity Index level falls over the life of the Notes, this may affect the value at which the Notes trade in the secondary market. Investors should be aware that the value of the Notes in the secondary market may be well below par prior to the Maturity Date.

THE RISK FACTORS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE A COMPREHENSIVE LIST OF ALL RISK FACTORS RELEVANT TO A DECISION TO PURCHASE OR HOLD THE NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTION HEADED "RISK FACTORS" OF THE PROSPECTUS WHICH IS INCORPORATED BY REFERENCE IN THE REGISTRATION DOCUMENT.

FINAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Special Conditions set forth in Appendix A (*Special Conditions*) to this Securities Note and the Terms and Conditions set forth in Appendix C (*Terms and Conditions*) to this Securities Note.

PART A - CONTRACTUAL TERMS

1. Issuer: Merrill Lynch & Co., Inc. (the "**Offeror**")
2. (i) Series Number: 3808
(ii) Tranche Number: 1
3. Specified Currency: Euro ("**EUR**" or "**€**")
4. Aggregate Principal Amount: Up to EUR 77,000,000
5. Issue Price: 100.00 per cent. of the Aggregate Principal Amount
6. Offer Price: The Notes will be publicly offered through the Distribution Network, as defined hereinafter, to both institutional and individual investors at 100.00 per cent. of their aggregate principal amount.

Any investor not located in the Republic of Italy should contact its financial advisor for more information, and may only purchase the Notes from its financial advisor, bank or financial intermediary.
7. Offer Period: From (and including) October 23, 2006 up to (and including) December 11, 2006 during the hours in which banks are generally open for business in Milan, Italy.

The Notes will be placed into the Republic of Italy without any underwriting by the Distributors. No undertakings have been made by third parties to guarantee the subscription of the Notes.

A prospective Noteholder should contact a Distributor prior to the end of the Offer Period. A prospective Noteholder will subscribe for Notes in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with the Issuer related to the subscription for the Notes.

There are no pre-identified allotment criteria. The Distribution Manager will adopt allotment criteria that ensure equal treatment of prospective investors.

For the avoidance of doubt, no dealings in the Notes may take place prior to the Issue Date.

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| 8. | Specified Denominations: | EUR 1,000 |
| 9. | (i) Issue Date: | December 15, 2006 |
| | (ii) Interest Commencement Date: | December 15, 2006 |
| 10. | Maturity Date | December 15, 2011 |
| 11. | Interest Basis: | Equity Index Linked, as further described in Item 20 of these Final Terms and paragraph 2.1 of Appendix A (<i>Special Conditions</i>) hereto. |
| 12. | Redemption/Payment Basis: | Par |
| 13. | Change of Interest or Redemption/Payment Basis: | Not applicable |
| 14. | Put/Call Options: | Not applicable |
| 15. | Status of the Notes: | The Notes will constitute direct, unsecured, unsubordinated and general obligations of the Offeror and will, save for such exceptions as may be provided by applicable legislation or judicial order, rank <i>pari passu</i> with all other unsecured and unsubordinated indebtedness of the Offeror. |
| 16. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 17. | Fixed Rate Note Provisions: | Not applicable |
| 18. | Floating Rate Note Provisions: | Not applicable |
| 19. | Zero Coupon Note Provisions: | Not applicable |
| 20. | Indexed Note Provisions: | Applicable, as further specified below and in paragraph 2.1 of Appendix A (<i>Special Conditions</i>) hereto. |
| | (i) Index/Formula | As set out in paragraph 2.1 of Appendix A (<i>Special Conditions</i>) hereto. |
| | (ii) Calculation Agent, if any, responsible for calculating the principle and/or interest payable: | Merrill Lynch International of
Merrill Lynch Financial Centre
2, King Edward Street
London EC1A 1HQ
United Kingdom |
| | (iii) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest payable where calculation by reference to the Index/Formula is impossible or impractical: | As set out in paragraphs 1 and 2.3 of Appendix A (<i>Special Conditions</i>) hereto. |
| | (v) Business Day Convention: | Following |
| | (vi) Additional Business Centre(s) | Not applicable |
| | (vii) Minimum Rate of Interest: | 1.00 per cent. per annum |

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| (viii) | Maximum Rate of Interest: | Not applicable |
| (ix) | Day Count Fraction: | Not applicable |
| 21. | Dual Currency Note provisions: | Not applicable |
| 22. | Credit Linked Note provisions: | Not applicable |
| 23. | Equity Linked Note provisions: | Not applicable |

PROVISIONS RELATING TO REDEMPTION

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| 24. | Offeror's Optional Redemption: | Not applicable |
| 25. | Redemption at the option of the Noteholders: | Not applicable |
| 26. | Final Redemption Amount: | 100.00 per cent. of the aggregate principal amount of each Note of a Specified Denomination. |
| 27. | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or, upon the other circumstances described in Condition 8 or upon acceleration of the Notes pursuant to Condition 12 and/or the method of calculating the same (if required or if different from that set out in Condition 4(f)): | <p>Condition 4(f) shall not apply. If the Notes are redeemed:</p> <ul style="list-style-type: none"> (a) for taxation reasons (pursuant to Condition 4(b) or Condition 8); or (b) as a result of the occurrence of a Regulatory Redemption Event (as defined in paragraph 2.2 of Appendix A (<i>Special Conditions</i>) hereto); or (c) following an acceleration of the Notes (pursuant to Condition 12), |

the Early Redemption Amount payable in respect of each Note of a Specified Denomination will, in each case, be equal to the Calculation Agent's determination of the market value of each Note taking into account factors including but not limited to: interest rates, index levels, implied volatilities in the option markets and exchange rates, *less* the Associated Costs (as defined below).

"**Associated Costs**" means an amount per Note of a Specified Denomination equal to the *pro rata* share (on the basis of the principal amount of the Note and the aggregate principal amount of all Notes which have not been redeemed or cancelled as at the Early Redemption Date) of the total amount of any and all costs associated or incurred by the Offeror or any company affiliated with it in connection with such early redemption, including, without limitation, any costs associated with unwinding the funding relating to the Notes and any costs associated with unwinding any hedge positions relating to the Notes, all as determined by the Calculation Agent in its sole discretion.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 28. | Form of Notes: |
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(i) Bearer Notes:	<p>The Notes will be Bearer Notes and will initially be represented by a temporary global Note in bearer form, without interest coupons attached, which will be deposited with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, <i>société anonyme</i> ("Clearstream, Luxembourg") on or about the Issue Date. Interests in the temporary global Note will be exchangeable for interests in a permanent global Note, without interest coupons attached, on a date (the "Exchange Date") not earlier than 40 days after the closing date upon appropriate certification as to non-U.S. beneficial ownership. The permanent global Note will be exchangeable in whole, but not in part, for definitive Notes in bearer form in denominations of €1,000 each with interest coupons attached upon 60 days' written notice expiring at least 30 days after the Exchange Date. Interests in the permanent global Note will not be exchangeable for Notes in registered form.</p>
(ii) Registered Notes:	Not applicable
(iii) Registered Short-term Notes:	Not applicable
29. New Global Note	No
30. Additional Financial Centre(s), Business Day Convention or other special provisions relating to Payment Business Day:	Condition 5(c)(i) applies
31. Talons for future Coupons or Receipts to be attached to definitive Notes in bearer form (and dates on which such Talons mature):	No
32. Details relating to Partly Paid Notes amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Offeror to forfeit the Notes and interest due on late payment:	Not applicable
33. Details relating to Installment Notes:	Not applicable
34. Redenomination, renominatisation and reconventioning provisions:	Not applicable
35. Other terms or specified conditions:	<p>(a) <i>Calculation Agent.</i> "Calculation Agent" means Merrill Lynch International or such successor calculation agent as may from time to time be appointed by the Offeror.</p> <p>The Calculation Agent shall act as an independent expert and not as an agent for the Offeror or the Noteholders.</p> <p>All certificates, communications, opinions,</p>

determinations, calculations, questions and decisions and other exercises of discretion by the Calculation Agent shall be made by it in its sole and unfettered discretion, in good faith, acting reasonably and on an arms-length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Offeror and the Noteholders. The Calculation Agent shall promptly notify the Agent and the Offeror upon any such determination or calculation, which shall (save in the case of manifest error) be final and conclusive, and the Calculation Agent shall have no liability in relation to the certificates, communications, opinions, determinations, calculations, questions and decisions or other exercises of discretion provided for herein, except in the case of wilful default or bad faith.

- (b) *Special Conditions.* The definitions and provisions set out in Appendix A (*Special Conditions*) shall apply to the Terms and Conditions of the Notes in accordance therewith.
- (c) *Market-making.* Merrill Lynch International (whether acting alone or through one or more of its affiliates or other appointed third parties) may (but shall at no time be obliged to) purchase, and re-sell Notes from time to time. No assurance is made that the Notes may be purchased by the Dealer or the Offeror at any time. Any such purchase will be at the Dealer's or the Offeror's discretion and subject to various factors including, without limitation, then prevailing market conditions and applicable local laws and regulations

36. Further provision:

Condition 16 applies. If the Offeror issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes. In addition, if the Offeror issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

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| 37. | Details relating to Notes that are payable and/or for which the obligations of the Offeror may be discharged by the delivery of securities and/or other property or any combination of cash, securities and/or other property: | Not applicable |
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DISTRIBUTION

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| 38. | (i) If syndicated, names and addresses of Managers and respective underwriting commitments: | Not applicable |
| | (ii) Date of Purchase Agreement: | Not applicable |
| | (iii) Stabilizing Manager (if any): | Not applicable |
| 39. | Name and address of Relevant Dealer: | Merrill Lynch International of Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ, United Kingdom |
| 40. | Name and address of Distributors/placers: | <p>The Notes will be publicly offered in the Republic of Italy through the following institutions (the "Distributors Network", or the "Distributors" and each, a "Distributor") and managed and coordinated by MPS Finance Banca Mobiliare SpA, of Via Nino Bixio, 2, 53100, Siena , Republic of Italy (Offices: Viale Mazzini 23, 53100 Siena, Republic of Italy) (the "Distribution Manager"):</p> <p>Banca Monte dei Paschi di Siena S.p.A.
Piazza Salimbeni
53100 Siena
Republic of Italy</p> <p>Banca Agricola Mantovana S.p.A.
Corso Vittorio Emanuele, 30
46100 Mantova
Republic of Italy</p> <p>Banca Toscana S.p.A.
Via Leone Pancaldo, 4
50100 Firenze
Republic of Italy</p> |
| 41. | Total commission: | The selling commission to be paid to the Distribution Network in connection with the Offer is equal to 1.90 per cent. of the Aggregate Principal Amount of the Notes placed by the Distributors and the management fee to be paid to the Distribution Manager in connection with the Offer is equal to 1.90 per cent of the Aggregate Principal Amount of the Notes placed by the Distributors. |
| 42. | Additional selling restrictions: | To the extent that the offering of the Notes has not been registered with CONSOB (the Italian |

Securities Exchange Commission) pursuant to Italian securities laws and regulations (i.e., passported in the Republic of Italy pursuant to article 10-bis of CONSOB Regulation No. 11971 of 14th May, 1999, as amended), no Notes may be offered, sold or delivered, nor may copies of the Securities Note or of any other document relating to the Notes be distributed in the Republic of Italy, except:

i. to professional investors ("operatori qualificati"), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998, as amended; or

ii. in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24th February, 1998 (the "Financial Services Act") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Securities Note or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

a. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1st September, 1993 (the "**Banking Act**"), as amended; and

b. in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, inter alia, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and

c. in accordance with any other applicable laws and regulations.

The selling restriction above should be read in conjunction with the information in relation to the Offer contained in this Securities Note in Item 3 and Item 10 of Part B of these Final Terms.

PART B – OTHER INFORMATION

1. **LISTINGS:**

(i) Listing:

Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority.

(ii) Admission to trading:

Application has been made for the Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market with effect on or about the Issue Date.

No assurance can be given that either of such applications will be granted.

2. **RATINGS**

Ratings:

The Notes will be issued under the Program, which has been rated in relation to Senior Note issuances only:

S&P: A+/A-1. An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

A short-term obligation rated "A-1" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

Moody's: Aa3. Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch: AA- "AA" ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. "+" or "-" denotes relative status within major rating categories.

The information regarding ratings above has been extracted from the websites of Fitch Ratings ("**Fitch**"), Moody's Investors Service, Inc.

("Moody's") and Standard and Poor's Ratings Services, S&P, a division of The McGraw-Hill Companies, Inc. ("S&P") as applicable. The Offeror confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Fitch, Moody's, and S&P, no facts have been omitted which would render the reproduced inaccurate or misleading.

3. **NOTIFICATION**

Applicable. The UK Listing Authority has been requested to provide to the competent authority in Italy a certificate of approval attesting that the Registration Document and this Securities Note and Summary have been drawn up in accordance with the Prospectus Directive.

4. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in "*Subscription and Sale*" incorporated by reference into this Securities Note and as discussed in the section of this Securities Note entitled "*Additional Risk Factors Relating to the Notes*", and so far as the Offeror is aware, no person involved in the offer of the Notes has an interest material to the offer.

5. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) Reasons for the offer:

The Offeror intends to use the net proceeds from the sale of the Notes for its general corporate purposes. Such general corporate purposes may include the funding of investments in, or extensions of credit to, its subsidiaries, the funding of assets of the Offeror and its subsidiaries, the lengthening of the average maturity of the Offeror's borrowings, and the financing of acquisitions. Pending such applications, the net proceeds will be applied to the reduction of short-term indebtedness or temporarily invested. Management of the Offeror expects that it will, on a recurrent basis, engage in additional financings as the need arises to finance the growth of the Offeror, through acquisitions or otherwise, or to lengthen the average maturity of its borrowings. To the extent that Notes being purchased for resale by Merrill Lynch International are not resold, the aggregate proceeds available to the Offeror and its subsidiaries on a consolidated basis would be reduced.

(ii) Estimated net proceeds

Up to EUR 77,000,000

6. **YIELD**

Not applicable

7. **HISTORIC INTEREST RATES**

Not applicable

8. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

A description of the Equity Index (as defined in Appendix A (*Special Conditions*)) to which the Interest Amounts payable in respect of the Notes will be linked is set out in Appendix B (*Information Regarding the*

Equity Index) hereto. An explanation of certain factors affecting the Equity Index and the determination of the Interest Amounts is included in the section of this Securities Note entitled "*Additional Risk Factors Relating to the Notes*".

9. **PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not applicable

10. **INFORMATION IN RESPECT OF PUBLIC OFFERS OF NOTES**

Applicable.

The Notes will be offered to the public in the Republic of Italy in accordance with the arrangements listed below.

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| (i) | Arrangements for publication of final size of issue/offer: | Not applicable |
| (ii) | Time period, including any possible amendments, during which the offer will be open: | From (and including) October 23, 2006 up to (and including) December 11, 2006, during the hours in which banks are generally open for business in Milan, Italy (the " Offer Period "). |
| (iii) | Description of the application process: | A prospective Noteholder should contact a Distributor prior to the end of the Offer Period. A prospective Noteholder will subscribe for the Notes in accordance with the arrangements existing between the relevant Distributor and its customers relating to the subscription of securities generally. Noteholders will not be required to enter into any contractual arrangements directly with the Offeror or the Dealer related to the subscription for the Notes. |
| (iv) | Details of the minimum/maximum amount of application (whether in numbers of securities or aggregate amount to invest): | There is no pre-identified allotment criteria. The Distribution Manager will adopt allotment criteria that ensure equal treatment of prospective investors.

For the avoidance of doubt, no dealings in the Notes may take place prior to the Issue Date. |
| (v) | Method and time limits for paying up the securities and for delivery of the securities: | The Notes will be sold on a delivery versus payment basis on the Issue Date. |
| (vi) | Full description of the manner and date in which results of the offer are to be made to public: | As set forth under Item 10(i) of Part B of these Final Terms. |
| (vii) | Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure: | The Notes will be publicly offered through the Distribution Network, as defined herein, to institutional and individual investors in the Republic of Italy at 100.00 per cent. of their Aggregate Principal Amount. |
| (viii) | Process for notification to applicants of the amount of Notes allotted and indication whether dealing may begin before notification is made: | As set forth under Item 10(iv) of Part B of these Final Terms. |
| (ix) | Details of any tranche(s) reserved for specific | The Notes will be placed in the Republic of Italy |

	country:	through the Distribution Network.
(x)	Additional information applicable to the terms and conditions of the offer, if any:	Not applicable
11.	OPERATIONAL INFORMATION	
	ISIN Code:	XS0270430118
	Common Code:	027043011
	Any clearing system(s) other than Euroclear Bank S.A./N.V., as operator of the Euroclear system and Clearstream Banking, <i>société anonyme</i> , and the relevant identification number(s):	Not applicable
	Delivery:	Delivery against payment
	Intended to be held in a manner which would allow Eurosystem eligibility:	Not applicable
	Names and addresses of additional Paying Agent(s) if any:	Not applicable
	Governing Law:	New York
	Additional investment considerations:	Applicable. See " <i>Additional Risk Factors Relating to the Notes</i> " contained in this Securities Note.

APPENDIX A

SPECIAL CONDITIONS

1. DEFINITIONS

For the purposes this Securities Note, including this Appendix A (Special Conditions) and Appendix B (Information Regarding the Equity Index) and Appendix C (Terms and Conditions of the Notes), the following terms shall have the following meanings:

"Barrier Breach Event" means that the Official Closing Level of the Equity Index exceeds the applicable Barrier Level on any day during a given Observation Period.

"Barrier Level" means, for purposes of determining whether a Barrier Breach Event has occurred during a given Observation Period, the level of the Equity Index for such Observation Period determined by the Calculation Agent on the applicable Initial Valuation Date in accordance with the following formula:

$$\text{Barrier Level}_t = \text{Equity Index}_{\text{INITIAL}} * 120 \text{ per cent.}$$

where:

"Barrier Level_t" means the Barrier Level for a given Observation Period.

"Equity Index_{INITIAL}" means the Official Closing Level of the Equity Index on the Initial Valuation Date for the applicable Observation Period.

"Business Day" means (i) a day on which the TARGET System is open for business and (ii) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

"Component Security" means a security comprised in the EURO STOXX 50SM Index.

"Cut-Off Date" means (i) for the purpose of determining the Final Valuation Date for a given Observation Period, each date falling three Scheduled Trading Days immediately prior to the applicable Interest Payment Date, and (ii) for the purpose of determining the Initial Valuation Date for a given Observation Period, the date falling five Scheduled Trading Days immediately after the first Scheduled Valuation Date of such Observation Period.

"Disrupted Day" means, in relation to the Equity Index, any Scheduled Trading Day on which (a) the Index Sponsor fails to publish the level of the Equity Index, (b) any Related Exchange fails to open for trading during its regular trading session or (c) a Market Disruption Event has occurred.

"Equity Index" or "EURO STOXX 50SM Index" means the Dow Jones Euro Stoxx 50SM Index which is a capitalisation-weighted index composed of 50 European blue-chip stocks from those countries participating in the EMU, as further described in Appendix B (*Information regarding the Equity Index*), as adjusted or otherwise modified from time to time in accordance with Special Condition 2.3.

"Equity Index Performance_t" means, for the purpose of determining the Interest Amount payable on each Interest Payment Date in accordance with paragraph 2.1 of this Appendix A (*Special Conditions*) for a given Interest Period, an amount expressed as a percentage (rounded down to the nearest five decimal places, with 0.000005 per cent. per annum being rounded upwards) and calculated by the Calculation Agent in accordance with the following formula:

$$\text{Equity Index Performance}_t = \text{Equity Index}_{\text{END}} / \text{Equity Index}_{\text{INITIAL}}$$

where:

"**Equity Index_{END}**" means the Official Closing Level of the Equity Index on the Final Valuation Date for the applicable Observation Period; and

"**Equity Index_{INITIAL}**" means the Official Closing Level of the Equity Index on the Initial Valuation Date for the applicable Observation Period.

"**Exchange**" means each stock exchange or trading system on which any Component Security of the Equity Index is, in the determination of the Calculation Agent, principally traded.

"**Exchange Business Day**" means any Scheduled Trading Day on which (a) the Index Sponsor publishes the level of the EURO STOXX 50SM Index and (b) each Related Exchange is open for trading during its regular trading session, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Final Valuation Dates**" mean each of the dates set forth under the heading "Final Valuation Dates" in the definition of "Observation Period" herein, subject to adjustment as set out in the definition of "Valuation Dates" herein.

"**Index Adjustment Event**" has the meaning assigned in paragraph 2.3(b) of this Appendix A (*Special Conditions*).

"**Index Cancellation**" has the meaning assigned in paragraph 2.3(b) of this Appendix A (*Special Conditions*).

"**Index Modification**" has the meaning assigned in paragraph 2.3(b) of this Appendix A (*Special Conditions*).

"**Index Sponsor**" means, in respect of EURO STOXX 50SM Index, STOXX LIMITED.

"**Interest Amount**" means the amount payable by the Issuer on each Interest Payment Date as determined in accordance with paragraph 2.1 of this Appendix A (*Special Conditions*).

"**Interest Payment Dates**" means, subject to adjustment in accordance with the Business Day Convention, annually on each December 15, commencing on December 15, 2007 and ending on and including the Maturity Date.

"**Interest Period**" means each period from and including an Interest Payment Date (or the Issue Date) up to but excluding the next succeeding (or first) Interest Payment Date.

"**Initial Valuation Dates**" mean each of the dates set forth under the heading "Initial Valuation Dates" in the definition of "Observation Period" herein, subject to adjustment as set out in the definition of "Valuation Dates" herein.

"**Market Disruption Event**" means, in respect of the Equity Index and a Component Security included in the Equity Index either (a) or (b) below, where:

- (a) the occurrence or existence, in respect of any Component Security, of:
 - (x) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or
 - (y) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange in respect of such Component Security; or

- (z) an Early Closure in respect of such Component Security, which the Calculation Agent determines is material;

AND

the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the EURO STOXX 50SM Index; or

- (b) the occurrence or existence, in respect of futures or options contracts relating to the EURO STOXX 50SM Index of: (x) a Trading Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange, (y) an Exchange Disruption at any time during the one hour period that ends at the Valuation Time in respect of any Related Exchange or (z) an Early Closure, in each case in respect of such futures or options contracts and which the Calculation Agent determines is material.

As used in this definition:

"Early Closure" means, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange Disruption" means, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of a relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to a relevant Index on any relevant Related Exchange.

"Trading Disruption" means, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange, as the case may be, or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the EURO STOXX 50SM Index on any Related Exchange.

For the purpose of determining whether a Market Disruption Event exists in relation to the Equity Index or in respect of a Component Security at any time, if an event giving rise to a Market Disruption Event occurs in respect of a security included in the Equity Index or such Component Security, as the case may be, at that time, then the relevant percentage contribution of that security or Component Security, as the case may be, to the level of the Equity Index shall be based on a comparison of (i) the portion of the level of the Equity Index attributable to that security or Component Security, as the case may be, and (ii) the overall level of the Equity Index, using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"Minimum Rate of Interest" has the meaning set forth in paragraph 2.1(b)(ii) of this Appendix A (*Special Conditions*).

"Observation Period" means, for purposes of determining the Interest Amount payable on each Interest Payment Date, each period from and including the applicable Initial Valuation Date set forth below to and including the corresponding Final Valuation Date set forth below, subject to adjustment in accordance with the definition of "Valuation Dates" herein:

Initial Valuation Date

December 15, 2006
December 17, 2007
December 15, 2008
December 15, 2009
December 15, 2010

Final Valuation Date

December 3, 2007
December 1, 2008
December 1, 2009
December 1, 2010
December 1, 2011

"Official Closing Level" means (i) the official closing level of the Equity Index on Bloomberg page SX5E<Index><Go>, provided that if an Official Closing Level is not published on the Bloomberg page referred to above, the Calculation Agent, may in its sole discretion, use a successor page/publication or alternative source as it considers appropriate or (ii) if applicable, the level of the Equity Index as determined by the Calculation Agent in accordance with the provisions set out in the definition of "Valuation Dates" herein.

"Regulatory Redemption Event" has the meaning assigned in paragraph 2.2 of this Appendix A (*Special Conditions*).

"Related Exchange" means, each exchange or quotation system on which options contracts and futures contracts relating to the Equity Index are traded, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Equity Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

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

"Scheduled Valuation Dates" means each of the calendar dates set forth under the headings "Initial Valuation Dates" and "Final Valuation Dates" in the definition of "Observation Period" herein (without adjustment as set out in the definition of "Valuation Dates" herein).

"Scheduled Trading Day" means (a) any day on which the Index Sponsor is scheduled to publish the level of the EURO STOXX 50SM Index, and (b) each Related Exchange is scheduled to be open for trading for its regular trading session.

"Successor Index" has the meaning assigned in paragraph 2.3(a) of this Appendix A (*Special Conditions*).

"Valuation Dates" means each of the Scheduled Valuation Dates or if a Scheduled Valuation Date is not a Scheduled Trading Day that is not a Disrupted Day, such Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day. If no Scheduled Trading Day that is not a Disrupted Day has occurred up to and including the applicable Cut-Off Date, then (i) such Cut-Off Date shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Equity Index as of the Valuation Time on such Cut-Off Date in accordance with the formula for and method of calculating the Equity Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on such Cut-Off Date of each security comprised in the Equity Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on such Cut-Off Date).

"Valuation Time" means, in relation to the EURO STOXX 50SM Index: (a) for the purposes of determining whether a Market Disruption Event has occurred: (1) in respect of a Component Security, the Scheduled Closing Time on the relevant Exchange, and (2) in respect of any options contracts or futures contracts on the EURO STOXX 50SM Index, the close of trading on the relevant Related Exchange, and (b) in all other circumstances, the time at which the Official Closing Level of the EURO STOXX 50SM Index is calculated and published by the Index Sponsor; provided

that if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time.

2. SPECIAL CONDITIONS

2.1 Interest Amounts

Unless previously redeemed or purchased and cancelled in accordance with the Conditions and subject as provided herein, the Issuer will pay to each Noteholder on the applicable Interest Payment Date an amount in respect of each Note of a Specified Denomination as determined by the Calculation Agent in accordance with the following:

- (a) if a Barrier Breach Event has occurred during the applicable Observation Period, an amount determined in accordance with the following formula:

$$\text{Specified Denomination} * 3.85 \text{ per cent.}$$

- (b) If a Barrier Breach Event has not occurred during the applicable Observation Period, an amount determined by the Calculation Agent and equal to the Specified Denomination of each Note multiplied by the greater of:

- (i) 50 per cent. * (Equity Index Performance_t – 1), or

- (ii) 1.00 per cent (the "**Minimum Rate of Interest**")

2.2 Redemption for Regulatory Reasons

The Issuer may, at any time, on not less than 10 Business Days irrevocable notice to the Noteholders in accordance with Condition 15, redeem all but not some only, of the Notes in the event that a change in applicable law or regulation occurs that results, or will result, solely by reason of the Notes being outstanding, in the Company being required to be regulated by any additional jurisdiction or regulatory authority, or being subject to any additional legal requirement or regulation considered by the Company to be materially onerous to it (each such change, a "**Regulatory Redemption Event**"). The Company will redeem the Notes at the Early Redemption Amount on the date specified in such notice, being a date falling not more than 10 clear Business Days after the date that such notice is given.

2.3 Equity Index Successor, Adjustments and Corrections

- (a) *Successor Index.* If the Equity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Equity Index, then in each case that index (the "**Successor Index**") will be deemed to be the Equity Index.
- (b) *Index Adjustment Events.* If on or prior to a Valuation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Equity Index or in any other way materially modifies the Equity Index (other than a modification prescribed in that formula or method to maintain the Equity Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**"), or permanently cancels the Equity Index and no Successor Index exists (an "**Index Cancellation**" and, together with an Index Modification, each an "**Index Adjustment Event**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the value of the Notes and, if so, shall calculate the Official Closing Level for the Equity Index, using in lieu of a published level of the Equity Index, the level for Equity Index as at the Valuation Time on such Observation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Equity Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Equity Index immediately prior to that Index Adjustment Event.

- (c) *Index Corrections.* If the level of the Equity Index in relation to a Valuation Date used or to be used by the Calculation Agent to determine the Interest Amount payable for a given Observation Period is subsequently corrected and such correction is published by the Index Sponsor no later than the second Business Day prior to the applicable Interest Payment Date and in any such case the Calculation Agent has notified the Company within that time, then the level of the Equity Index for such Valuation Date shall be the level of the Equity Index as so corrected.

APPENDIX B

INFORMATION REGARDING THE EQUITY INDEX

The following information is a description of the Equity Index and certain historical information. The information contained in this Appendix B consists of extracts from, or summaries of, information released publicly by the Index. The Offeror confirms that such information has been accurately reproduced and, as far as the Offeror is aware and is able to ascertain from information published by the Index Sponsor, no facts have been omitted which would render the reproduced information inaccurate or misleading. Neither the Offeror nor the Dealer accepts any further responsibility in respect of such information. See the legends appearing at the end of each subsection for important information regarding the information set forth herein.

1. General Description

The Dow Jones EUROSTOXX 50SM Index is a capitalisation-weighted index composed of 50 European blue-chip stocks from those countries participating in the EMU, developed with a base value of 1000 as of December 31, 1991.

2. Historical Information regarding Index Closing Levels

The following table shows a range of Index Closing Levels for the Dow Jones EUROSTOXX 50SM Index for the periods indicated.

	High	Low
2003	2760.66	1849.64
2004	2959.71	2580.04
2005	3616.33	2924.01
January 2006	3691.41	3532.68
February 2006	3840.56	3671.37
March 2006	3874.61	3727.96
April 2006	3888.46	3770.79
May 2006	3890.94	3539.77
June 2006	3648.92	3408.02
July 2006	3710.60	3492.11
August 2006	3817.86	3640.60
September 2006	3899.41	3739.70
	Index Closing Level	
October 12, 2006	3999.89	

Source: Bloomberg Financial Systems

3. Disclaimer

The Index Sponsor (herein referred to as "STOXX Limited") and Dow Jones have no relationship to Merrill Lynch & Co., Inc. other than the licensing of the Dow Jones EUROSTOXX 50SM Index and the related trademarks for use in connection with the Notes.

STOXX Limited and Dow Jones do not:

- *Sponsor, endorse, sell or promote the Notes.*
- *Recommend that any person invest in the Notes or any other securities.*

- *Have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Notes.*
- *Have any responsibility or liability for the administration, management or marketing of the Notes.*
- *Consider the needs of the Notes or the owners of the Notes in determining, composing or calculating the Dow Jones EUROSTOXX 50SM Index or have any obligation to do so.*

STOXX Limited and Dow Jones will not have any liability in connection with the Notes. Specifically, STOXX Limited and Dow Jones do not make any warranty, express or implied and disclaim any and all warranty about:

- *The results to be obtained by the Notes, the owner of the Notes or any other person in connection with the use of the Dow Jones EUROSTOXX 50SM Index and the data included in the Dow Jones EUROSTOXX 50SM Index;*
- *The accuracy or completeness of the Dow Jones EUROSTOXX 50SM Index and its data*
- *The merchantability and the fitness for a particular purpose or use of the Dow Jones EUROSTOXX 50SM Index and its data;*
- *STOXX Limited and Dow Jones will have no liability for any errors, omissions or interruptions in the Dow Jones EUROSTOXX 50SM Index or its data;*
- *Under no circumstances will STOXX Limited or Dow Jones be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX Limited or Dow Jones knows that they might occur.*

The delivery of this Securities Note does not imply any representation on the part of the Company, the Calculation Agent or Merrill Lynch International or any other person that any such information is correct.

APPENDIX C

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes applicable to this Securities Note, which together with the Registration Document, constitute a prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) and which should be read together with the section entitled "Final Terms" appearing in the Securities Note. References herein to the "Final Terms" should be read as references to the "Securities Note" and references to the "Company" should be read as references to the "Offeror" and each shall be construed accordingly.

This Note is one of a Series (as defined below) of notes (the "Notes", which expression shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the specified currency of the relevant Notes, (ii) definitive Notes issued in exchange (or partial exchange) for a permanent global Note, and (iii) any global Note) issued subject to, and with the benefit of, an Amended and Restated Agency Agreement, dated May 10, 2006 (as the same may be amended or supplemented from time to time in accordance with the terms thereof, the "Agency Agreement"), among the Company, Deutsche Bank AG, London Branch, as issuing agent and principal paying agent and, if so specified in the applicable Final Terms, calculation agent (the "Agent", which expression shall include any successor to Deutsche Bank AG, London Branch, in such capacities) and the other paying agents named therein (together with the Agent, the "Paying Agents", which expression shall include any additional or successor paying agents).

Interest-bearing definitive Bearer Notes will (unless otherwise indicated in the applicable Final Terms) have interest coupons ("Coupons") and, if indicated in the applicable Final Terms, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in installments will have receipts ("Receipts") for the payment of the installments of principal (other than the final installment) attached on issue.

As used herein, "Series" means all Notes which are denominated in the same currency and which have the same Maturity Date or Redemption Month, as the case may be, Interest/Payment Basis and interest payment dates (if any) (all as indicated in the applicable Final Terms) and the terms of which (except for the Issue Date or the Interest Commencement Date (as the case may be) and/or the Issue Price (as indicated as aforesaid)) are otherwise identical (including whether or not the Notes are listed) and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly. As used herein, "Tranche" means all Notes of the same Series with the same Issue Date.

The Final Terms applicable to this Note is attached hereto or endorsed hereon. Such Final Terms supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the "applicable Final Terms" shall mean the Wholesale Final Terms and/or the Retail Final Terms (as the case may be) attached hereto or endorsed hereon.

Copies of the Agency Agreement (which contains the forms of the final terms, the temporary global, permanent global and definitive Notes) and the Program Agreement, in each case relating to the Program, will be available for inspection during normal office hours at the office of the Agent in London, England and the principal office of the Company and, for so long as any Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission and/or listed on the Official List of the Luxembourg Stock Exchange, at the office of the Paying Agent in Luxembourg. The Base Prospectus and the Final Terms applicable to this Note are available for collection without charge during normal office hours, at the office of the Paying Agent in Luxembourg, the principal office of the Agent in London, England and the principal office of the Company, except that, if this Note is an unlisted Note of any Series (neither listed on a stock exchange nor admitted to trading on any market), the applicable Final Terms will only be available for inspection by a holder of the Notes holding one or more unlisted Notes of that Series and such holder of Notes must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and to identity. The

holders of the Notes (the “Noteholders”), which expression shall, in relation to any Notes represented by a global Note, be construed as provided in Condition 1, the holders of the Coupons (the “Couponholders”) and the holders of Receipts (the “Receiptholders”) are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Final Terms, which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1. Form and Title

The Notes will be issued in either bearer form (the “Bearer Notes”) or registered form (the “Registered Notes”, which term includes Registered Short-term Notes) as specified in the applicable Final Terms.

Bearer Notes (other than Registered Notes, which term includes Notes with maturities of seven days or more but less than 184 days from (but not including) the Issue Date which have denominations of less than U.S.\$500,000 (or the equivalent in other currencies) (the “Registered Short-term Notes”)) of this Series are deposited on or prior to the relevant Issue Date (i) if the Notes are issued in New Global Note (“NGN”) form, as specified in the applicable Final Terms, with a common safe keeper (the “Common Safekeeper”) and (ii) if the Notes are issued in classic global note (“CGN”) form, as specified in the applicable Final Terms, with a common depositary for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) and, in the case of definitive Notes, are serially numbered in the Specified Currency and in the Specified Denomination(s). Bearer Notes or interests in Bearer Notes shall not be exchangeable for Registered Notes or interests in Registered Notes, as applicable. Unless specified otherwise in the applicable Final Terms, the Notes will be issued in NGN form.

Registered Notes of this Series are registered in the name of a nominee for, and deposited on the relevant Issue Date with, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Registered Short-term Notes are issued in registered form only. Registered Notes or interests in Registered Notes shall not be exchangeable for Bearer Notes or interests in Bearer Notes, as applicable. Deutsche Bank Luxembourg S.A. is the registrar and transfer agent (the “Registrar”) with respect to Registered Notes and is authorized on behalf of the Company to register Registered Notes for each Series and transfers of any definitive Registered Notes in a register (the “Register”). The Company may appoint alternative registrars and transfer agents pursuant to the Agency Agreement and specified in the applicable Final Terms; provided, however, that for so long as any definitive Registered Notes are admitted to trading on the regulated market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission and/or listed on the Official List of the Luxembourg Stock Exchange and the rules so require, a transfer agent will be in Luxembourg.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Note, an Installment Note, a Partly Paid Note, a Credit Linked Note, an Indexed Note or an Equity Linked Note or any appropriate combination thereof, depending upon the Interest/Payment Basis specified in the applicable Final Terms, and the appropriate provisions of these Terms and Conditions will apply accordingly.

Bearer Notes in definitive form are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Except as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. The Company and any Paying Agent may deem and treat the bearer of any Bearer Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Bearer Note, without prejudice to the provisions set out below.

Title to the Registered Notes will pass by registration in the Register (as defined below) which is kept by the Registrar in accordance with the provisions of the Agency Agreement. The Company, the Registrar and any Paying Agent may deem and treat the person in whose name any Registered Note is registered in the Register as the absolute

owner thereof for all purposes but, in the case of any global Registered Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes are represented by a global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Company, the Agent and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Company, the Agent and any other Paying Agent solely in (i) the bearer of the relevant global Bearer Note, and (ii) the Person in whose name the global Registered Note is registered in the Register, each in accordance with and subject to the Terms and Conditions (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly). 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 or of Clearstream, Luxembourg, as the case may be.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Company and the Agent and specified in the applicable Final Terms.

2. Status of Notes

The Notes constitute direct, unsecured, unsubordinated and general obligations of the Company and will, save for such exceptions as may be provided by applicable legislation or judicial order, rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company.

3. Interest

In this Condition 3, “Business Day” means (unless otherwise provided in the applicable Final Terms) a day which is both:

- (A) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to Notes denominated or payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than London) or (2) in relation to Notes denominated or payable in euro, a day on which the TARGET System (as defined below) is open (a “TARGET Day”). “TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto. Unless otherwise provided in the applicable Final Terms, the principal financial center of any country for the purpose of these Terms and Conditions shall be as provided in the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the issue date of the first Tranche of the Notes (the “ISDA Definitions”), except that the principal financial center of Australia shall be Melbourne and Sydney, the principal financial center of Canada shall be Toronto and the principal financial center of New Zealand shall be Wellington.

(a) Interest on Fixed Rate Notes

(i) Each Fixed Rate Note bears interest on its principal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Fixed Rate(s) of Interest specified in the applicable Final Terms payable in arrear on the Fixed Interest Date(s) in each year up to and including the Maturity Date so specified if it does not fall on a Fixed Interest Date. If a Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Fixed Interest Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount as so specified irrespective of any calculation based on the Fixed Rate(s) of Interest and any applicable Fixed Day Count Fraction (if any). The first payment of interest shall be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount specified in the applicable Final Terms. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount specified in the applicable Final Terms.

(ii) Interest shall be paid, with respect to Fixed Rate Notes in definitive bearer form, against surrender of the appropriate Coupons, subject to and in accordance with the provisions of Condition 5.

(iii) If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Unless otherwise indicated in the applicable Final Terms, “Fixed Day Count Fraction” means:

(1) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year;

(2) if “30/360” is specified in the applicable Final Terms, the number of days in the relevant period from (and including) the most recent Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360;

(3) if “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Accrual Period divided by 365 (or, if any portion of that Accrual Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Accrual Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Accrual Period falling in a non-leap year divided by 365); and

(4) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Accrual Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Accrual Period unless, in the case of an Accrual Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

“Determination Period” means the period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

“Fixed Interest Period” means the period from (and including) a Fixed Interest Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

“sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes, Indexed Notes, Equity Linked Notes and Credit Linked Notes

(i) Interest Payment Dates

Each Floating Rate Note and, if so specified in the applicable Final Terms, each Indexed Note, Equity Linked Note and Credit Linked Note bears interest on its principal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date specified in the applicable Final Terms and such interest will be payable in arrear on each interest payment date specified in the applicable Final Terms (each an “Interest Payment Date”) or, if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (an “Interest Payment Date”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date. Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). If any Interest Payment Date (or other date) which is specified in the applicable Final Terms to be subject to adjustment in accordance with a business day convention (a “Business Day Convention”) would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

- (1) the Floating Rate Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (B) if the Interest Period is specified as a whole number of months, each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months specified as the Interest Period in the applicable Final Terms after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next

calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or

- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

(ii) *Interest payments*

Interest will be paid, with respect to Floating Rate Notes, Indexed Notes, Equity Linked Notes and Credit Linked Notes, as applicable, in definitive bearer form, against surrender of the appropriate Coupons, subject to and in accordance with the provisions of Condition 5.

(iii) *Rate of Interest*

The Rate of Interest payable from time to time with respect to each Series of Floating Rate Notes, Indexed Notes, Equity Linked Notes and Credit Linked Notes, as applicable, shall be determined in the manner specified in the applicable Final Terms:

(A) ISDA Determination for Floating Rate Notes

If the applicable Final Terms specifies that this Condition 3(b)(iii)(A) shall apply, the Rate of Interest for each Interest Period shall be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is that period specified in the applicable Final Terms;
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), (x) “Euro-zone” means the region comprised of member states of the European Union (“Member States”) that adopt the single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union and the Treaty of Amsterdam and (y) the definitions of “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the respective meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

If the applicable Final Terms specifies that this Condition 3(b)(iii)(B) applies:

- (1) the Rate of Interest for each Interest Period shall, subject as provided below, be either:
 - I. the quotation; or
 - II. the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (expressed as a percentage rate per annum), for the Reference Rate or Rates (as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (London time) in the case of LIBOR or 11:00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date (as defined below) in question plus or

minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest rate, only one of such rates) and the lowest (or, if there is more than one such lowest rate, only one of such rates) shall be disregarded by the Agent for the purposes of determining the arithmetic mean (rounded as provided above) of such offered quotations;

- (2) if, in the case of (I) above, no such rate appears or, in the case of (II) above, fewer than two of such offered rates appear at such time or if the offered rate or rates which appears or appear, as the case may be, as at such time do not apply to a period of a duration equal to the relevant Interest Period, the Rate of Interest for such Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the quotations for deposits in the Specified Currency for that Interest Period (expressed as a percentage rate per annum) of which the Agent is advised by, if the Reference Rate is LIBOR, the London offices or, if the Reference Rate is EURIBOR, the principal Euro-zone offices, of four leading banks engaged in the inter-bank market (the "Reference Banks"), if the Reference Rate is LIBOR, as at 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, as at 11:00 a.m. (Brussels time) on the Interest Determination Date plus or minus (as appropriate) the Margin (if any), all as determined by the Agent;
- (3) if on any Interest Determination Date to which this Condition 3(b)(iii)(B) applies, only two or three of the Reference Banks advise the Agent of such offered quotations, the Rate of Interest for such Interest Period shall, subject as provided below, be determined as in Condition 3(b)(iii)(B) on the basis of the rates of those Reference Banks advising such offered quotations;
- (4) if on any Interest Determination Date to which this Condition 3(b)(iii)(B) applies only one or none of the Reference Banks advises the Agent of such quotations, the Rate of Interest for such Interest Period shall, subject as provided below, be whichever is the higher of:
 - I. the Rate of Interest in effect for the last preceding Interest Period to which Condition 3(b)(iii)(B) shall have applied (plus or minus (as appropriate), where a different Margin is to be applied to the next Interest Period to that which applied to the last preceding Interest Period, the Margin relating to that last preceding Interest Period, plus or minus (as appropriate) the Margin for the next Interest Period); and
 - II. the reserve interest rate which shall be the rate per annum which the Agent determines to be either (x) the arithmetic mean (rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards) of the lending rates for the Specified Currency which leading banks selected by the Agent in the principal financial center of the country of the Specified Currency or, in the case of Notes payable in euro, in the Euro-zone, are quoting on the relevant Interest Determination Date for the next Interest Period to the Reference Banks or those of them (being at least two in number) to which such quotations are, in the opinion of the Agent, being so made plus or minus (as appropriate) the Margin (if any), or (y) in the event that the Agent can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which leading banks selected by the Agent in the principal financial center of the country of the Specified Currency or, in the case of Notes payable in euro, in the Euro-zone, are quoting on such Interest Determination Date to leading European banks for the next Interest Period plus or minus (as appropriate) the Margin (if any), provided that if the banks selected as aforesaid by the Agent are not quoting as mentioned above, the Rate of Interest shall be the Rate of Interest specified in (I) above;
- (5) "Relevant Screen Page" means such page, whatever its designation, on the Reuters Monitor Money Rates Service, or Moneyline Telerate, or any successor service or such other service, as specified in the applicable Final Terms, on which, if the Reference Rate is LIBOR, London inter-bank offered rates or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank offered rates, in each case for deposits in the Specified Currency of prime banks, are for the time being displayed;

- (6) “Interest Determination Date” means, unless otherwise specified in the applicable Final Terms, (x) other than in the case of Condition 3(b)(iii)(B)(4), with respect to Notes denominated in any Specified Currency other than Sterling, the second Banking Day in London prior to the commencement of the relevant Interest Period and, in the case of Condition 3(b)(iii)(B)(4), the second Banking Day in the principal financial center of the country of the Specified Currency prior to the commencement of the relevant Interest Period and (y) with respect to Notes denominated in Sterling, the first Banking Day in London of the relevant Interest Period;
 - (7) “Banking Day” means, in respect of any place, any day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in that place or, as the case may be, as indicated in the applicable Final Terms;
 - (8) if the Reference Rate from time to time in respect of Floating Rate Notes, Indexed Notes, Equity Linked Notes or Credit Linked Notes is specified as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms; and
 - (9) “Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Communities as amended by the Treaty on European Union and the Treaty of Amsterdam.
- (iv) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a “Minimum Rate of Interest” for any Interest Period, then in no event shall the Rate of Interest for such period calculated in accordance with Condition 3(b)(iii) above be less than such Minimum Rate of Interest. If the applicable Final Terms specifies a “Maximum Rate of Interest” for any Interest Period, then in no event shall the Rate of Interest for such Interest Period be greater than such Maximum Rate of Interest. If no other Minimum Rate of Interest for any Interest Period is specified in the applicable Final Terms, then the Minimum Rate of Interest in respect of such Interest Period shall be deemed to be zero and in no event shall the Rate of Interest for such period calculated in accordance with Condition 3(b)(iii) above be less than zero.

- (v) *Determination of Rate of Interest and calculation of Interest Amount*

The Agent will, on or as soon as practicable after, if the Reference Rate is LIBOR, 11:00 a.m. (London time) or, if the Reference Rate is EURIBOR, 11:00 a.m. (Brussels time) (or, if appropriate, such other time as is customary in the principal financial center of the country of the Specified Currency) on each Interest Determination Date, determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest specified in the applicable Final Terms) and calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes with respect to each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (1) if “Actual/365”, “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

- (3) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (6) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(vi) *Notification of Rate of Interest and Interest Amount*

The Agent will promptly notify the Company and any stock exchange and/or market on or by which the relevant Floating Rate Notes, Indexed Notes, Equity Linked Notes or Credit Linked Notes are for the time being listed and/or admitted to trading, of the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date, and will cause the same to be published in accordance with Condition 15 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid in the event of an extension or shortening of the Interest Period in accordance with the provisions hereof. Each stock exchange and/or market on or by which the relevant Floating Rate Notes, Indexed Notes, Equity Linked Notes or Credit Linked Notes are for the time being listed and/or admitted to trading shall be promptly notified of any such amendment. For the purposes of this subparagraph (vi), the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), by the Agent, shall (in the absence of manifest error) be binding on the Company, the Agent, the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(viii) *Limitations on Interest*

In addition to any Maximum Rate of Interest which may be applicable to any Floating Rate Note, Indexed Note, Equity Linked Note or Credit Linked Note pursuant to Condition 3(b)(iv) above, the interest rate on Floating Rate Notes, Indexed Notes, Equity Linked Notes or Credit Linked Notes shall in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25 per cent. per annum on a simple interest basis. This limit may not apply to the Notes in which U.S.\$2,500,000 (or its equivalent in other currencies

calculated as described herein) or more has been invested. While the Company believes that New York law would be given effect by a state or federal court sitting outside of New York, state laws frequently regulate the amount of interest that may be charged to and paid by a borrower (including, in some cases, corporate borrowers).

(c) Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the Rate of Interest or amount of interest is to be determined by reference to an index and/or a formula or, as the case may be, an exchange rate, such rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) Zero Coupon Notes

When a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortized Face Amount of such Note as determined in accordance with Condition 4(f)(iii). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield set forth in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed or on such other calculation basis as may be specified in the applicable Final Terms.

(e) Indexed Notes

The provisions relating to the terms of any Notes that have the payment of principal, interest or both, indexed to the value of any commodity, fund, equity share, foreign exchange rate, index or any other rate, asset or index, or a basket including one or more or a hybrid of the foregoing (each a “Indexed Note”) will be set in the applicable Final Terms. Such provisions may include a description of the formula for determining how payments of principal, interest or both on any Indexed Notes will be calculated and any additional information necessary to provide for determining the amount and timing of any such payments, including, without limitation, such additional definitions and provisions as will be applicable to the particular series of Indexed Notes. The Final Terms relating to any series of Index Notes may include any required description of the particular commodity, fund, equity share, foreign exchange rate, index or any other rate, asset or index as to which such series is indexed, including any required disclosure of historical information. If any source of information for determining how payments of principal, interest or both on any Indexed Notes is not available, then the Calculation Agent shall make such calculations, as may be required from time to time, to determine any amounts to be made in respect of principal, interest or both relating to any series of Index Notes.

(f) Equity Linked Notes

The provisions relating to the terms of any Notes that have the payment of principal, interest or both, linked to the value of any equity share or a basket of equity shares (each, an “Equity Linked Note”) will be set out in the applicable Final Terms. Such provisions may include a description of the formula for determining how payments of principal, interest or both on any series of Equity Linked Notes will be calculated and any additional information necessary to provide for determining the amount and timing of any such payments, including, without limitation, such additional definitions and provisions as will be applicable to the particular series of Equity Linked Notes. The Final Terms relating to any series of Equity Linked Notes may include any required description of the particular equity share or basket of equity shares, as the case may be, as to which such series is linked, including any required disclosure of historical information. If any source of information for determining how payments of principal, interest or both on any Equity Linked Notes is not available, then the Calculation Agent shall make such calculations, as may be required from time to time, to determine any amounts to be made in respect of principal, interest or both relating to any series of Equity Linked Notes.

(g) Credit Linked Notes

The provisions relating to the terms of any Notes that have the payment of principal, interest or both, linked to the credit of a particular reference entity or basket of reference entities (each, a “Credit Linked Note”) will be set out in the applicable Final Terms. Such provisions may include a description of the formula for determining how payments of principal interest or both on any series of Credit Linked Notes will be calculated and any additional information necessary to provide for determining the amount and timing of any such payments, including, without limitation, such additional definitions and provisions as will be applicable to the particular series of Credit Linked Notes. The Final Terms relating to any series of Credit Linked Notes may include any required description of the particular reference entity or basket of reference entities as to which such series is linked, including any required disclosure of historical information. If any source of information for determining how payments of principal, interest or both on any Credit Linked Notes is not available, then the Calculation Agent shall make such calculations, as may be required from time to time, to determine any amounts to be made in respect of principal, interest or both relating to any series of Credit Linked Notes.

(h) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified in the applicable Final Terms.

(i) Accrual of Interest

Each Note (or in the case of the redemption of only part of a Note, only that part of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due with respect to such Note up to that day are received by or on behalf of the holder of such Note; and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 15 or individually) of receipt of all sums due in respect thereof up to that date.

4. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, this Note will be redeemed by the Company at its Final Redemption Amount on the Maturity Date specified in, or determined in the manner specified in, the applicable Final Terms (in the case of a Note other than a Floating Rate Note) or on the Interest Payment Date falling in the Redemption Month specified in the applicable Final Terms (in the case of a Floating Rate Note) and, in each case, in the relevant Specified Currency.

(b) Redemption for Tax Reasons

The Company may redeem the Notes of this Series in whole, but not in part, at any time at their Early Redemption Amount, together, if appropriate, with accrued interest to (but excluding) the date fixed for redemption, if the Company shall determine, based upon a written opinion of independent counsel selected by the Company that as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of the United States or of any political subdivision or taxing authority thereof or therein affecting taxation, or any change in application or official interpretation of such laws, regulations or rulings, which amendment or change is effective on or after the latest Issue Date of the Notes of this Series, the Company would be required to pay additional amounts, as provided in Condition 8, on the occasion of the next payment due with respect to the Notes of this Series.

The Notes of this Series are also subject to redemption in whole, but not in part, in the other circumstances described in Condition 8.

Notice of intention to redeem Notes will be given at least once in accordance with Condition 15 not less than 30 days nor more than 60 days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such additional amounts remains in effect and cannot be avoided by the Company's taking reasonable measures available to it. From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons appertaining thereto shall be to receive payment of the Early Redemption Amount and, if appropriate, all unpaid interest accrued to such redemption date.

(c) Final Terms

The Final Terms applicable to the Notes of this Series indicates either:

- (i) that the Notes of this Series cannot be redeemed prior to their Maturity Date or, as the case may be, the Interest Payment Date falling in the relevant Redemption Month (in each case except as otherwise provided in paragraph (b) above and in Condition 12); or
- (ii) that such Notes will be redeemable at the option of the Company and/or the holders of the Notes prior to such Maturity Date or, as the case may be, the Interest Payment Date falling in the relevant Redemption Month in accordance with the provisions of Condition 4(d) and/or (e) below on the date or dates and at the amount or amounts indicated in the applicable Final Terms.

(d) Redemption at the Option of the Company

If so specified in the applicable Final Terms, the Company may (unless otherwise specified in the applicable Final Terms), having given not more than 60 nor less than 30 days notice (or such lesser notice period (if any) as is specified in the applicable Final Terms) to the Agent and, in accordance with Condition 15, the holders of the Notes of this Series (which notice shall be irrevocable), repay all or only some of the Notes of this Series then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) indicated in the applicable Final Terms together, if appropriate, with accrued interest. In the event of a redemption of only some of such Notes of this Series, such redemption must be for an amount being at least the Minimum Redemption Amount or at most the Maximum Redemption Amount, in each case as indicated in the applicable Final Terms. In the case of a partial redemption of definitive Notes of this Series, the Notes of this Series to be repaid will be selected individually by lot not more than 60 days prior to the date fixed for redemption and a list of the Notes of this Series called for redemption will be published in accordance with Condition 15 not less than 30 days prior to such date. In the case of a partial redemption of Notes which are represented by a global Note, the relevant Notes will be redeemed in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, subject to applicable laws and requirements of any stock exchange and/or market on or by which the relevant Notes are listed and/or admitted to trading.

(e) Redemption at the Option of the Noteholders

If and to the extent specified in the applicable Final Terms, upon the holder of any Note of this Series giving to the Company in accordance with Condition 15 not more than 60 nor less than 30 days notice (or such lesser notice period (if any) as is specified in the applicable Final Terms) (which notice shall be irrevocable) the Company shall, upon the expiration of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together, if appropriate, with accrued interest to the Optional Redemption Date.

(f) Early Redemption Amounts

For the purposes of Condition 4(b) and Condition 8 and for calculating the amount payable upon acceleration of the Notes pursuant to Condition 12, Notes will be redeemed at an amount (the "Early Redemption Amount") calculated as follows:

- (i) in the case of Notes (other than Indexed Notes, Equity Linked Notes or Credit Linked Notes) with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than Zero Coupon Notes, but including Indexed Notes, Equity Linked Notes or Credit Linked Notes) with a Final Redemption Amount which is or may be greater or less than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or if no such amount or manner is set out in the Final Terms, at their principal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the “Amortized Face Amount”) equal to:
 - (A) the sum of (x) the Reference Price specified in the applicable Final Terms and (y) the product of the Accrual Yield specified in the applicable Final Terms (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
 - (B) if the amount payable with respect to any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 4(b) above or upon its becoming due and repayable as provided in Condition 12 is not paid or available for payment when due, the amount due and repayable with respect to such Zero Coupon Note shall be the Amortized Face Amount of such Zero Coupon Note calculated as provided above as though the references in sub-paragraph (A) to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date (the “Reference Date”) which is the earlier of:
 - (1) the date on which all amounts due with respect to the Note have been paid; and
 - (2) the date on which the full amount of the monies repayable has been received by the Agent and notice to that effect has been given in accordance with Condition 15.

The calculation of the Amortized Face Amount in accordance with this sub-paragraph (B) will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the principal amount of such Note together with interest at a rate per annum equal to the Accrual Yield.

Where any such calculation is to be made for a period of less than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

(g) Installments

Any Note which is repayable in installments will be redeemed in the Installment Amounts and on the Installment Dates specified in the applicable Final Terms.

(h) Partly Paid Notes

If the Notes of this Series are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 4 as amended or varied by the applicable Final Terms.

(i) Indexed Notes

Provisions relating to the terms of any Indexed Notes, including the redemption thereof, will be set out in the applicable Final Terms.

(j) Equity Linked Notes

Provisions relating to the terms of any Equity Linked Notes, including the redemption thereof, will be set out in the applicable Final Terms.

(k) Credit Linked Notes

Provision relating to the terms of any Credit Linked Notes, including the redemption thereof, will be set out in the applicable Final Terms.

(l) Purchases

The Company or any of its affiliates may at any time purchase Notes of this Series (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) in the open market or otherwise at any price. Such Notes may be held, reissued, resold or, at the option of the Company, surrendered, together with all unmatured Receipts, Coupons or Talons attached thereto or purchased therewith, to the Agent for cancellation.

(m) Cancellation

All Notes which are redeemed in full will forthwith be cancelled, together with all unmatured Receipts, Coupons or Talons attached thereto or surrendered therewith at the time of redemption. All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 4(l), together with all unmatured Receipts, Coupons or Talons cancelled therewith, shall be forwarded to the Agent and cannot be reissued or resold. Except as provided in the applicable Final Terms, no Notes shall be authenticated in lieu of or in exchange for any Notes cancelled in accordance with the provisions of Condition 4.

(n) Other Redemption and Purchase Provisions

Notwithstanding the foregoing:

- (i) the relevant provisions relating to the redemption and purchase of Notes, the terms of which permit the Company to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Final Terms;
- (ii) any additional redemption events which shall enable the Company to redeem the Notes of any Series shall be set forth in the applicable Final Terms; and
- (iii) the Company shall at all times have the right, at its sole and unfettered discretion, to elect not to deliver or procure delivery of any non-cash consideration when the same shall become due and deliverable under the terms of the Notes, but in lieu thereof to pay the Cash Settlement Amount calculated pursuant to the terms of, or as specified in, the relevant Final Terms (the “**Cash Settlement Amount**”). Any payment of the Cash Settlement Amount in lieu of non-cash

consideration deliverable under the Notes shall constitute a complete discharge of the Company's obligations in respect of such Notes. Payment of the Cash Settlement Amount will be made in such manner as shall be notified to the holders in accordance with Condition 15.

5. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro or U.S. Dollars will be made by transfer to an account in the Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a check in the Specified Currency drawn on, a bank in the principal financial center of the country of such Specified Currency;
- (ii) payments in euro will be made by credit or transfer to a euro account specified by the payee or, at the option of the payee, by a euro check; and
- (iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States of America, including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by check drawn on a United States bank.

In no event will payment be made by a check mailed to an address in the United States. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8. References to "Specified Currency" include any successor currency under applicable law.

(b) Presentation of Notes, Receipts, Coupons and Talons

This Condition 5(b) is subject, in the case of payments on Registered Notes, to the terms of Condition 18(b).

Payments of principal with respect to definitive Notes will (subject as provided below) be made in the Specified Currency and/or other consideration (which may include securities and/or other property or any combination of cash, securities and/or other property) against surrender of definitive Notes and payments of interest with respect to the definitive Notes will (subject as provided below) be made in the Specified Currency and/or other consideration (which may include securities and/or other property or any combination of cash, securities and/or other property) against surrender of Coupons, in each case at the specified office of any Paying Agent outside the United States.

In the case of definitive Notes, payments of principal with respect to installments (if any), other than the final installment, will (subject as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented for payment of the relevant installment together with the relevant definitive Note against which the amount will be payable with respect to that installment. If any definitive Note is redeemed or becomes repayable prior to the stated Maturity Date (in the case of a Note other than a Floating Rate Note) or prior to the Interest Payment Date falling in the Redemption Month (in the case of a Floating Rate Note) in respect thereof, principal will be payable on surrender of such definitive Note together with all unmatured Receipts appertaining thereto. Receipts presented without the definitive Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Company.

Fixed Rate Notes in definitive form (other than Dual Currency Notes, Indexed Notes, Equity Linked Notes or Credit Linked Notes) should be presented for payment together with all unmatured Coupons appertaining thereto failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum

due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiration of five years after the Relevant Date (as defined in Condition 14) with respect to such principal (whether or not such Coupon would otherwise have become void under Condition 14). Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Indexed Note, Equity Linked Note or Credit Linked Note in definitive form becomes due and repayable, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

If the due date for redemption of any Note in definitive form is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued with respect to such Note from (and including) the preceding Fixed Interest Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

Payments of principal and interest (if any) with respect to Notes of a Series represented by any global Note will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the relevant global Note against presentation or surrender, as the case may be, of such global Note at the specified office of the Agent. A record of each payment made against presentation or surrender of such global Note, distinguishing between any payment of principal and any payment of interest, will be made on such global Note by the Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of the relevant global Note shall be the only person entitled to receive payments with respect to Notes represented by such global Note and the Company will be discharged by payment to, or to the order of, the holder of such global Note with respect to each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes must look solely to Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Company to, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Company with respect to payments due on that global Note.

Notwithstanding the foregoing, payments with respect to the Notes will only be made at the specified office of a Paying Agent in the United States if:

- (i) the Company has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount owing with respect to the Notes in the manner provided above when due;
- (ii) payment of the full amount owing with respect to the Notes at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Company, adverse tax consequences to the Company.

(c) Payment Business Day

If the date for payment of any amount with respect to any Note, Receipt or Coupon is not a Payment Business Day, the holder thereof shall not be entitled to payment (i) until the next following Payment Business Day in the relevant place and shall not be entitled to further interest or other payment with respect to such delay; or (ii) until the next following Payment Business Day unless it would thereby fall into the next calendar month, in which event such date for payment shall be brought forward to the immediately preceeding Payment Business Day and shall not be entitled to further interest or other payment with respect to such early or delayed payment. For these purposes, unless otherwise specified in the applicable Final Terms, "Payment Business Day" means any day which is a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments

and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and a Business Day (as defined in Condition 3) and any Additional Financial Centre specified in the applicable Final Terms.

(d) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal with respect to the Notes of this Series shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under Condition 8 with respect to principal;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) in relation to Notes redeemable in installments, the Installment Amounts;
- (v) any premium and any other amounts (including any other consideration which may include cash, securities and/or other property or any combination of cash, securities and/or other property) which may be payable or deliverable under or with respect to the Notes;
- (vi) in relation to Zero Coupon Notes, the Amortized Face Amount; and
- (vii) the Optional Redemption Amount(s) (if any) of the Notes.

Any reference in these Terms and Conditions to interest with respect to the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 8.

(e) Other Payment Provisions

Notwithstanding the foregoing, the relevant provisions relating to the payment of Notes the terms of which permit the Company to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Final Terms.

6. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. In acting under the Agency Agreement, the Agent and the Paying Agents will act solely as agents of the Company and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except that (without affecting the obligations of the Company to the Noteholders, Receiptholders and Couponholders to repay Notes and pay interest thereon) funds received by the Agent for the payment of the principal of or interest on the Notes shall be held by it for the Noteholders and/or Receiptholders and/or Couponholders until the expiration of the relevant period of prescription under Condition 14. The Company agrees to perform and observe the obligations imposed upon it under the Agency Agreement and to cause the Agent and the Paying Agents to perform and observe the obligations imposed upon them under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Company without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit. The Company is entitled to vary or terminate the appointment of any paying agent appointed under the terms of the Agency Agreement and/or appoint additional or other paying agents and/or approve any change in the specified office through which any paying agent acts, provided that:

- (i) so long as the Notes of this Series are listed and/or admitted to trading on or by any stock exchange and/or market, there will at all times be a Paying Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange and/or market;
- (ii) there will at all times be a Paying Agent with a specified office in a city in a member state of the European Union;
- (iii) there will at all times be an Agent; and
- (iv) the Company will ensure that it maintains a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with or introduced in order to conform to such Directive.

In addition, the Company shall forthwith appoint a Paying Agent having a specified office in The City of New York in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Agent and the Noteholders in accordance with Condition 15 provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Fixed Interest Date or Interest Payment Date, as the case may be.

Notwithstanding the foregoing, the Agent, on behalf of itself and the other Paying Agents, shall have the right to decline to act as the Paying Agent with respect to any Notes issued pursuant to the Program that are payable and/or dischargeable by the Company by the payment or delivery of securities and/or other property or any combination of cash, securities and/or property whereupon the Company shall either (i) act as Paying Agent or (ii) engage another financial institution to act as Paying Agent in respect of such Notes. The Final Terms relating to such Notes shall include the relevant details regarding the applicable Paying Agent.

Notes shall include the relevant details regarding the applicable Paying Agent.

7. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due with respect to the Note to which it appertains) a further Talon, subject to the provisions of Condition 14. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Fixed Interest Date or the Interest Payment Date (as the case may be) on which the final Coupon of the relative Coupon sheet matures.

8. Payment of Additional Amounts

The Company will, subject to certain limitations and exceptions (set forth below), pay to a Noteholder, Receiptholder or Couponholder who is a United States Alien (as defined below) such additional amounts as may be necessary so that every net payment of principal or interest with respect to the Notes, Receipts or Coupons after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such Noteholder, Receiptholder or Couponholder, or by reason of the making of such payment, by the United States or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in the Notes, Receipts or Coupons to be then due and payable. However, the Company shall not be required to make any payment of additional amounts for or on account of:

- (a) any tax, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such Noteholder, Receiptholder or Couponholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, Receiptholder or Couponholder, if such Noteholder, Receiptholder or

Couponholder is an estate, trust, partnership or corporation) and the United States, including, without limitation, such Noteholder, Receiptholder or Couponholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein, or (ii) the presentation of a Note, Receipt or Coupon for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

(b) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax, assessment or other governmental charge imposed by reason of such Noteholder's, Receiptholder's or Couponholder's past or present status as a controlled foreign corporation with respect to the United States or as a corporation which accumulates earnings to avoid United States federal income tax;

(d) any tax, assessment or other governmental charge which is payable otherwise than by withholding from payments of principal or interest with respect to the Notes, Receipts or Coupons;

(e) any tax, assessment or other governmental charge imposed as a result of such Noteholder's, Receiptholder's or Couponholder's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of the Company entitled to vote;

(f) any tax, assessment or other governmental charge imposed as a result of such Noteholder, Receiptholder or Couponholder being a bank receiving payments on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;

(g) any tax, assessment or other governmental charge required to be withheld by any Paying Agent from any payment of principal or interest with respect to any Note, Receipt or Coupon, if such payment can be made without such withholding by any other Paying Agent with respect to the Notes in a member state of the European Union;

(h) any tax, assessment or other governmental charge required to be withheld or deducted where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive;

(i) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Noteholder, Receiptholder or Couponholder or of the beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by applicable Treasury regulation as a precondition to relief or exemption from such tax, assessment or other governmental charge; or

(j) any combination of items (a), (b), (c), (d), (e), (f), (g), (h) and (i);

nor shall additional amounts be paid to any Noteholder, Receiptholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of the Note, Receipt or Coupon to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, Receipt or Coupon would not have been entitled to payment of the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Note, Receipt or Coupon.

The term "United States Alien" means any person that is not (i) a citizen or resident for U.S. tax purposes of the United States who is a natural person, (ii) a corporation or partnership that is created or organized in or under the laws of the United States or any state thereof (including the District of Columbia) (other than a partnership that is not treated as a United States Person, the term "United States Person" being used herein with the meaning given to such term in the Code and applicable Treasury regulations), (iii) an estate, the income of which is subject to United States

federal income taxation regardless of its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States Persons have authority to control all substantial decisions of the trust (and any other trust that is treated as a United States Person under applicable Treasury regulations).

If the Company shall determine, based upon a written opinion of independent counsel selected by the Company, that any payment made outside the United States by the Company or any of its Paying Agents of the full amount of the next scheduled payment in respect of any Note, Receipt or Coupon of this Series would, under any present or future laws or regulations of the United States affecting taxation or otherwise, be subject to any certification, information or other reporting requirements of any kind, the effect of which requirements is the disclosure to the Company, any of the Paying Agents or any governmental authority of the nationality, residence or identity (as distinguished from status as a United States Alien) of a beneficial owner of such Note, Receipt or Coupon who is a United States Alien (other than such requirements which (i) would not be applicable to a payment made by the Company to a custodian, nominee or other agent of the beneficial owner, or which can be satisfied by such a custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided, however, in each case that payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirements referred to in this sentence, (ii) are applicable only to payment by a custodian, nominee or other agent of the beneficial owner to or on behalf of such beneficial owner, or (iii) would not be applicable to a payment made by any other Paying Agent), the Company shall redeem the Notes of this Series as a whole but not in part at a redemption price equal to the Early Redemption Amount together, if appropriate, with accrued interest to, but excluding, the date fixed for redemption, such redemption to take place on such date not later than one year after the publication of notice of such determination. If the Company becomes aware of an event that might give rise to such certification, information or other reporting requirements, the Company shall, as soon as practicable, solicit advice of independent counsel selected by the Company to establish whether such certification, information or other reporting requirements will apply and, if such requirements will, in the written opinion of such counsel, apply, the Company shall give prompt notice of such determination (a "Tax Notice") in accordance with Condition 15 stating in such notice the effective date of such certification, information or other reporting requirements and, if applicable, the date by which the redemption shall take place. Notwithstanding the foregoing, the Company shall not redeem Notes if the Company, based upon the written opinion of independent counsel selected by the Company, shall subsequently determine not less than 30 days prior to the date fixed for redemption that subsequent payments would not be subject to any such requirements, in which case the Company shall give prompt notice of such determination in accordance with Condition 15 and any earlier redemption notice shall thereby be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, information or other reporting requirements referred to in the preceding paragraph would be fully satisfied by payment of a backup withholding tax or similar charge, the Company may elect prior to publication of the Tax Notice to have the provisions described in this paragraph apply in lieu of the provisions described in the preceding paragraph, in which case the Tax Notice shall state the effective date of such certification, information or reporting requirements and that the Company has elected to pay additional amounts rather than redeem the Notes. In such event, the Company will pay as additional amounts such amounts as may be necessary so that every net payment made following the effective date of such certification, information or reporting requirements outside the United States by the Company or any of the Paying Agents of principal or interest due with respect to a Note, Receipt or Coupon to a holder who certifies to the effect that the beneficial owner of such Note, Receipt or Coupon is a United States Alien (provided that such certification shall not have the effect of communicating to the Company or any of the Paying Agents or any governmental authority the nationality, residence or identity of such beneficial owner) after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which (i) is imposed as a result of certification, information or other reporting requirements referred to in the second parenthetical clause of the first sentence of the preceding paragraph, or (ii) is imposed as a result of the fact that the Company or any of its Paying Agents has actual knowledge that the holder or beneficial owner of such Note, Receipt or Coupon is not a United States Alien but is within the category of persons, corporations or other entities described in clause (a)(i) of the third preceding paragraph, or (iii) is imposed as a result of presentation of such Note, Receipt or Coupon for payment more than 15 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Note, such Receipt or such Coupon to be then due and payable. In the event the Company elects to pay such additional amounts, the Company will have the right, at its sole option, at any time, to redeem the Notes of this

Series, as a whole but not in part at a redemption price equal to their Early Redemption Amount, together, if appropriate, with accrued interest to the date fixed for redemption including any additional amounts required to be paid under this paragraph. If the Company has made the determination described in the preceding paragraph with respect to certification, information or other reporting requirements applicable to interest only and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph with respect to such requirements applicable to principal, the Company will redeem the Notes of this Series in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Company elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Notes are to be redeemed, the Company will be obligated to pay additional amounts with respect to interest, if any, accrued to the date of redemption. If the Company has made the determination described in the preceding paragraph and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph that the level of withholding applicable to principal or interest has been increased, the Company will redeem the Notes of this Series in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Company elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Notes are to be redeemed, the Company will be obligated to pay additional amounts with respect to the original level of withholding on principal and interest, if any, accrued to the date of redemption.

9. Negative Pledge and Covenants of the Company

The Company will not, and it will not permit any Subsidiary at any time directly or indirectly to, create, assume, or incur any indebtedness for borrowed money secured by a pledge of, lien on or security interest in (any pledge, lien or security interest being hereinafter in this paragraph referred to as a “lien”) the Voting Stock of any Significant Subsidiary without making effective provision whereby the Notes and coupons appertaining thereto, if any (and, if the Company so elects, any other indebtedness ranking on a parity with the Notes), shall be secured equally and ratably with such secured indebtedness so long as such other indebtedness shall be so secured; provided, however, that the foregoing covenant shall not be applicable to liens for taxes or assessments or governmental charges or levies not then due and delinquent or the validity of which is being contested in good faith or which are less than U.S.\$5,000,000 in amount, liens created by or resulting from any litigation or legal proceeding which is currently being contested in good faith by appropriate proceedings or which involve claims of less than U.S.\$5,000,000, or deposits to secure (or in lieu of) surety, stay, appeal or customs bonds; provided, further, that the foregoing shall not be applicable to indebtedness for borrowed money secured by a lien on any shares of the Voting Stock of any Person existing at the time such Person becomes a Significant Subsidiary, including extensions, renewals and replacements of such indebtedness without increase in the amount thereof.

As used herein:

“Consolidated Net Worth” means consolidated assets minus consolidated liabilities as calculated in accordance with generally accepted accounting principles.

“Person” means any individual, corporation, partnership, joint venture, association, limited liability company, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Significant Subsidiary” means any Subsidiary the Consolidated Net Worth of which constituted at least 15 per cent. of the Consolidated Net Worth of the Company as of the end of the most recently completed fiscal year.

“Subsidiary” means any corporation of which at the time of determination the Company and/or one or more subsidiaries owns or controls directly or indirectly more than 50 per cent. of the shares of Voting Stock.

“Voting Stock” means stock of the class or classes having general voting power under ordinary circumstances to elect at least a majority of the board of directors, managers or trustees of such Person provided that, for purposes hereof, stock which carries only the right to vote conditionally on the happening of an event shall not be considered voting stock whether or not such event shall have happened.

10. Consolidation or Merger

The Company may consolidate with, or sell or convey all or substantially all of its assets to, or merge with or into any other corporation provided that in any such case, (i) either the Company shall be the continuing corporation, or the successor corporation shall be a corporation organized and existing under the laws of the United States of America or a state thereof and such successor corporation shall expressly assume the due and punctual payment of all amounts (including additional amounts as provided in Condition 8) payable with respect to the Notes, Receipts and Coupons, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Note to be performed by the Company by an amendment to the Agency Agreement executed by such successor corporation, the Company and the Agent, and (ii) immediately after giving effect to such transaction, no event of default under Condition 12, and no event which, with notice or lapse of time or both, would become such an event of default shall have happened and be continuing. In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for the Company, with the same effect as if it had been named herein as the Company, and the Company, except in the event of a conveyance by way of lease, shall be relieved of any further obligation under this Note and the Agency Agreement.

11. Meetings, Modifications and Waivers

The Agency Agreement contains provisions which, unless otherwise provided in the applicable Final Terms, are binding on the Company, the Noteholders, the Receiptholders and the Couponholders, for convening meetings of holders of Notes, Receipts and Coupons to consider matters affecting their interests, including the modification or waiver of the Terms and Conditions applicable to the Notes.

The Agency Agreement, the Notes and any Receipts and Coupons attached to the Notes may be amended by the Company (and, in the case of the Agency Agreement, the Agent) (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, or to evidence the succession of another corporation to the Company as provided in Condition 10, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modifications shall not be materially adverse to holders of outstanding Notes) or (iii) in any manner which the Company (and, in the case of the Agency Agreement, the Agent) may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons, to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, consent. In addition, with the written consent of the holders of not less than a majority in aggregate principal amount of the Notes then outstanding affected thereby, or by a resolution adopted by a majority in aggregate principal amount of such outstanding Notes affected thereby present or represented at a meeting of such holders at which a quorum is present, as provided in the Agency Agreement (provided that such resolution shall be approved by the holders of not less than 25 per cent. of the aggregate principal amount of Notes then outstanding), the Company and the Agent may from time to time and at any time enter into agreements modifying or amending the Agency Agreement or the terms and conditions of the Notes, Receipts and Coupons for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Agency Agreement or of modifying in any manner the rights of the holders of Notes, Receipts and Coupons; provided, however, that no such agreement shall, without the consent or the affirmative vote of the holder of each Note affected thereby, (i) change the stated Maturity Date or Redemption Month with respect to any Note or reduce or cancel the amount payable at maturity thereof; (ii) reduce the amount payable or modify the payment date for any interest with respect to any Note or vary the method of calculating the rate of interest with respect to any Note; (iii) reduce any Minimum Interest Rate and/or Maximum Interest Rate with respect to any Note; (iv) modify the currency in which payments under any Note and/or the Coupons appertaining thereto are to be made; (v) change the obligation of the Company to pay additional amounts as provided in Condition 8; (vi) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is necessary to modify or amend the Agency Agreement or the terms and conditions of the Notes or to waive any future compliance or past default; or (vii) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is required at any meeting of holders of Notes at which a resolution is adopted. The quorum at any meeting called to adopt a resolution will be persons holding or representing a majority in aggregate principal amount of the Notes at the time outstanding affected thereby and at any adjourned meeting will be one or more persons holding or representing 25 per cent. in aggregate principal amount of such Notes at the time outstanding affected thereby. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification,

amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note. Any modifications, amendments or waivers to the Agency Agreement or to the terms and conditions of the Notes, Receipts and Coupons will be conclusive and binding on all holders of Notes, Receipts and Coupons, whether or not they have given such consent or were present at any meeting, and whether or not notation of such modifications, amendments or waivers is made upon the Notes, Receipts and Coupons. It shall not be necessary for the consent of the holders of Notes under this Condition 11 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof.

Bearer Notes authenticated and delivered after the execution of any amendment to the Agency Agreement, Notes, Receipts or Coupons may bear a notation in form approved by the Agent as to any matter provided for in such amendment.

New Notes so modified as to conform, in the opinion of the Agent and the Company, to any modification contained in any such amendment may be prepared by the Company, authenticated by the Agent and delivered in exchange for the Notes then outstanding.

For the purposes of this Condition 11 and Condition 12 below, the term “outstanding” means, in relation to the Notes, all Notes issued under the Agency Agreement other than (i) those which have been redeemed in full in accordance with the Agency Agreement or these Terms and Conditions, (ii) those with respect to which the date for redemption in accordance with these Terms and Conditions has occurred and the redemption monies wherefor (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under these Terms and Conditions after such date) have been duly paid to the Agent as provided in the Agency Agreement (and, where appropriate, notice has been given to the holders of Notes in accordance with Condition 15) and remain available for payment against presentation of the Notes, (iii) those which have become void under Condition 14, (iv) those which have been purchased and cancelled as provided in Condition 4, (v) those mutilated or defaced notes which have been surrendered in exchange for replacement Notes pursuant to Condition 13, (vi) (for the purposes only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and with respect to which replacement Notes have been issued pursuant to Condition 13 and (vii) temporary global Notes to the extent that they shall have been duly exchanged for permanent global Notes and permanent global Notes to the extent that they shall have been duly exchanged for definitive Notes, in each case pursuant to their respective provisions.

12. Default and Acceleration

(a) In the event that:

- (i) default shall be made in the payment when due of any amount of interest on any of the Notes continued for a period of 30 days after the date when due; or
- (ii) default shall be made in the payment when due of the principal of any Note (whether at maturity or upon redemption or otherwise); or
- (iii) the Company shall fail to perform or observe any other term, covenant or agreement contained in the Terms and Conditions applicable to any of the Notes or in the Agency Agreement for a period of 60 days after the date on which written notice of such failure, requiring the Company to remedy the same, first shall have been given to the Agent by the holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes; or
- (iv) a court having jurisdiction in the premises shall have entered a decree or order granting relief with respect to the Company in an involuntary proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of the Company or of all or substantially all of its property or for the winding up or liquidation of its affairs, and such decree or order shall have remained in force and unstayed for a period of 60 days; or

- (v) the Company shall institute proceedings for relief under any applicable bankruptcy, insolvency or any other similar law now or hereafter in effect, or shall consent to the institution of any such proceedings against it, or shall consent to the appointment of a receiver, liquidator, trustee, assignee, custodian or sequestrator (or similar official) of it or of all or substantially all of its property, or shall make an assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action in furtherance of any of the foregoing;

then the holders of 25 per cent. in aggregate principal amount of the outstanding Notes may, at their option, declare the principal of the Notes and the interest, if any, accrued thereon to be due and payable immediately by written notice to the Company and the Agent at its main office in London, and unless all such defaults shall have been cured by the Company prior to receipt of such written notice, the principal of this Note and the interest, if any, accrued hereon shall become and be immediately due and payable.

At any time after such a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due with respect to any Note has been obtained by any Noteholder, such declaration and its consequences may be rescinded and annulled upon the written consent of holders of a majority in aggregate principal amount of the Notes then outstanding, or by resolution adopted by a majority in aggregate principal amount of the Notes outstanding present or represented at a meeting of holders of the Notes at which a quorum is present, as provided in the Agency Agreement, if:

- (1) the Company has paid or deposited with the Agent a sum sufficient to pay
 - (A) all overdue amounts of interest on the Notes,
 - (B) the principal of Notes which has become due otherwise than by such declaration of acceleration; and
- (2) all events of default with respect to the Notes, other than the non-payment of the principal of the Notes which has become due solely by such declaration of acceleration, have been cured or waived as provided in paragraph (b) below.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(b) Any default by the Company, other than the events described in paragraph (a)(i) or (a)(ii) above or with respect to a covenant or provision which cannot be modified and amended without the written consent of the holders of all outstanding Notes, may be waived by the written consent of holders of a majority in aggregate principal amount of the Notes then outstanding affected thereby, or by resolution adopted by a majority in aggregate principal amount of such Notes then outstanding present or represented at a meeting of holders of the Notes affected thereby at which a quorum is present, as provided in the Agency Agreement.

(c) Notwithstanding the foregoing, the relevant provisions relating to default and acceleration with respect to Notes the terms of which permit the Company to pay and/or discharge its obligations with respect to such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property shall be set forth in the applicable Final Terms.

13. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be mutilated, defaced or destroyed or be lost or stolen, it may be replaced at the specified office of the Agent in London (or such other place as may be notified to the Noteholders), in accordance with all applicable laws and regulations, upon payment by the claimant of the expenses incurred by the Company and the Agent in connection therewith and on such terms as to evidence, indemnity, security or otherwise as the Company and the Agent may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

14. Prescription

To the extent permitted by applicable law, the Notes, Receipts and Coupons will become void unless presented for payment within a period of five years from the Relevant Date (as defined below) relating thereto. Any monies paid by the Company to the Agent for the payment of principal or interest with respect to the Notes and remaining unclaimed when the Notes, Receipts or Coupons become void shall forthwith be repaid to the Company and all liability with respect thereto shall thereupon cease.

As used herein, the “Relevant Date” means:

(A) the date on which such payment first becomes due; or

(B) if the full amount of the monies payable has not been received by the Agent on or prior to such due date, the date on which, the full amount of such monies having been so received, notice to that effect shall have been given to the Noteholders in accordance with Condition 15.

15. Notices

All notices regarding the Notes shall be published (i) in respect of any Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission and/or listed on the Official List of the Luxembourg Stock Exchange and so long as the rules of such stock exchange so require, in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be *D’Wort*) and (ii) in one leading English language daily newspaper with circulation in the United Kingdom (which is expected to be the *Financial Times*). The Company shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange and/or market, on or by which the Notes are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of the first publication.

Except in the case of Notes admitted to trading on the regulated market of the Luxembourg Stock Exchange appearing on the list of regulated markets issued by the European Commission and/or listed on the Official List of the Luxembourg Stock Exchange, until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on or by and/or admitted to trading on or by a stock exchange, and/or market, the rules of such stock exchange and/or market, or any other relevant authority so permit), so long as the global Notes for this Series are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the same day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any holder of the Notes of this Series shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent, in the case of Bearer Notes and with the Agent and the Registrar, in the case of Registered Notes. While any of the Notes of this Series are represented by a global Note, such notice may be given by any holder of a Note of this Series to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

16. Further Issues

Unless specified otherwise in the applicable Final Terms, the Company shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further Notes having terms and conditions the same as the Notes or the same in all respects except for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

If the Company issues further Notes of the same Series during the initial 40-day restricted period applicable to the outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the

commencement of the offering of such further issue of Notes and the Issue Date of such further issue of Notes. In addition, if the Company issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

17. Governing Law

The Agency Agreement and the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the laws of the State of New York, United States of America, applicable to agreements made and to be performed wholly within such jurisdiction.

18. Registered Notes

Notwithstanding anything to the contrary in the Terms and Conditions, the following shall, unless otherwise stated in the applicable Final Terms, apply to Registered Notes.

(a) General

Registered Notes (which term includes Registered Short-term Notes) shall be issued in registered form and shall be registered in the name of a nominee for, and deposited on the relevant Issue Date with, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system. Accordingly, each person who owns a beneficial interest in Registered Notes that are represented by a permanent global Note must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg and/or any other agreed clearing system as the case may be, to exercise any rights of a registered holder of such Notes. Unless otherwise provided in the applicable Final Terms, Deutsche Bank Luxembourg S.A. shall be the Registrar with respect to such Registered Notes.

Registered Notes shall be exchangeable for definitive Notes in registered form if, but only if, (i) Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, (ii) the Company instructs the Agent that the global Notes be exchangeable or (iii) an event of default has occurred and is continuing with respect to the Registered Notes. Such definitive Registered Notes shall be registered in such name or names as the common depositary shall instruct the Agent and shall be in the form agreed to by the Company and the Agent at the time of exchange.

Transfers of definitive Registered Notes will be effected by presentment and surrender of such Note at the office of the Registrar and upon the Registrar being satisfied with the identity of the person making the request. In exchange for any definitive Registered Note properly presented for transfer at the office of the Registrar, the Agent shall promptly authenticate or cause to be authenticated and deliver or cause to be delivered at the office of the Registrar to the transferee or send by mail (at the risk of the transferee) to such address as the transferee may request, a definitive Registered Note(s) of the same Series registered in the name of such transferee, for the same aggregate principal amount being transferred. The Registrar shall not register the transfer of any definitive Registered Note during a period beginning at the opening of business fifteen (15) days before any selection of Notes of that Series to be redeemed and ending on the close of business on the day of the mailing of the relevant notice of early redemption or selected for redemption, except with respect to the unredeemed portion of Notes redeemed in part.

(b) Payments on Registered Notes (not including Registered Short-Term Notes)

Notwithstanding anything to the contrary in Condition 5, the following shall, unless otherwise stated in the applicable Final Terms, apply to Registered Notes.

Any interest, other than interest payable at the stated Maturity Date or upon earlier redemption, will be payable on any Fixed Interest Date or Interest Payment Date, as applicable, with respect to a Registered Note to the Person in whose name the Registered Note is registered in the relevant Register maintained by the applicable Registrar ("Registered Holder") at the close of business on the fifteenth calendar day (whether or not a Business Day) preceding such Fixed Interest Date or Interest Payment Date, as applicable, or such other date as may be

specified in the applicable Final Terms (the “Record Date”); provided that if the Issue Date is after the Record Date and before the next succeeding Fixed Interest Date or Interest Payment Date, as applicable, the first payment of interest shall be payable on the second Fixed Interest Date or Interest Payment Date, as applicable, following the Issue Date to the Person in whose name the Registered Note is registered at the close of business on the Record Date immediately preceding such second Fixed Interest Date or Interest Payment Date. Any principal (including any premium, the Final Redemption Amount, the Early Redemption Amount or any other amount payable in respect thereof) payable in respect of Registered Notes at the stated Maturity Date or upon earlier redemption shall be payable, upon presentation and surrender thereof at the specified office of the Agent in London, England or at the offices of any of the other Paying Agents.

Payments, if any, on a Registered Note will be made to the Registered Holder hereof on any Fixed Interest Date, Interest Payment Date or Maturity Date, as applicable, or on such earlier date of redemption as the Registered Notes may become due and payable in accordance with the Terms and Conditions, but only to the extent that an appropriate certificate with respect to the non-U.S. beneficial ownership of the Registered Note which satisfies the applicable United States Treasury Department (“Treasury”) regulations, and which certificate shall be in form acceptable to the Paying Agent has been provided and received from the beneficial owner (“Owner”) of the Registered Note. In the event that the certification of non-U.S. beneficial ownership is not received from the Owner of the Registered Note by the Paying Agent at least five London Business Days prior to the date of any such payment of principal and/or interest, if any, due on this Registered Note will not be made on such date of payment. If the aforementioned certification is received by the Paying Agent at any time after the fifth London Business Day prior to the date of such payment, the Paying Agent shall make payment to the Registered Holder hereof of principal and/or interest, if any, on this Registered Note within five London Business Days after receipt by the Paying Agent of the applicable certification. Interest shall cease to accrue on this Registered Note on any such date of payment, including the Maturity Date, and no additional interest shall be paid for the period from (and including) the date of payment or Maturity Date to the actual date of payment. “London Business Day” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London.

The Company and each Holder and Owner, by acceptance of a Note (or a beneficial interest therein), agrees to treat the Notes, for purposes of United States federal, state and local income or franchise taxes and any other taxes imposed on or measured by income, as indebtedness of the Company and to report the Registered Notes on all applicable tax returns in a manner consistent with such treatment and each Holder or Owner, as appropriate, further agrees to timely furnish the Company or its agents any United States federal income tax form or certification (such as Form W-8BEN, W-8ECI, W-8IMY (with appropriate attachments) or Form W-9) that the Company, the Agent, the Paying Agent, or the Company’s agents may reasonably request and shall update such form or certification in accordance with its terms or its subsequent amendments.

Any additional provisions applicable to such Registered Notes shall be set forth in full in the applicable Final Terms.

(c) Payments on Registered Short-Term Notes

Payments of principal and interest on Registered Short-term Notes will be made through Euroclear and Clearstream, Luxembourg only upon surrender of such Notes at the specified office of the Agent in London, England or at the offices of any of the other Paying Agents and only to the extent that appropriate certification of non-U.S. beneficial ownership of the Notes in the manner required by applicable Treasury regulations has been received by Euroclear or Clearstream, Luxembourg at least five London Business Days (as defined below) prior to the date of such payment. Such certification must be received in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as appropriate. In the event that certification from Euroclear or Clearstream, Luxembourg is not received by the Agent at least five London Business Days prior to the Maturity Date with respect to all or a portion of the Notes held by it, payment of principal and interest, if any, on the Registered Short-term Notes with respect to which such certification has not been received will not be made on the Maturity Date. If the certification relating to Registered Short-term Notes is delivered to the Agent after the fifth London Business Day prior to the Maturity Date, the Agent shall make payment of the principal and interest to Euroclear or Clearstream, Luxembourg, as the case may be, on the applicable Registered Short-term Note within five London Business Days after receipt by the Agent of the applicable certification. Interest will cease to accrue on the Registered Short-term Notes on the

Maturity Date and no additional interest shall be paid for the period from (and including) the Maturity Date to the actual date of payment.

Any additional provisions applicable to such Registered Short-term Notes shall be set forth in full in the applicable Final Terms.

APPENDIX D

INFORMATION REGARDING ITALIAN TAXATION

Italian Taxation

The statements herein regarding taxation are based on the laws in force in the Republic of Italy as at the date of this Securities Note and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

*Legislative Decree No. 344 of 12 December 2003 (**Decree No. 344**) published in the Italian Official Gazette No. 291 of 16 December 2003 (Ordinary Supplement No. 190), effective as of 1 January 2004 introduced the reform of taxation of corporations and of certain financial income amending the Italian Income Taxes Consolidated Code. Legislative Decree No. 247 of 19 November 2005 (known as the "Correttivo IRES") published in the Italian Official Gazette No. 280 of 1 December 2005, amends Decree No. 344 on certain provisions related to the taxation of corporations and of certain financial income.*

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Tax Treatment of the Notes

Legislative Decree No. 239 of 1 April 1996, as a subsequently amended, (the "**Decree No. 239**") provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, *inter alia*, by non-Italian resident issuers.

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see "*Capital Gains Tax*" below), (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as "*imposta sostitutiva*", levied at the rate of 12.50 per cent. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Where an Italian resident Noteholder is a company or similar commercial entity or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder's income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Noteholder, also to IRAP - the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of Interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-*bis* of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the Notes are held by an authorized intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50 per cent. rate or, if the conditions under Article 12 of Law Decree No. 269 of 30 September 2003 (Decree No. 269) are met, at a 5.00 per cent. rate. However, on 7 September 2005 the European Commission announced that the Italian tax regime provided by Article 12 of Decree No. 269 for Funds and SICAVs investing in small or medium capitalised companies is not compatible with Article 87 of the EC Treaty (on State aid) and requested Italy to abolish these provisions with retroactive effect. As a result, the provisions under Article 12 of Decree No. 269 should be abolished in the near future.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by articles 14, 14-bis 14-ter and 14-quater, paragraph 1, of Legislative Decree No. 124 of 21 April 1993) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11.00 per cent. substitute tax.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an "**Intermediary**").

An Intermediary must (i) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder.

Non-Italian Resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Early Redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. This provision does not apply to an Italian Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Atypical securities

Interest payments relating to Notes that are not deemed to fall within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) may be subject to a withholding tax, levied at the rate of

27.00 per cent. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation to pay, at redemption, an amount not lower than their nominal value.

The 27.00 per cent. withholding tax mentioned above does not apply to interest payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Capital Gains Tax

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Noteholder from the sale or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the current rate of 12.50 per cent. Noteholders may set off losses with gains.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below.

Under the "tax declaration" regime (*regime della dichiarazione*), which is the default regime for Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Notes (the "*risparmio amministrato*" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return.

Any capital gains realised by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.50 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return.

Any capital gains realised by a Noteholder which is an Italian open ended or a closed-ended investment fund or a SICAV will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 12.50 per cent. substitute tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by articles 14, 14-*bis* 14-*ter* and 14-*quater*, paragraph 1, of Legislative Decree No. 124 of 21 April 1993) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Noteholders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes are held outside Italy.

Italian Gift Tax

Italian inheritance tax has been abolished by Law No. 383 of 18 October 2001 in respect of gifts made or succession proceedings started after 25 October 2001. Transfers of the Notes by reason of gift to persons other than the spouse, siblings, ascendants, descendants or relatives within the fourth degree will be subject to the transfer taxes ordinarily applicable to the relevant transfer for consideration, if due, in respect of the value of the gift received by each person exceeding EUR 180,759.91.

Transfer Tax

Pursuant to Italian Legislative Decree No. 435 of 21 November 1997, which partly amended the regime set forth by Royal Decree No. 3278 of 30 December 1923, the transfer of the Notes may be subject to the Italian transfer tax, which is currently payable at a rate between a maximum of EUR 0.0083 and a minimum of EUR 0.00465 per EUR 51.65 (or fraction thereof) of the price at which the Notes are transferred. Where the transfer tax is applied at a rate of EUR 0.00465 per EUR 51.65 (or fraction thereof) of the price at which the Notes are transferred, the transfer tax cannot exceed EUR 929.62.

However, the transfer tax does not apply, *inter alia*, to: (i) contracts entered into on regulated markets relating to the transfer of securities, including contracts between the intermediary and its principal or between qualified intermediaries, (ii) off-market transactions regarding securities listed on regulated markets, provided that the contracts are entered into (a) between banks, SIMs or other financial intermediaries regulated by Legislative Decree No. 415 of 23 July 1996 as superseded by Legislative Decree No. 58 of 24 February 1998, or stockbrokers; (b) between the subjects mentioned in (a) above, on the one hand, and non-Italian residents, on the other hand; and (c) between the subjects mentioned in (a) above, even if non-resident in Italy, on the one hand, and undertakings for collective investment in transferable securities, on the other hand; (iii) contracts related to sales of securities occurring in the context of a public offering (*offerta pubblica di vendita*) aimed at the listing on regulated markets, or involving financial instruments already listed on regulated markets, (iv) contracts regarding securities not listed on a regulated market entered into between the authorised intermediaries referred to in (ii)(a) above, on the one hand, and non-Italian residents on the other hand.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April, 2005 (the "**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1 July 2005 to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

SIGNATURE PAGE

For Securities Note dated October 19, 2006

Relating to Series No. 3808

Up to EUR 77,000,000 Equity Index Linked Coupon Notes due December 15, 2011

MERRILL LYNCH & CO., INC

LISTING AND ADMISSION TO TRADING APPLICATION

This Securities Note comprises the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Company's U.S.\$50,000,000,000 Euro-Medium Term Note Program.

RESPONSIBILITY

The Company accepts responsibility for the information contained in this Securities Note. The information included in Appendix B (*Information Regarding the Equity Index*) of this Securities Note consists of extracts from, or summaries of, information released publicly by the Index Sponsor and Bloomberg Financial Systems. The Company confirms that such information has been accurately reproduced and, as far as it is aware and is able to ascertain from the information released publicly by such entities, no facts have been omitted which would render the reproduced inaccurate or misleading.

Signed on behalf of the Company:

By: _____

Name:

Title:

MERRILL LYNCH & CO., INC.

Principal Office:

4 World Financial Center
New York, New York 10080
United States of America

Inquiries and Requests should be directed to:

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