

## BASE LISTING PARTICULARS



### ARLA FOODS AMBA

*(incorporated as a co-operative in The Kingdom of Denmark)*

**AND**

### ARLA FOODS FINANCE A/S

*(incorporated with limited liability in the Kingdom of Denmark)*

and in respect of the Notes issued by Arla Foods Finance A/S, guaranteed by

### ARLA FOODS AMBA

**EUR 750,000,000**

### **Euro Medium Term Note Programme**

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Under the Euro Medium Term Note Programme described in this base listing particulars (the "**Base Listing Particulars**") (the "**Programme**"), Arla Foods amba ("**Arla Foods**") and Arla Foods Finance A/S ("**Arla Finance**") (each an "**Issuer**" and together the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the "**Notes**"). Notes issued pursuant to the Programme may include Notes issued by each Issuer designated as "**Danish Notes**" or "**Norwegian Notes**" in the applicable Pricing Supplement. The payment of all amounts due in respect of any Notes issued by Arla Finance will be unconditionally and irrevocably guaranteed by Arla Foods (the "**Guarantor**").

The Notes may be issued on a continuing basis to one or more of the Dealers specified herein and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an on-going basis.

This Base Listing Particulars does not constitute a prospectus for the purposes of Article 5 of Directive 2003/71/EC (as such directive may be amended from time to time, the "**Prospectus Directive**"). The Issuer is not offering the Notes in any jurisdiction in circumstances that would require a prospectus to be prepared pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange plc (the "**Irish Stock Exchange**") for the Notes to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market of the Irish Stock Exchange (the "**GEM**"). There can be no assurance that any such approval will be granted or, if granted, that such listing will be maintained. Application will be made to the Irish Stock Exchange to approve this offering circular as a Base Listing Particulars. References in this Base Listing Particulars to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and to trading on the GEM. The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between each Issuer and the relevant Dealer (as defined below).

*Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of each Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.*

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

**Arranger**

**DANSKE BANK**

**Dealers**

**Danske Bank**

**HSBC**

**SEB**

**Handelsbanken Capital Markets**

**Nordea**

10 June 2015

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## IMPORTANT NOTICES

### ***Responsibility for this Base Listing Particulars and the Pricing Supplement for each Tranche of Notes issued under the Programme***

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Listing Particulars and the Pricing Supplement for each Tranche of Notes issued under the Programme and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Listing Particulars and the Pricing Supplement for each Tranche of Notes issued under the Programme is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### ***Pricing Supplement/ Listing Particulars***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called the pricing supplement (the "**Pricing Supplement**") or as amended, supplemented and/or replaced in separate listing particulars specific to such Tranche (the "**Listing Particulars**") as described under "*Pricing Supplement and Listing Particulars*" below.

### ***Other relevant information***

This Base Listing Particulars must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of a Pricing Supplement, must be read and construed together with the relevant Pricing Supplement. In the case of a Tranche of Notes which is the subject of a Listing Particulars, each reference in this Base Listing Particulars to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Listing Particulars unless the context requires otherwise.

Each Issuer and the Guarantor have confirmed to the Dealers and the Arranger named under "*Subscription and Sale*" below that this Base Listing Particulars contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Listing Particulars does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Listing Particulars or any other document entered into in relation to the Programme or any information supplied by each Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by each Issuer, the Guarantor, any Dealer or the Arranger.

Neither this Base Listing Particulars nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuers, the Guarantor or any Dealers that any recipient of this Base Listing Particulars or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of creditworthiness, of the Issuers and/or the Guarantor. Neither this Base Listing Particulars nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the Dealers, the Arranger nor any of their respective affiliates have authorised the whole or any part of this Base Listing Particulars and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Listing Particulars. Neither the delivery of this Base Listing Particulars or any Pricing Supplement nor the offering, sale or delivery of any Note nor the guarantee of any Note shall, in any circumstances, create any implication that the information contained in this Base Listing Particulars is true subsequent to the date hereof or the date upon which this Base Listing Particulars has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to

involve any adverse change, in the prospects or financial or trading position of each Issuer or the Guarantor since the date thereof or, if later, the date upon which this Base Listing Particulars has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

The distribution of this Base Listing Particulars and any Pricing Supplement, the offering, sale and delivery of the Notes and the guarantee of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Listing Particulars or any Pricing Supplement comes are required by each Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales, deliveries and guarantee of Notes and on the distribution of this Base Listing Particulars or any Pricing Supplement and other offering material relating to the Notes, see "*Subscription and Sale*".

Neither this Base Listing Particulars nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by each Issuer, the Guarantor, the Arranger, the Dealers or any of them that any recipient of this Base Listing Particulars or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Base Listing Particulars or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each Issuer and the Guarantor.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 750,000,000, calculated in accordance with the provisions of the Dealer Agreement (and for this purpose, any Notes denominated in another currency shall be converted into EUR at the date of the agreement to issue such Notes). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

### ***Certain definitions***

In this Base Listing Particulars, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**U.S.\$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**Sterling**" and "**£**" are to pounds sterling, references to "**DKK**" and "**Danish Krone**" are to the lawful currency of The Kingdom of Denmark, references to "**NOK**" and "**Norwegian Krone**" are to the lawful currency of The Kingdom of Norway and references to "**SEK**" and "**Swedish Kronor**" are to the lawful currency of The Kingdom of Sweden.

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

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

## FORWARD LOOKING STATEMENTS

This Base Listing Particulars includes statements that are, or may be deemed to be, 'forward looking statements'. These forward looking statements can be identified by the use of forward looking terminology, including the terms 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include, but are not limited to, the following: statements regarding the intentions, beliefs or current expectations of the Issuers and the Guarantor concerning, amongst other things, the results of operations, financial condition, liquidity, prospects, growth, strategies of Arla Foods and its subsidiaries, including Arla Finance (the "**Group**") and the industries in which the Group operates.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees of future performance and the actual results of the Group's operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates may differ materially from those described in, or suggested by, the forward looking statements contained in this document. In addition, even if the results of operations, financial condition and liquidity, and the development of the countries and the industries in which the Group operates, are consistent with the forward looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

These and other factors are discussed in more detail in *Risk Factors, Description of Arla Foods amba and Description of Arla Foods Finance A/S*. Many of these factors are beyond the control of the Issuers, the Guarantor and the Group. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this document as anticipated, believed, estimated or expected. Except to the extent required by laws and regulations, the Issuers and the Guarantor do not intend, and do not assume any obligation, to update any forward looking statements set out in this Base Listing Particulars.

## OVERVIEW

*The following overview must be read as an introduction to this Base Listing Particulars and any decision to invest in the Notes should be based on a consideration of the Base Listing Particulars as a whole, including any information incorporated by reference and, in relation to any particular Tranche of Notes, the applicable Pricing Supplement.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Listing Particulars have the same meanings in this overview.*

<b>Issuers:</b>	Arla Foods amba.  Arla Foods Finance A/S.
<b>Guarantor:</b>	Arla Foods amba (in the case of Notes issued by Arla Foods Finance A/S).
<b>Risk Factors:</b>	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of each Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under " <i>Risk Factors</i> " below.  In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also discussed under " <i>Risk Factors</i> " below and include certain risks relating to the structure of particular Series of Notes and certain market risks.
<b>Arranger:</b>	Danske Bank A/S.
<b>Dealers:</b>	Danske Bank A/S, HSBC Bank plc, Nordea Bank Danmark A/S, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and any other Dealer appointed from time to time by each Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.
<b>Principal Paying Agent:</b>	HSBC Bank plc.
<b>Registrar:</b>	HSBC Bank plc.
<b>Danish Issuing Agent:</b>	Nordea Bank Danmark A/S.
<b>Norwegian Issuing Agent:</b>	Nordea Bank Norge ASA.
<b>Irish Listing Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Pricing Supplement or Listing Particulars:</b>	Notes issued under the Programme may be issued either (1) pursuant to this Base Listing Particulars and associated Pricing Supplement or (2) pursuant to a Listing Particulars. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions of the Notes as completed by the relevant Pricing Supplement or, as the case may be, amended, supplemented and/or replaced by the relevant Listing Particulars.
<b>Listing and Trading:</b>	Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on the Global Exchange Market of the Irish Stock Exchange.
<b>Clearing Systems:</b>	Euroclear and/or Clearstream, Luxembourg and/or VP Denmark, and/or VPS Norway and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement.

**Initial Programme Amount:** Up to EUR 750,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.

**Issuance in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Forms of Notes:** Notes may be issued in bearer form, in registered form or in dematerialised book-entry form. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note which is not intended to be issued in new global note form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Pricing Supplement, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Each Tranche of Registered Notes will be represented by either:

- (i) Individual Note Certificates; or
- (ii) one or more Global Note Certificates in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S,

in each case as specified in the relevant Pricing Supplement.

Each Note represented by a Global Note Certificate will either be: (a) in the case of a Certificate which is not to be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), be registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear

and/or Clearstream, Luxembourg.

Notes may be specified in the applicable Pricing Supplement as "**Danish Notes**". Danish Notes will be issued in uncertificated and dematerialised book entry form, with the legal title thereto being evidenced by book entries in the register for such Danish Notes kept by VP Securities A/S ("**VP Denmark**") on behalf of each Issuer (the "**Danish Note Register**"). Title to Danish Notes will not be evidenced by any physical note or document of title. For the avoidance of doubt, the TEFRA C and TEFRA D Rules will not be applicable to Danish Notes. Definitive Notes will not be issued in respect of any Danish Notes. Nordea Bank Danmark A/S will act as the Danish Issuing Agent in respect of Danish Notes.

Notes may be specified in the applicable Pricing Supplement as "**Norwegian Notes**". Norwegian Notes will be issued by each Issuer pursuant to a Registrar Agreement with Nordea Bank Norge ASA as Norwegian Issuing Agent and will be registered in uncertificated and dematerialised book entry form with the Norwegian Central Securities Depository (Verdipapirsentralen ASA and referred to herein as the "**VPS Norway**").

<b>Currencies:</b>	Notes may be denominated in EUR, SEK, DKK, NOK, Sterling or U.S.\$ or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Status of the Notes:</b>	Notes will be issued on an unsubordinated basis.
<b>Status of the Guarantee:</b>	Notes issued by Arla Foods Finance A/S will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.
<b>Issue Price:</b>	Notes may be issued at any price as specified in the relevant Pricing Supplement. The price and amount of Notes to be issued under the Programme will be determined by each Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Maturities:</b>	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Redemption:</b>	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Pricing Supplement.
<b>Optional Redemption:</b>	Notes may be redeemed before their stated maturity at the option of each Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
<b>Redemption on Change of Control:</b>	Notes may be redeemed before their stated maturity at the option of the Noteholders (either in whole or in part) on a change of control as described in Condition 9(f) ( <i>Redemption and Purchase – Redemption at the option of Noteholders following a change of control</i> ), to the extent specified in the relevant Pricing Supplement.
<b>Tax Redemption:</b>	Except as described in "Optional Redemption" and "Redemption on Change of Control" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) ( <i>Redemption and Purchase - Redemption for tax reasons</i> ).



<b>Interest:</b>	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
<b>Denominations:</b>	No Notes may be issued under the Programme with a minimum denomination of less than EUR100,000 (or its equivalent in another currency). Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Negative Pledge:</b>	The Notes will have the benefit of a negative pledge as described in Condition 5 ( <i>Negative Pledge</i> ).
<b>Cross Default:</b>	The Notes will have the benefit of a cross default as described in Condition 16 ( <i>Events of Default</i> ).
<b>Taxation:</b>	All payments in respect of Notes will be made free and clear of withholding taxes of The Kingdom of Denmark unless the withholding is required by law. In that event, each Issuer will (subject as provided in Condition 15 ( <i>Taxation</i> )) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
<b>Governing Law:</b>	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with English law, except that; (i) the registration of Danish Notes in VP Denmark are governed by Danish law; and (ii) the registration of Norwegian Notes in VPS Norway are governed by Norwegian law. Danish Notes and Norwegian Notes must comply with the relevant laws, regulations and operating procedures applicable to and/or issued by the relevant clearing system for the time being. Holders of such Notes are entitled to the rights and subject to the obligations and liabilities arising under such regulations and legislation of such jurisdictions.
<b>Enforcement of Notes in Global Form:</b>	In the case of Global Notes, individual investors' rights against each Issuer will be governed by a Deed of Covenant dated 19 May 2014, a copy of which will be available for inspection at the specified office of the Principal Paying Agent.
<b>Selling Restrictions:</b>	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, Japan, the European Economic Area, the United Kingdom, The Kingdom of Denmark, The Kingdom of Norway and the Kingdom of Sweden, see " <i>Subscription and Sale</i> " below.

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of each Issuer and the Guarantor and the industry(ies) in which each of them operates together with all other information contained in this Base Listing Particulars, including in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Listing Particulars have the same meanings in this section.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to each Issuer and the Guarantor that are not currently known to each Issuer and the Guarantor, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of each Issuer and the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Listing Particulars and their personal circumstances.*

### **Risks Relating to Investment in the Notes.**

*The Notes may not be a suitable investment for all investors.*

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

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

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investor's overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

***Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their relevant clearing system's procedures for transfer, payment and communication with each Issuer.***

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository, or as the case may be a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear, Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the common depository, or as the case may be a common safekeeper for Euroclear and Clearstream, Luxembourg or a nominee thereof for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear, Clearstream, Luxembourg to receive payments under the relevant Notes. Neither Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the relevant Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

***Investors in the Danish Notes and Norwegian Notes will have to rely on VP Denmark's or VPS Norway's procedures (as the case may be) for transfer, payment and communication with each Issuer.***

Investors in Danish Notes or Norwegian Notes will have to rely on the relevant clearing system's or the relevant Issuing Agent's, as the case may be, procedures for transfer, payment and communication with the relevant Issuer.

Danish Notes or Norwegian Notes issued under the Programme will not be evidenced by any physical note or document of title other than statements of account made by VP Denmark or VPS Norway, as the case may be. Ownership of Danish Notes or Norwegian Notes will be recorded and transfer effected only through the book entry system and register maintained by VP Denmark or VPS Norway, as the case may be.

***The Notes may not be freely transferred.***

Neither Arla Foods nor Arla Finance has registered, or will register, the Notes under the Securities Act or any other securities laws. Accordingly, the Notes are subject to certain restrictions on resale and other transfer thereof as set forth in the section entitled "*Subscription and Sale.*" As a result of these restrictions, neither Arla Foods nor Arla Finance can be certain of the existence of a secondary market for the Notes or the liquidity of such a market if one develops. Consequently, a Holder of Notes and an owner of beneficial interests in those Notes must be able to bear the economic risk of their investment in the Notes for the terms of the Notes.

***There is no active trading market for the Notes.***

The Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of each Issuer. Although applications have been made for Notes issued under the Programme to be admitted to listing on the Official List of the Irish Stock Exchange and to trading on its Global Exchange Market, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

***Noteholders are subject to market volatility.***

Holders of Notes should be aware that, in view of the prevailing and widely reported global credit market conditions (which, to a certain extent, continue at the date hereof), the secondary market for the Notes and instruments of this kind may be illiquid. Neither Issuer can predict when these circumstances will change.

***Fixed Rate Notes are subject to Interest Rate Risks.***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

***Noteholders are subject to credit risk on each Issuer and the Guarantor.***

Holders of the Notes issued under the Programme take a credit risk on the relevant Issuer and in the case of Notes issued by Arla Finance, the Guarantor. A Holder's ability to receive payment under the Notes is dependent on the

relevant Issuer's and in the case of Notes issued by Arla Finance, the Guarantor's ability to fulfil its payment obligations, which in turn is dependent upon the development of each Issuer's and the Guarantor's business.

***Risks relating to fixed/floating rate Notes.***

Fixed/floating rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

***The Notes may be issued at a substantial discount or premium.***

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Noteholders' rights and obligations may be amended at meetings of Noteholders.***

The terms and conditions of the Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit certain defined majorities to make decisions that modify the terms and conditions applicable to a Series of Notes and may affect the Noteholders' rights and obligations under the Notes, and that bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. At the meeting of Noteholders, the Noteholders also have authority to elect and give instructions to a representative to act on their behalf.

***The terms and conditions of the Notes may be changed.***

The terms and conditions applicable to each Series will be the Conditions set out below, subject to being completed by the relevant Pricing Supplement or, supplemented, modified or replaced by the Listing Particulars in relation to each Series.

The Agency Agreement contains provisions, which are binding on each Issuer and the Holders of Notes, for convening meetings of the Holders of Notes of any Series to consider matters affecting their interests, including the modification or waiver of the terms and conditions applicable to any Series of Notes.

The relevant Issuer has the right to correct manifest errors in the terms and conditions without the Noteholders' consent.

***The amount of Notes to be issued under the Programme may be changed.***

The amount to be issued under the Programme is subject to increase or decrease as provided in the Dealer Agreement.

***Withholding under the EU Savings Directive.***

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is 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 adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the "**Amending Directive**") amending and broadening the scope of the requirements described above. The Amending Directive requires Member States to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfill administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, none of the Issuers, the Guarantor or any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Each Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

***Changes in laws and regulations may affect the terms and conditions of the Notes.***

The terms and conditions of the Notes and all non-contractual obligations arising out of or in connection with the Notes are governed by English law, except that; (i) the registration of Danish Notes in VP Denmark which will be governed by, and construed in accordance with, Danish law; and (ii) the registration of Norwegian Notes in VPS Norway which will be governed by, and construed in accordance with, Norwegian law.

The Rome II Regulation (864/2007), which sets out a series of rules to be applied by the courts of EU member states (other than Denmark) for the purposes of determining the governing law of non-contractual obligations between parties in most civil and commercial matters does not apply in Denmark and therefore may not apply to Danish investors.

There can be no assurances as to the impact of any possible judicial decision or change to the laws of England, Denmark or Norway or administrative practice after the date of this Base Listing Particulars.

***The Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples.***

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination (as defined in the relevant Pricing Supplement) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of the Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such a holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***U.S. Foreign Account Tax Compliance Withholding***

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and, potentially, a 30 per cent. withholding tax with respect to (i) certain payments from sources within the United States, (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime, and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-U.S. financial institution. Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (each as defined below and together, the "**ICSDs**"), in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "*Taxation - Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The relevant Issuer's (or the Guarantor's, as the case may be) obligations under the Notes (other than Danish Notes and Norwegian Notes) are discharged once it has paid the common depository or common safekeeper for the ICSDs (as bearer of the Notes (other than Danish Notes and Norwegian Notes)) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

### **Risks Relating to each Issuer and the Guarantor.**

The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their respective obligations under the Notes. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the relevant Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuers and the Guarantor do not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Listing Particulars (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

#### ***Product branding and competition risk.***

Arla Foods amla and its subsidiaries (the "**Group**") face significant competition in each of the markets in which they operate. The main factors relating to competition in the Group's business include brand recognition, consumer loyalty, product innovation, quality, price, service, proximity to customers, production capacity and distribution capabilities. In addition, the Group relies on innovation and product development to introduce new products as a means of achieving or maintaining strong market positions. Inherent risks are consumer preferences and purchasing patterns, consumer loyalty to the Group's brands and products as well as competitor reactions.

As a cooperative, the Group is generally able to reduce the price of raw milk from its members to off-set adverse effects of competition.

#### ***Quality and food safety.***

Customers and consumers need to be able to trust the Group's products. Despite detailed quality programmes and control measures throughout the value chain, there are several risks involved in milk processing that may inadvertently lead to contamination or poor quality products reaching the market. This may result in recalls and harm the Group's brands and reputation.

#### ***Dependency on milk intake.***

The Group is dependent on a stable intake of raw milk. In Denmark, Sweden, Germany and the UK raw milk is predominantly sourced from the Group's members. The loyalty among members has always been very high. Historically, members have left the group to retire rather than to shift to other dairies. Generally, retiring members' raw milk deliveries are taken over by existing members increasing their raw milk deliveries or deliveries from joining members who have acquired a retiring member's farm. The group is also sourcing a smaller volume of milk from members in Luxembourg, Holland and Belgium.

In Finland, the Netherlands, Canada, the US and, to some extent, the UK, raw milk is sourced from either individual contract suppliers or local cooperatives. The Group has established long-term relationships in these countries and hence the Group's milk intake in these countries has not been negatively impacted by high turnover-rates. However, members can leave with a minimum of four months' notice. Major sudden changes in raw milk supplies, either from members or contract suppliers, could have a negative impact on the Group's results and financial condition.

#### ***Breakdown of large production facilities.***

The Group is obliged to buy and receive all the milk supplied from its members as well as from contract suppliers. The Group operates a number of larger dairies in Denmark, Sweden, the UK and Germany. Even though many of these dairies are modern facilities with up-to-date risk prevention programs, a fire, chemical spill, explosion, sabotage or another type of major breakdown of a dairy may occur. Even though contingency plans and proper insurance are in place this may result in reduced production and reduced sales during the rebuilding period and competitors taking market share, each of which may have a negative impact on the Group's results and financial condition.

#### ***Expansion risk.***

The Group's business strategy involves acquisitions and investments in its core business. This strategy depends on the Group's ability to successfully acquire and integrate companies that enhance the Group's businesses. Failure to acquire and integrate such companies successfully may have a negative impact on the Group's results and financial condition.

#### ***Political risk.***

The Group has smaller production facilities in some countries which are less politically stable. Political instability could have an effect on the book value of the assets in such countries. However, given the size and geographical spread of such facilities, no event in any single country is likely to have a material adverse effect on the Group's financial condition and ability to meet its financial obligations.

The export of dairy products and milk powder from Denmark, Sweden and Germany to developing countries, including countries in the Middle East, South East Asia, South America, China, Africa and Russia, is part of the export business. In some regions the Group has strong brand positions. The Group has previously experienced politically or religiously motivated boycotts of imported dairy products in certain regions. Such boycotts can lead to an immediate decrease in profit. Previously, such events have triggered a reduction in the price of raw milk to the Group's members to off-set such effects. Any decrease in profit that is not matched in this way by a reduction in costs, could have a material adverse effect on the Group's results and financial condition.

#### ***IT risk.***

The Group operates a highly integrated global business and relies on complex information technology to do so. As a result of the increasing complexity of information technology, the Group is exposed to various risks in this context, ranging from the loss or theft of data, stoppages and interruptions to the business, to systems failure, each of which may have a negative impact on the Group's results and financial condition.

### *Animal diseases.*

Widespread animal diseases may affect the milk production in the countries where the Group operates. In Denmark, Sweden, the UK and Germany, where the Group has a significant milk intake, the relevant authorities have very clear and precise contingency plans to stem infections. The Group also has its own contingency plans if a breakout of animal diseases should occur. Any breakout of BSE or Foot and Mouth disease would have an immediate impact on the local consumption. However, history shows that such declines prove to be short-lived since dairy products form an important part of the daily diet.

Many countries will typically stop imports of dairy products from countries where a dangerous virus is found. Any such stoppages may have a negative impact on the Group's results and financial condition.

### *Currency risk.*

The Group operates in many different countries and has significant investments in operations outside Denmark and the Euro area, of which the UK, Sweden and Germany represent the largest part of the Group's business by revenue and assets. As a large part of the production from Denmark in particular is exported outside the Euro area, this also contributes to the Group's exposure to currency fluctuations.

Significant exchange rate fluctuations may have a negative impact on the Group's results and financial condition.

### *Interest rate risk.*

The Group generally pays a variable interest rate on its financial debt. With due regard to the Group's growth strategy and the low interest rate level in the financial markets during the last few years, a significant part of the Group's financing has been converted to fixed rate via hedging instruments such as interest swaps. As at 31 December 2014, the Group estimates that an increase in the interest rate of 1 percentage point during the next financial year would negatively impact the Group's funding costs by approximately EUR 12 million. Significant interest rate increases may have a negative impact on the Group's results and financial condition.

### *Liquidity risk.*

The Group's long-term objective is to maintain a conservative funding profile matching that of a robust investment grade company. The Group manages its liquidity risk by ensuring the availability of sufficient operating liquidity and credit facilities for operations. The financing of acquisitions and major investments is assessed separately.

The management of day-to-day liquidity flow is for the vast majority of the Group conducted through Arla Foods Finance A/S, via cash pool arrangements with the Group's banks. Within the Group, the companies with excess liquidity finance the companies with liquidity deficits. As a result the Group achieves a more cost efficient financing.

As at 31 December 2014, the Group's liquidity reserve was as outlined below:

### *Liquidity reserve*

	<b>EUR million</b>	
	<b>2014</b>	<b>2013</b>
Cash and cash equivalents	81	76
Securities (free)	57	12
Unutilised committed loan facilities	322	249
Unutilised other loan facilities	401	471
<b>Total liquidity reserves at 31 December</b>	<b>861</b>	<b>808</b>



### ***Pension funding***

The Group maintains a number of funded and unfunded defined benefit pension schemes for past and current employees. Pension scheme liabilities vary with changes to long-term interest rates, inflation, pensionable salaries and the longevity of scheme members as well as changes in applicable legislation. The schemes' assets comprise investment portfolios that are held to meet projected liabilities to the scheme members. Risk arises from the schemes because the value of these asset portfolios, returns from them and any additional future contributions to the schemes, may be less than expected and because there may be greater than expected increases in the estimated value of the schemes' liabilities. In these circumstances, the Group could be obliged, or may choose, to make additional contributions to the schemes, and during recent periods, the Group has, in agreement with trustees, made such contributions to the schemes. Given changes in economic and financial market conditions, the Group may experience increasing pension deficits or be required or elect to make further contributions to its pension schemes and such deficits and contributions could be significant and have an adverse impact on the Group's results of operations or financial condition.

### ***Legal and regulatory risks***

Various markets in which the Group operates are subject to significant influence from legislation or regulation, including EU and competition law. Changes to regulation and legislation regularly occur and may lead to various risks arising and any anti-competitive ruling and/or fine could have an adverse effect on the Group's financial performance, including by damaging the Group's reputation. Increased governmental regulation of the food industry could also increase the Group's costs and adversely affect its profitability.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents which have previously been published and have been filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Base Listing Particulars:

- (a) the auditors' report and audited consolidated financial statements for the financial years ended 31 December 2013 and 31 December 2014 of Arla Foods amba; and
- (b) the auditors' report and audited financial statements for the financial years ended 31 December 2013 and 31 December 2014 of Arla Foods Finance A/S.

Copies of documents incorporated by reference in this Base Listing Particulars can be obtained from the specified office of each Issuer.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Listing Particulars shall not form part of this Base Listing Particulars.

## **PRICING SUPPLEMENT AND LISTING PARTICULARS**

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme on the basis of this Base Listing Particulars each Issuer and the Guarantor have included in this Base Listing Particulars all of the necessary information except for information relating to the Notes which is not known at the date of this Base Listing Particulars and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Listing Particulars and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Pricing Supplement or in a Listing Particulars.

For a Tranche of Notes which is the subject of a Pricing Supplement, that Pricing Supplement will, for the purposes of that Tranche only, supplement this Base Listing Particulars and must be read in conjunction with this Base Listing Particulars. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Conditions as completed to the extent described in the relevant Pricing Supplement.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Listing Particulars will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Listing Particulars. In the case of a Tranche of Notes which is the subject of a Listing Particulars, each reference in this Base Listing Particulars to information being specified or identified in the relevant Pricing Supplement shall be read and construed as a reference to such information being specified or identified in the relevant Listing Particulars unless the context requires otherwise.

Following the publication of this Base Listing Particulars a supplement may be prepared by the Issuers. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Listing Particulars. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Listing Particulars.

Each Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Listing Particulars which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Listing Particulars or publish a new Base Listing Particulars for use in connection with any subsequent issue of Notes.

## FORMS OF THE NOTES

Any reference in this section to "Pricing Supplement" shall be deemed to include a reference to the applicable "Listing Particulars" where relevant.

### **Bearer Notes**

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Pricing Supplement, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Where the Global Notes issued in respect of any Tranche are in NGN form, the applicable Pricing Supplement will also indicate whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria (as mentioned above). The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Pricing Supplement.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor United States Treasury regulation section, including without limitation, successor regulations issued in accordance with IRS Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### ***Temporary Global Note exchangeable for Permanent Global Note***

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes (the "**Exchange Date**") upon certification as to non-U.S. beneficial ownership. After the Exchange Date, no payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, prior to the Exchange Date interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, each Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

#### ***Temporary Global Note exchangeable for Definitive Notes***

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Bearer Notes in definitive form ("**Definitive Notes**") not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, each Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If:

- (i) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (ii) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

For the avoidance of doubt, if Notes are to be issued with a minimum Specified Denomination and in integral multiples of another small amount in excess thereof as specified in the relevant Pricing Supplement, the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

***Permanent Global Note exchangeable for Definitive Notes***

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following even occurs:
  - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system 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; or
  - (b) any of the circumstances described in Condition 16 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the Agent first receiving notice of such exchange.

For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note" in accordance with paragraph (iii) above. In relation to any issue of Notes where the Pricing Supplement specifies "Permanent Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Permanent Global Note", such Notes may only be issued in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination).

If:

- (i) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (ii) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

### ***Rights under Deed of Covenant***

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against each Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of (i) the relevant Pricing Supplement which complete those Conditions or (ii) the relevant Listing Particulars which supplements, amends and/or replaces those Conditions.

### ***Legend concerning United States persons***

In the case of any Tranche of Bearer Notes where TEFRA D is specified in the Pricing Supplement, and which will have a maturity of more than one year, the Notes in permanent global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

### **Registered Notes**

Each Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

- (i) individual Note Certificates in registered form ("**Individual Note Certificates**"); or
- (ii) one or more global Note Certificates ("**Global Note Certificate(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S,

in each case as specified in the relevant Pricing Supplement.

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*", the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*" of the Eurosystem, subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Note represented by a Global Note Certificate will either be: (a) in the case of a Note Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Note Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be represented by Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

#### ***Global Note Certificate exchangeable for Individual Note Certificates***

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be represented by one or more Global Note Certificates each of which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Note Certificate", then if:
  - (a) Euroclear, Clearstream, Luxembourg or any other relevant clearing system 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; and
  - (b) any of the circumstances described in Condition 16 (*Events of Default*) occurs.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as each Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding).

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

#### ***Terms and Conditions applicable to the Notes***

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement or the relevant Listing Particulars which supplements, amends and/or replaces those Conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

#### **Summary of Provisions relating to the Notes while in Global Form**

##### ***Clearing System Accountholders***

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, in the case of an NGN, will be that depositary or common depositary or, as the case may be, common safekeeper.



In relation to any Tranche of Notes represented by one or more Global Note Certificates, references in the Conditions to "Noteholder" are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register which in the case of any Global Note Certificate which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper, as the case may be.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer or the Guarantor to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the relevant Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the relevant Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Note Certificate.

#### ***Transfers of Interests in Global Notes and Global Note Certificates***

Transfers of interests in Global Notes and Global Note Certificates within Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the relevant Issuer, the Guarantor, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note or Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

Although Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note Certificates among participants and account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the relevant Issuer, the Guarantor, the Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Note Certificate is lodged with Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

#### ***Conditions applicable to Global Notes***

Each Global Note and Global Note Certificate will contain provisions which modify the Conditions as they apply to the Global Note or Global Note Certificate. The following is a summary of certain of those provisions:

*Payments:* All payments in respect of the Global Note or Global Note Certificate which, according to the Conditions, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer or the Guarantor in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that

in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

*Payment Business Day:* in the case of a Global Note or a Global Note Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

*Exercise of put option:* In order to exercise the option contained in Condition 9(e) (*Redemption and Purchase - Redemption at the option of Noteholders*) or 9(f) (*Redemption at the option of Noteholders following a change of control*) the bearer of a Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 22 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Note Certificate is deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 22 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

### **Form of Danish Notes**

Each Tranche of Danish Notes will be issued in uncertificated and dematerialised book entry form in accordance with the Danish Securities Trading Act (Consolidated Act No. 227 of 11 March 2014) as amended from time to time (in Danish: *Værdipapirhandelsloven*) (the "**Danish Securities Act**") and the Danish Executive Order No. 819 of 26 June 2013 on Book entry etc. of dematerialised Securities in a Central Securities Depository as amended from time to time. No global or definitive Notes will be issued in respect thereof. The holder of a Danish Note will be the person evidenced as such by the register for such Note maintained by VP Securities A/S. Where a nominee in accordance with the Danish Securities Act is so evidenced it shall be treated as the holder of the relevant Danish Note.

Pursuant to the issuance of Danish Notes, each Issuer will certify that Nordea Bank Danmark A/S is, on the date of issue of a Tranche of Danish Notes, entered in the VP as the account holding institute (in Danish: *kontoførende institut*) for the duly registered owners of the Notes of such Tranche. Title thereto will pass on due registration in the Danish Note Register to be maintained by VP Denmark. Title to Danish Notes will pass by transfer between accountholders of VP Denmark, perfected in accordance with Danish laws (including the Danish Securities Trading Act), regulations and operations procedures, applicable to and/or issued by VP Denmark for the time being. If the Notes of such Tranche cease to be registered in VP Denmark, Nordea Bank Danmark A/S as account holding institute for the duly registered owners shall supply the Danish Issuing Agent with all necessary information with regard to such duly registered owners and the Danish Issuing Agent shall enter such information into the Danish Note Register. The relationship between Nordea Bank Danmark A/S as the account holding institute and VP Denmark will be governed by Danish law (including the provisions of the Danish Executive Order No. 819 of 26

June 2013 on Book entry, etc. of dematerialised Securities in a Central Securities Depository as amended), regulations and operating procedures, applicable to and/or issued by VP Denmark. A Danish Note may only be controlled by an account holding institute acting in such capacity on behalf of holders for the time being registered with such account holding institute.

Issues of Danish Notes will be issued with the benefit of the Danish Agency Agreement. On the issue of Danish Notes, each Issuer will send a copy of the applicable Pricing Supplement to the Danish Issuing Agent. On delivery of the applicable Pricing Supplement by the Danish Issuing Agent to VP Denmark and notification to VP Denmark of the subscribers and their VP Denmark account details by the relevant Dealer, the Danish Issuing Agent acting on behalf of each Issuer will credit each subscribing account holder with VP Denmark with a nominal amount of Danish Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of the Danish Notes in VP Denmark will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant Danish Notes will take place in accordance with the rules and procedures for the time being of VP Denmark.

The person evidenced (including any nominee) as a holder of the Danish Notes shall be treated as the holder of such Danish Notes for the purposes of payment of principal or interest on such Danish Notes. The expressions "Noteholders" and "holder of Notes" and related expressions shall, in each case, be construed accordingly.

### **Form of Norwegian Notes**

Each Tranche of Norwegian Notes will be issued in uncertificated and dematerialised book entry form cleared through VPS Norway. Legal title to the Norwegian Notes will be evidenced by book entries in the records of VPS Norway. Issues of Norwegian Notes will be issued with the benefit of the Norwegian Agency Agreement. On the issue of Norwegian Notes, each Issuer will send a copy of the applicable Pricing Supplement to the Paying Agent, with copies sent to the Norwegian Issuing Agent and the Principal Paying Agent. On delivery of the applicable Pricing Supplement by the Norwegian Issuing Agent to VPS Norway and notification to the VPS Norway of the subscribers and their VPS Norway account details by the relevant Dealer, the Norwegian Issuing Agent acting on behalf of each Issuer will credit each subscribing account holder with VPS Norway with a nominal amount of Norwegian Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of the Norwegian Notes in VPS Norway will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant Norwegian Notes will take place in accordance with the rules and procedures for the time being of VPS Norway.

Title to the Norwegian Notes will pass by registration in the registers between the direct or indirect accountholders at VPS Norway in accordance with the rules and procedures of VPS Norway. The holder of a Norwegian Note will be the person evidenced as such by a book entry in the records of VPS Norway. The person evidenced (including any nominee) as a holder of the Norwegian Notes shall be treated as the holder of such Norwegian Notes for the purposes of payment of principal or interest on such Norwegian Notes. The expressions "Noteholders" and "holder of Notes" and related expressions shall, in each case, be construed accordingly.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.*

### 1. Introduction

- (a) *Programme:* Arla Foods Finance A/S ("**Arla Finance**") (an "**Issuer**") and Arla Foods amba, in its capacity as Issuer (an "**Issuer**" and together with Arla Finance, the "**Issuers**") and, where Arla Finance is the Issuer, in its capacity as Guarantor of Notes issued by Arla Finance (the "**Guarantor**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to EUR 750,000,000 in aggregate principal amount of notes (the "**Notes**"). All subsequent references in these Conditions to the "Issuer" shall be to the relevant Issuer named in the Pricing Supplement and references to the "Guarantor" shall only be applicable in the case of Notes issued by Arla Finance.
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. Copies of the relevant Pricing Supplement are available for viewing at and copies may be obtained from the offices of the Issuers at Sønderhøj 14, 8260 Viby J, Denmark.
- (c) *Agency Agreement, Danish Agency Agreement and Norwegian Agency Agreement:* The Notes are the subject of an agency agreement dated 19 May 2014 (the "**Agency Agreement**") between the Issuer, the Guarantor, HSBC Bank plc as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), HSBC Bank plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them. Danish Notes (as defined below) are the subject of a VP issuing agency agreement dated 22 May 2013 (the "**Danish Agency Agreement**") between the Issuer, the Guarantor and Nordea Bank Danmark A/S in its capacity as issuing agent for Danish Notes (the "**Danish Issuing Agent**"). Norwegian Notes (as defined below) are the subject of a VPS agency agreement dated 22 May 2013 (the "**Norwegian Agency Agreement**") between the Issuer, the Guarantor and Nordea Bank Norge ASA in its capacity as Norwegian issuing agent for Norwegian Notes (the "**Norwegian Issuing Agent**").
- (d) *Deed of Covenant:* The Notes have the benefit of a deed of covenant (the "**Deed of Covenant**") dated 19 May 2014 (as amended and/or restated and/or replaced from time to time), executed by the Issuers in relation to the Notes.
- (e) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 22 May 2013 (the "**Deed of Guarantee**") entered into by the Guarantor.
- (f) *The Notes:* The Notes, other than Danish Notes and Norwegian Notes, may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Notes may be cleared through the Danish Central Securities Depository, which will be VP Securities A/S ("**Danish Notes**" and the "**VP Denmark**", respectively) or the Norwegian Central Securities Depository which will be Verdipapirsentralen ASA ("**Norwegian Notes**" and the "**VPS Norway**", respectively). The Danish Notes will be registered in uncertificated and dematerialised book entry form with VP Denmark. Danish Notes registered in VP Denmark are negotiable instruments and not subject to any restrictions on free negotiability under Danish law. As the Danish Notes will be in uncertificated and dematerialised book entry form, the Terms and

Conditions of the Danish Notes shall be deemed to be incorporated by reference in, and to form part of, the Deed of Covenant by which the Danish Notes are constituted. The Norwegian Notes will be registered in uncertificated and dematerialised book entry form with VPS Norway. Norwegian Notes registered in VPS Norway are negotiable instruments and not subject to any restrictions on free negotiability under Norwegian law. As the Norwegian Notes will be in uncertificated and dematerialised book entry form, the Conditions of the Norwegian Notes shall be deemed to be incorporated by reference in, and to form part of, the Deed Of Covenant by which the Norwegian Notes are constituted. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement.

- (g) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement, the Danish Agency Agreement and the Norwegian Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Danish Agency Agreement and the Norwegian Agency Agreement and the Deed of Guarantee applicable to them. Copies of the Agency Agreement, the Danish Agency Agreement, the Norwegian Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents.

## 2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**

- (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"**Calculation Agent**" means the Principal Paying Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**CIBOR**" means, in respect of Danish Kroner and for any specified period, the interest rate benchmark known as the Copenhagen interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ OMX Copenhagen) in accordance with the requirements from time to time of the Danish Bankers' Association based on estimated interbank borrowing rates for Danish Kroner for a number of designated maturities which are provided by a panel of contributor banks (details of historic CIBOR rates can be obtained from the designated distributor);

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
  - (iii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
  - (iv) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

- (v) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30";

- (vii) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (viii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30,

**provided, however, that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Guarantee**" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;



**"Guarantee of the Notes"** means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

**"Holder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*)

**"Indebtedness"** means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

**"Interest Determination Date"** has the meaning given in the relevant Pricing Supplement;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period from (and including) an Interest Payment Date (or the Interest Commencement Date) and ending on (but excluding) the next (or first) Interest Payment Date;

**"ISDA Definitions"** means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Pricing Supplement, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given in the relevant Pricing Supplement;

**"LIBOR"** means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration limited (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are

provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**NIBOR**" means, in respect of Norwegian Kroner and for any specified period, the interest rate benchmark known as the Norwegian interbank offered rate administered by the banks, Oslo Stock Exchange or any other person that at the relevant time is authorised to do so (or any other person which takes over the administration of that rate) for NOK and the relevant specified period, and displayed on the appropriate page of the Reuters screen;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer - Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer - Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified (as below) in the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified as the Optional Redemption Amount in section 18 of the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given to Optional Redemption Date in section 17 of the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given to the Optional Redemption Date in section 18 of the relevant Pricing Supplement;

"**Participating Member State**" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

- (a) if the currency of payment is euro, any day which is:
  - (i) in relation to Bearer Notes only, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
  - (i) in relation to Bearer Notes only, a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Permitted Security Interest"** means:

- (a) any Security Interest over or affecting any asset of any company which becomes a Subsidiary after the Issue Date, where the Security Interest is created prior to the date on which that company becomes a Subsidiary if:
  - (i) the Security was not created in contemplation of the acquisition of that company; and
  - (ii) the principal amount secured has not increased in contemplation of or since the acquisition of that company; or
- (b) any Security Interest created by way of ordinary mortgage on real estate (including machinery and equipment) assumed with a mortgage credit institution in the ordinary course of business provided such indebtedness falls within the statutory maximum limits on loan size in accordance with the Danish Mortgage Credit Act ("*Realkreditloven*") at the time of establishing the mortgage loan, charge, debenture, or lien;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Put Option Receipt"** means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Pricing Supplement;

**"Reference Banks"** has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Pricing Supplement;

**"Reference Rate"** means EURIBOR, LIBOR, CIBOR, NIBOR or STIBOR as specified in the relevant Pricing Supplement in respect of the currency and period specified in the relevant Pricing Supplement;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means those matters which may only be sanctioned by the passing of an Extraordinary Resolution of Noteholders, including any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**STIBOR**" means, in respect of Swedish Kronor and for any specified period, the interest rate benchmark known as the Stockholm interbank offered rate which is calculated and published by a designated distributor (currently NASDAQ OMX Stockholm) based on estimated interbank borrowing rates for Swedish Kronor for a number of designated maturities which are provided by a panel of contributor banks (details of historic STIBOR rates can be obtained from the designated distributor);

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**");

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 15 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 15 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement, the Danish Agency Agreement and the Norwegian Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement, the Danish Agency Agreement and the Norwegian Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

### 3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**"

means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to Condition 3(i) (*Form, Denomination, Title and Transfer – Closed periods*) and Condition 3(j) (*Form, Denomination, Title and Transfer – Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Form, Denomination, Title and Transfer – Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.
- (k) *Danish Notes:* A Tranche or a Series of Notes (as the case may be), if so specified in the applicable Pricing Supplement may be cleared through VP Denmark in accordance with Danish laws, regulations and operating procedures applicable to and/or issued by VP Denmark for the time being (the "**VP Rules**"). Danish Notes shall be regarded as Registered Notes for the purposes of these Conditions save to the extent these Conditions are inconsistent with the VP Rules. No physical Notes or certificates will be issued in respect of the Danish Notes and the provisions in these Conditions relating to presentation, surrendering or replacement of such physical Danish Notes or certificates shall not apply to the Danish Notes. The Issuer will certify that Nordea Bank Danmark A/S is, on the date of issue of a Tranche or a Series of Danish Notes (as the case may be), entered in VP Denmark as the account holding institute (In Danish: *kontoførende institut*) for the duly registered owners of the Notes of such Tranche or Series (as the case may be). Danish Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Pricing Supplement. Danish Notes of one denomination may not be exchanged for Danish Notes of any other denomination. VP Denmark is entitled to provide the Issuers with information about the identity of a Holder of Danish Notes at a specified time following a request by the

Issuers as set out in Section 36(3) of the Danish Executive Order No. 819 of 26 June 2013 on book entry etc. of dematerialised securities in a Central Securities Depository. Such information may include the name, address and other contact details of the Holder of the Danish Notes, the date of the registration with VP Denmark, the amount of Danish Notes held by such Holder and any other relevant account information.

- (l) *Title to Danish Notes:* Title to the Danish Notes shall pass by registration in the register (the "**Danish Note Register**") maintained by VP Denmark in accordance with the VP Rules. The Issuer shall be entitled to obtain information from VP Denmark in accordance with the VP Rules. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Danish Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. If the Notes of such Tranche cease to be registered in VP Denmark, Nordea Bank Danmark A/S as account holding institute for the duly registered owners shall supply VP Denmark with all necessary information with regard to such duly registered owners and VP Denmark shall enter such information into the Danish Note Register.
- (m) *Transfer of Danish Notes:* One or more Danish Notes may be transferred in accordance with VP Rules. Each new Danish Note to be issued shall be available for delivery within three business days of receipt of the request and the surrender of the Danish Notes for exchange. Delivery of the new Danish Note(s) shall be made to the same VP Denmark account on which the original Danish Notes were registered. In this Condition 3(m) (*Form, Denomination, Title and Transfer – Transfer of Danish Notes*) "**business day**" has the meaning ascribed to such term by the then applicable rules and procedures of VP Denmark. Exchange and transfer of Danish Notes on registration, transfer, partial redemption or exercise of a call or a put option shall be effected without charge by or on behalf of the Danish Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Danish Issuing Agent may require). No Holder may require the transfer of a Danish Note to be registered during any closed period pursuant to the then applicable VP Rules. All transfers of Danish Notes are subject to any cut-off dates applicable to such Danish Notes and are subject to any other rules and procedures for the time being of VP Denmark. VP Denmark's rules and regulations may be downloaded from its website: <http://www.vp.dk>. In these Conditions in relation to Danish Notes only, "**Noteholder**" or "**Holder**" means, as the context requires, the person in whose name a Danish Note is registered in the Danish Note Register and shall also include any person duly authorised to act as a nominee and registered as a holder of the Danish Notes.
- (n) *Norwegian Notes:* The Norwegian Notes shall be regarded as Registered Notes for the purposes of these Conditions save to the extent these Conditions are inconsistent with Norwegian laws, regulations and operating procedures applicable to and/or issued by VPS Norway for the time being (the "**VPS Rules**"). No physical Norwegian Notes or certificates will be issued in respect of the Norwegian Notes and the provisions in these Conditions relating to presentation, surrendering or replacement of such physical Notes or certificates shall not apply to the Norwegian Notes. Norwegian Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Pricing Supplement. Norwegian Notes of one denomination may not be exchanged for Norwegian Notes of any other denomination.
- (o) *Title to Norwegian Notes:* Title to the Norwegian Notes shall pass by registration in the register (the "**VPS Register**") in accordance with the Norwegian VPS Rules. The Issuer shall be entitled to obtain information from VPS Norway in accordance with the VPS Rules. Except as ordered by a court of competent jurisdiction or as required by law, the Holder (as defined below) of any Norwegian Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the Holder. References herein to the "**Noteholders**" or "**Holders**" of Norwegian Notes signify the persons in whose names such Notes are so registered.
- (p) *Transfer of Norwegian Notes:* One or more Norwegian Notes may be transferred in accordance with the VPS Rules. In the case of an exercise of option resulting in Norwegian Notes of the same holding having different terms, separate Norwegian Notes registered with the VPS Register shall be issued in respect of those Norwegian Notes of that holding having the same terms. Such Norwegian Notes shall only be issued against surrender of the existing Norwegian Notes in accordance with the VPS Rules. Each new Norwegian Note to be issued pursuant to the above, shall be available for delivery within three business days of receipt of the request and the surrender of the Norwegian Notes for exchange. Delivery of the new Norwegian Note(s) shall be made to the same VPS Norway account on which the original Norwegian Notes were

registered. In this Condition 3(p) (*Form, Denomination, Title and Transfer – Transfer of Norwegian Notes*) in relation to Norwegian Notes only, "**business day**" means a day, other than a Saturday or Sunday on which VPS Norway is open for business. Exchange and transfer of Norwegian Notes on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer or the Norwegian Issuing Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Norwegian Issuing Agent may require). No Holder may require the transfer of a Norwegian Note to be registered during any closed period pursuant to the then applicable VPS Rules. In these Conditions in relation to Norwegian Notes only, "**Noteholder**" or "**Holder**" means, as the context requires, the person in whose name a Norwegian Note is registered in the VPS Register and shall also include any person duly authorised to act as a nominee (in Norwegian: *forvalter*) and registered as a holder of the Norwegian Notes.

#### 4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

#### 5. **Negative Pledge**

So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders.

#### 6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*), Condition 12 (*Payments – Danish Notes*) and Condition 13 (*Payments – Norwegian Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by



the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. **Floating Rate Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*), Condition 12 (*Payments – Danish Notes*) and Condition 13 (*Payments – Norwegian Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
    - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
    - (B) determine the arithmetic mean of such quotations; and
  - (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each

Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) *Notifications etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Floating Rate Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount in respect of any Zero Coupon Note upon its becoming due and payable is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
- (i) the Reference Price; and

- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*), Condition 11 (*Payments – Registered Notes*), Condition 12 (*Payments – Danish Notes*) and Condition 13 (*Payments – Norwegian Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 15 (*Taxation*) or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Denmark or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after agreement is reached to issue the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided, however, that** no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the Issuer or, as the case may be, the Guarantor, would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Principal Paying Agent (A) a certificate signed by two directors of the Issuer or, as the case may be, two directors of the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b)

*(Redemption and Purchase - Redemption for tax reasons)*, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b) *(Redemption and Purchase - Redemption for tax reasons)*.

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable and shall oblige the Issuer to redeem all or some only of the Notes on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) *(Redemption and Purchase - Redemption at the option of the Issuer)*, in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) *(Redemption and Purchase - Redemption at the option of the Issuer)* shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, Danish Notes and Norwegian Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e) *(Redemption and Purchase - Redemption at the option of Noteholders)*, the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e) *(Redemption and Purchase - Redemption at the option of Noteholders)*, may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e) *(Redemption and Purchase - Redemption at the option of Noteholders)*, the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *Redemption at the option of Noteholders following a change of control:* If the Change of Control Put Option is specified in the relevant Pricing Supplement as being applicable, then if at any time while any Note remains outstanding, (i) a Change of Control occurs and (ii) within the Change of Control Period (A) (if at the time that the Change of Control occurs either the Notes are or the Issuer or its debt are rated by a Rating Agency) a Rating Downgrade in respect of that Change of Control occurs, or (B) (if at such time the Notes or the Issuer or its debt are not rated) a Negative Rating Event in respect of that Change of Control occurs, then any Noteholder will have the option (the "**Change of Control Put Option**") (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes under Condition 9(b) *(Redemption and Purchase - Redemption for tax reasons)*) to require the Issuer to redeem or, at the Issuer's option, to purchase or procure the purchase of that Note on the Change of Control Optional Redemption Date (as defined below), at its principal amount together with (or, where

purchased, together with an amount equal to) accrued interest (if any) up to but excluding the Change of Control Optional Redemption Date.

For the purposes of this Condition:

**"Change of Control"** shall be deemed to have occurred if any person or group of persons acting in concert gains control of the Issuer or if the Issuer ceases to be organised as a Danish co-operative whose members have limited liability (Danish: *andelselskab med begrænset ansvar*);

**"Change of Control Period"** means the period ending 180 days after the Relevant Announcement Date (or such longer period for which the Notes are under consideration (such consideration having been announced publicly within the period ending 180 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

**"control"** means the power to direct the management and policies or affairs of an entity, directly or indirectly, and whether through the ownership of voting capital, by contract or otherwise;

**"acting in concert"** means acting together pursuant to an agreement or understanding (whether formal or informal);

**"Investment Grade Rating"** means a rating of BBB- by S&P or Fitch, Baa3 by Moody's (or their respective successor companies) or an equivalent rating for the time being, or better;

A **"Negative Rating Event"** shall be deemed to have occurred if (i) the Issuer does not on or before the 45th Business Day after the relevant Change of Control seek, and use all reasonable endeavours to obtain from a Rating Agency, a rating in respect of the Notes or the Issuer or its debt or (ii) if it does so seek and use such endeavours, it has not at the expiry of the Change of Control Period obtained an Investment Grade Rating, provided that the Rating Agency publicly announces or confirms in writing to the Issuer that its declining to assign an Investment Grade Rating was the result, in whole or in part, of the applicable Change of Control;

**"Rating Agency"** means each of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and Fitch Ratings Limited ("**Fitch**") and their successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

A **"Rating Downgrade"** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an Investment Grade Rating to a non-Investment Grade Rating (BB+ by S&P or Fitch/Ba1 by Moody's, or their equivalent for the time being, or worse) or (z) (if the rating assigned to the Notes by any Rating Agency shall, immediately prior to the Change of Control Period, be below an Investment Grade Rating) lowered one full rating category (for example, from BB+ to BB by S&P or Fitch or Ba1 to Ba2 by Moody's or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or confirm in writing to the Issuer that the reduction was the result, in whole or in part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control;

**"Relevant Announcement Date"** means the date that is the earlier of (a) the date of the first public announcement of the relevant Change of Control and (b) the date of the earliest Relevant Potential Change of Control Announcement (if any); and

**"Relevant Potential Change of Control Announcement"** means any public announcement or statement by or on behalf of the Issuer, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where, within 90 days following the date of such announcement or statement, a Change of Control occurs.

Within three Business Days of the Issuer becoming aware that a Change of Control has occurred, the Issuer shall give notice (a **"Change of Control Notice"**) to the Noteholders in accordance with Condition 22

(Notices) specifying the nature of the Change of Control and the circumstances giving rise to it and the procedure for exercising the Change of Control Put Option contained in this Condition.

To exercise the Change of Control Put Option, the Noteholder must deliver to the Issuer, within the period (the "**Change of Control Put Period**") of 45 days after the day on which the Change of Control Notice is given a duly signed and completed Put Option Notice obtainable from the registered office of the Issuer. The Issuer shall make available to the Noteholder promptly on request a form of the Put Option Notice.

The Issuer shall redeem, or at its option, purchase or procure the purchase of the Notes in respect of which the Change of Control Put Option has been validly exercised as provided above on the date which is the fifth Business Day following the end of the Change of Control Put Period, in accordance with Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*), Condition 12 (*Payments – Danish Notes*) and Condition 13 (*Payments – Norwegian Notes*) (the "**Change of Control Optional Redemption Date**"). No duly completed Put Option Notice, once so delivered in accordance with this Condition 9(f) (*Redemption and Purchase - Redemption at the option of Noteholders following a change of control*) may be withdrawn.

If 80 per cent. or more in principal amount of the Notes outstanding at the beginning of the Change of Control Put Period have been redeemed or purchased, the Issuer may, at its option, on not less than 30 nor more than 60 days' notice to the Noteholders given in accordance with Condition 22 (*Notices*) within 30 days after the Change of Control Optional Redemption Date redeem or, at its option, purchase (or procure the purchase of) all (but not some only) of the remaining Notes, as a whole at their principal amount together with interest accrued to but excluding the date of redemption or purchase.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 9(a) (*Redemption and Purchase - Scheduled redemption*) to (f) (*Redemption and Purchase – Redemption at the option of Noteholders following a change of control,*) above.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
  - (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (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 the Note becomes due and payable.

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 such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(h) (*Redemption and Purchase – Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation and cancelled.
- (j) *Cancellation:* All Notes so redeemed or purchased and surrendered for cancellation by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

#### 10. **Payments – Bearer Notes**

This Condition 10 (*Payments – Bearer Notes*) is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

- (b) *Interest:* Payments of interest shall, subject to Condition 10(h) (*Payments – Bearer Notes - Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 10(a) (*Payments – Bearer Notes – Principal*) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.
- Each sum of principal so deducted shall be paid in the manner provided in Condition 10(a) (*Payments – Bearer Notes – Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.
- (f) *Unmatured Coupons void:* If the relevant Pricing Supplement specifies that this Condition 10(f) (*Payments – Bearer Notes – Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption and Purchase - Redemption for tax reasons*), Condition 9(e) (*Redemption and Purchase - Redemption at the option of Noteholders*), Condition 9(c) (*Redemption and Purchase - Redemption at the option of the Issuer*) Condition 9(f) (*Redemption and Purchase – Redemption at the option of Noteholders following a change of control*) or Condition 16 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments – Bearer Notes - Payments in New York City*) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 17 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

#### 11. **Payments - Registered Notes**

This Condition 11 (*Payments – Registered Notes*) is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due, drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 (*Payments – Registered Notes*) arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.



- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12. **Payments – Danish Notes**

Payments of principal and/or interest in respect of the Danish Notes shall be made to the Holders as appearing registered in the register kept by VP Denmark as such on the fifth business day (as defined by the then applicable VP Rules) before the due date for such payment, such day being a Danish Business Day, or such other business day falling closer to the due date as then may be stipulated in VP Rules and will be made in accordance with said VP Rules. Such day shall be the "**Record Date**" in respect of the Danish Notes in accordance with VP Rules.

13. **Payments – Norwegian Notes**

Payments of principal and/or interest in respect of the Norwegian Notes shall be made to the Holders registered as such on the fifth business day (as defined by the then applicable VPS Rules) shown in the relevant records of VPS Norway before the due date for such payment, or such other business day falling closer to the due date as then may be stipulated in the VPS Rules and will be made in accordance with said VPS Rules. Such day shall be the "**Record Date**" in respect of the Norwegian Notes in accordance with the VPS Rules.

14. **Payments - General**

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

15. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Denmark or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) in the Kingdom of Denmark;
- (ii) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
- (iii) 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 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
- (iv) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU; or

- (v) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days; or
  - (vi) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Kingdom of Denmark, references in these Conditions to the Kingdom of Denmark shall be construed as references to the Kingdom of Denmark and/or such other jurisdiction.

16. **Events of Default**

If any of the following events occurs:

- (a) *Non-payment:* the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes on the due date for payment thereof and the default continues for a period of 7 days (in the case of principal) or 14 days (in the case of interests); or
- (b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor (with a copy to the Principal Paying Agent); or
- (c) *Cross-default of Issuer, Guarantor or Material Subsidiary:*

Subject to an aggregate threshold of EUR 20,000,000:

- (i) any Indebtedness of the Issuer, the Guarantor or any Material Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;
- (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, the Guarantor or (as the case may be) the relevant Subsidiary or (**provided that** no event of default, howsoever described, has occurred) any Person entitled to such Indebtedness; or
- (iii) the Issuer, the Guarantor or any of any Material Subsidiary fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

**"Material Subsidiary"** means, at any particular time, a Subsidiary of Arla Foods amba whose total assets or pre-tax profits as shown in the most recent audited financial statements represent 5 per cent. or more of the consolidated total assets or pre-tax profits of Arla Foods amba as calculated by reference to the most recent consolidated audited financial statements of the Arla Foods amba.

- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) by a court of competent jurisdiction is rendered against the Issuer, the Guarantor or any of their respective Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries; or
- (f) *Insolvency etc.:* (i) the Issuer, the Guarantor or any of their respective Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, reconstructor (*rekonstruktør*) or liquidator of the Issuer, the Guarantor or any of their respective Material Subsidiaries or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries is appointed (or application for any such appointment is made), (iii) the Issuer, the Guarantor

or any of their respective Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any of their respective Material Subsidiaries ceases or threatens to cease to carry on all or any substantial part of its business; or

- (g) *Winding up etc.:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Material Subsidiaries; or
- (h) *Analogous event:* any event occurs which under the laws of the Kingdom of Denmark has an analogous effect to any of the events referred to in Conditions 16(d) (*Events of Default – Unsatisfied judgment*) to (g) (*Events of Default – Winding up etc.*) above; or
- (i) *Failure to take action etc.:* any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer and the Guarantor lawfully to enter into, exercise their respective rights and perform and comply with their respective obligations under and in respect of the Notes and the Deed of Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Deed of Guarantee admissible in evidence in the courts of the Kingdom of Denmark is not taken, fulfilled or done; or
- (j) *Unlawfulness:* it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Deed of Guarantee; or
- (k) *Guarantee not in force:* the Deed of Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

then any Note may, by written notice addressed by the Holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or (with a copy to the Principal Paying Agent), be declared immediately due and payable, whereupon it shall become immediately due and payable at its principal amount together with accrued interest (if any) without further action or formality.

#### 17. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Registered Notes shall become void unless the relevant Note Certificates are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Danish Notes and Norwegian Notes shall become void unless made within ten years (in case of principal) and five years (in case of interest) of the appropriate Relevant Date.

#### 18. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

#### 19. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor principal paying agent or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a principal paying agent and, so long as any Registered Notes are outstanding, a registrar;
- (b) the Issuer and the Guarantor shall at all times maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent;
- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system;
- (e) so long as any Danish Notes are cleared through VP Denmark, the Issuer shall at all times maintain a Paying Agent with a specified office in Denmark; and
- (f) so long as any Norwegian Notes are cleared through VPS Norway, the Issuer shall at all times maintain a Paying Agent with a specified office in Norway.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

## 20. Meetings of Noteholders; Modification and Waiver

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

In relation to Danish Notes only, meetings of Holders shall be held in accordance with the Agency Agreement.

In relation to Norwegian Notes only, meetings of Holders shall be held in accordance with the Agency Agreement and in compliance with the relevant regulations of VPS Norway. For the purposes of a meeting of Holders, the person named in the certificate from VPS Norway or the Norwegian Issuing Agent shall be treated as the Holder specified in such certificate provided that he has given an undertaking not to transfer the Norwegian Notes so specified (prior to the close of the meeting) and the Norwegian Issuing Agent shall be entitled to assume that any such undertaking is validly given, shall not enquire as to its validity and

enforceability, shall not be obliged to enforce any such undertaking and shall be entitled to rely on the same.

- (b) *Modification:* The Notes, these Conditions and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement, the Danish Agency Agreement and the Norwegian Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

## 21. Further Issues

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

## 22. Notices

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.
- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.
- (c) *Danish Notes:* Notices in respect of Danish Notes Notices in respect of Danish Notes will be in writing and shall be addressed to such Holders of the Danish Notes at the address appearing in the Danish Note Register maintained by the Danish Issuing Agent in accordance with the VP Rules.
- (d) *Norwegian Notes:* Notices in respect of Norwegian Notes will be in writing, sent by first class mail or electronic mail, addressed to such Holders at the address appearing in the VPS Register in accordance with the VPS Rules, and will be deemed to have been validly given on the fourth Business Day after the date of such mailing.

## 23. Currency Indemnity

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer (with a copy to the Principal Paying Agent), against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 24. Provision of Information

In relation to Danish Notes, each Holder agrees and gives consent to VP Denmark to provide to the Danish Issuing Agent, upon request, information registered with VP Denmark relating to the Danish Notes and the Holders of the Danish Notes in order that the Danish Issuing Agent may provide any relevant Danish authorities, including the Financial Supervisory Authority of Denmark (in Danish: *Finanstilsynet*) and the Danish tax authorities with any information required under applicable Danish laws. Such information shall include, but not be limited to, the identity of the holder of the Danish Notes, the residency of the holder of the Danish Notes, the number of Danish Notes of the relevant holder and the address of the relevant holder.

In relation to Norwegian Notes, each Holder agrees and gives consent to VPS Norway to provide to the Norwegian Issuing Agent, upon request, information registered with VPS Norway relating to the Norwegian Notes and the Holders of the Norwegian Notes in order that the Norwegian Issuing Agent may provide any relevant Norwegian authorities, including the Financial Supervisory Authority of Norway (in Norwegian: *Finanstilsynet*) and the Norwegian tax authorities with any information required under applicable Norwegian laws. Such information shall include, but not be limited to, the identity of the registered holder of the Norwegian Notes, the residency of the registered holder of the Norwegian Notes, the number of Norwegian Notes registered with the relevant holder, the address of the relevant holder, the account operator in respect of the relevant VPS Norway account (in Norwegian: *kontofører*) and whether or not the Norwegian Notes are registered in the name of a nominee and the identity of any such nominee.

25. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

26. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law. In relation to Danish Notes, Danish law and jurisdiction will be applicable with regard to the registration of such Notes in VP Denmark and Danish Notes must comply with the Danish Securities Trading Act (Consolidated Act No. 227 of 11 March 2014) as amended from time to time (in Danish: *Værdipapirhandelsloven*) and the Danish Executive Order No. 819 of 26 June 2013 on Book entry etc. of dematerialised Securities in a Central Securities Depository (in Danish: *Bekendtgørelser om registrering m.v. af fondsaktiver i en værdipapircentral*) as amended from time to time. Norwegian law and jurisdiction will be applicable with regard to the registration of such Norwegian Notes in VPS Norway.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Condition 26(b) (*Governing law and jurisdiction - English courts*) is for the benefit of the Noteholders only. As a result, nothing in this Condition 26 (*Governing Law and Jurisdiction*) prevents any Noteholder from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Arla Foods UK plc at Arla House, 4 Savannah Way, Leeds Valley Park, Leeds LS10 1AB or, if different, its registered office for the time being or at any address of the Issuer in Great Britain at which process may be served on it in accordance with the Companies Act 2006. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Issuer, the Issuer shall, on the written demand of any Noteholder

addressed and delivered to the Issuer (with a copy to the Principal Paying Agent) appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent. Nothing in Condition 26(e) (*Governing Law and Jurisdiction – Process agent*) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

## **USE OF PROCEEDS**

Each Issuer will use the net proceeds from the issue of each Series of Notes for its general corporate purposes.



## FORM OF PRICING SUPPLEMENT

*The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.*

**Pricing Supplement dated [•]**

**[Arla Foods amba]/[Arla Foods Finance A/S]  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**[Guaranteed by Arla Foods amba]  
under the EUR 750,000,000 Euro Medium Term Note Programme**

The Base Listing Particulars referred to below (as completed by this Pricing Supplement) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State) and includes any relevant implementing measures in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Listing Particulars dated 10 June 2015 [and the supplemental Base Listing Particulars dated [•]] which [together] constitute[s] a base listing particulars (the "**Base Listing Particulars**"). This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Listing Particulars.

Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. The Base Listing Particulars is available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Listing Particulars with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Listing Particulars dated [original date]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Base Listing Particulars dated [current date] [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base listing particulars (the "**Base Listing Particulars**"), save in respect of the Conditions which are set forth in the Base Listing Particulars dated [original date].

Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Listing Particulars. The Base Listing Particulars is available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]*

[When completing any Pricing Supplement, or adding any other terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently whether any supplement to the Base Listing Particulars may be required.].

1. (i) Issuer: [Arla Foods amba]  
[Arla Foods Finance A/S]
- [(ii) Guarantor: Arla Foods amba]
2. (i) Series Number: [•]
- (ii) Tranche Number: [•]
- [(iii) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [identify earlier tranches] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 (*Early Redemption Amount*) below [which is expected to occur on or about [•]].]
3. Specified Currency or Currencies: [•]
4. Aggregate Nominal Amount: [•]
- (i) Series: [•]
- (ii) Tranche: [•]
5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date (if applicable)*]
6. (i) Specified Denominations: [•]
- (ii) Calculation Amount: [•]
7. (i) Issue Date: [•]
- (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
8. Maturity Date: [•]
9. Interest Basis: [[•] per cent. Fixed Rate]  
[•][•]  
[EURIBOR/LIBOR/CIBOR/NIBOR/STIBOR]+/-  
[•] per cent. Floating Rate]  
[Zero Coupon]  
(further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.

11. Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]*[Not Applicable]
12. Put/Call Options: [Investor Put]  
[Change of Control Put]  
[Issuer Call]  
[Not Applicable]
13. [(i)] Status of the Notes: [Senior]  
[(ii)] Status of the Guarantee: [Senior]  
[(iii)] [Date [Board] approval for issuance of Notes [and Guarantee] [respectively]] obtained: [•] [and [•], respectively]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [•] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)]
- (vi) [Determination Dates: [•] in each year][Not Applicable]  
*(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
15. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [•]
- (ii) Specified Period: *(Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not*

*Applicable")*

- (iii) Specified Interest Payment Dates: [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below/not subject to adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
- (Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable")*
- (iv) [First Interest Payment Date]: [•]
- (v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention][Not Applicable]
- (vi) Additional Business Centre(s): [Not Applicable/[•]]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [•] shall be the Calculation Agent *(no need to specify if the Principal Paying Agent is to perform this function)*
- (ix) Screen Rate Determination:
- Reference Rate: [•][•] [EURIBOR / LIBOR / CIBOR / NIBOR / STIBOR]
  - Interest Determination Date(s): [•]
  - Relevant Screen Page: [•]
  - Relevant Time: [•]
  - Relevant Financial Centre: [•]
- (x) ISDA Determination:
- Floating Rate Option: [•]
  - Designated Maturity: [•]
  - Reset Date: [•]
  - [•] ISDA Definitions: [2000/2006]

- (xi) Margin(s): [+/-][•] per cent. per annum
  - (xii) Minimum Rate of Interest: [•] per cent. per annum
  - (xiv) Maximum Rate of Interest: [•] per cent. per annum
  - (xv) Day Count Fraction: [•]
16. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
  - (ii) Reference Price: [•]
  - (iii) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA)]

**PROVISIONS RELATING TO REDEMPTION**

17. Call Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note: [•] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [•] per Calculation Amount
    - (b) Maximum Redemption Amount: [•] per Calculation Amount
  - (iv) Notice period: [•]
18. Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) Notice period: [•]
19. Change of Control Put Option: [Applicable/Not Applicable]
20. Final Redemption Amount of each Note [•] per Calculation Amount

21. Early Redemption Amount

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable (If both the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes)]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

22. Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]

[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]

[Registered Notes]

[Danish Notes]

[The Notes are Danish Notes in uncertificated and dematerialised book entry form.]

[Norwegian Notes]

[The Notes are Norwegian Notes in uncertificated and dematerialised book entry form.]

23. New Global Note:

[Yes] [No]

24. Additional Financial Centre(s):

[Not Applicable/give details.]

25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of [Arla Foods amba]/[Arla Foods Finance A/S]:

By: .....  
Duly authorised

[Signed on behalf of the Arla Foods amba as Guarantor]:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.]
  
2. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**
  - (i) Interests of natural and legal persons involved in the issue: [Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business - *Amend as appropriate if there are other interests*
  
  - (ii) Method of distribution: [Syndicated/Non-syndicated]
  
  - (iii) If syndicated: [Not Applicable]
    - (a) Names and addresses of Managers and underwriting commitments: [•]
  
    - (b) Stabilisation Manager(s) (if any): [Not Applicable/[•]]
  
  - (iv) If non-syndicated, name and address of Dealer: [Not Applicable/[•]]
  
  - (v) Indication of the overall amount of the underwriting commission and of the placing commission: [•] per cent. of the Aggregate Nominal Amount
  
3. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•]
  
4. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “Yes” simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking, Société Anonyme [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)] [include this text for Registered Notes]

and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “No” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of Euroclear Bank SA/NV and/or Clearstream Banking, Société Anonyme [(together, the “ICSDs”)] as common safe-keeper [(and registered in the name of a nominee of one of the ICSDs acting as common safe-keeper,)] [include this text for Registered Notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

[Not Applicable/give name(s) and number(s)]

[In the case of Danish Notes:  
VP Securities A/S  
Weidekampsgade 14  
P.O. Box 4040  
DK-2300 Copenhagen S

45 4358 8888

VP Denmark is a limited liability company and is subject to the Danish Securities Trading Act (Consolidated Act No. 227 of 11 March 2014, as amended) and the Danish Government Regulation No. 819 of 26 June 2013, as amended. VP Denmark is the central organisation for registering securities in Denmark and is a CSD and Clearing Centre.]

[VP Denmark identification number: [•]]

[In the case of Norwegian Notes:  
Norwegian Central Securities Depository  
VPS ASA, P.O. 40051 Oslo  
985 140 421

VPS ASA is a Norwegian public limited company authorised to register rights to financial instruments subject to the legal effects laid down in the Securities Register Act. VPS Norway clears and settles trades in the Norwegian securities market, and provides services relating to stock issues, distribution of dividends and



other corporate actions for companies registered in VPS ASA.]

[VPS Norway identification number: [•]]

Delivery: Delivery[against/free of] payment

Name(s) and address(es) of initial Paying Agent(s): [HSBC/[•]]

Name(s) and address(es) of additional Paying Agent(s) (if any): [•]

[Name and address of Danish Issuing Agent:] [Nordea - *only applicable to Danish Notes*]

[Name and address of Norwegian Issuing Agent:] [Nordea - *only applicable to Norwegian Notes*]

Replacement Agent (if not the Principal Paying Agent): [•]

5. **DISTRIBUTION**

U.S. Selling Restrictions: [TEFRA C/TEFRA D/TEFRA not applicable]

## DESCRIPTION OF ARLA FOODS AMBA

### General

Arla Foods amba ("**ARLA**") was formed on 17 April 2000 following the de facto merger between the Danish co-operative society MD Foods amba and the Swedish co-operative society Arla Ekonomisk Förening. The merger established a business with the scale required to be a strong partner to its core customers, the major food retailing groups. With effect from 1 October 2012, ARLA merged with the co-operatives Milk Union Hocheifel in Germany and Milk Link in the United Kingdom.

ARLA is a co-operative now owned by approximately 13,400 milk producers predominantly in Denmark, Sweden, Germany and the United Kingdom. In the financial year ended 31 December 2014, ARLA and its subsidiaries (the "**Group**") processed 13.4 billion kg of raw milk and had a net revenue of EUR 10.6 billion.

Core markets including the United Kingdom, Sweden, Germany and Denmark are the largest contributors to total turnover, accounting for 72 per cent of turnover in 2014. Besides Denmark, Sweden, Germany, the United Kingdom and Finland, the Group has important production plants in Argentina, Canada, the Netherlands, Saudi Arabia and the United States of America.

ARLA produces milk-based products covering the entire spectrum of dairy products under own-brand and private-brand names including Lurpak®, Arla Bregott®, Arla Kærgården® and Anchor® (butter and spreads), Arla® Master Brand and Arla® Cow (mainly fresh products), Castello® (cheese), Arla Buko® and Puck® (cream cheese and processed cheese), Apetina® and Keso® (white cheese), Yoggi® (yoghurt), Dano® and Milex® (milk powders) as well as many other brands.

ARLA was incorporated and registered in Denmark on 17 April 2000 with registered number 25313763 and is a cooperative with limited liability under Danish Law. The head office and the registered office are located at Sønderhøj 14, 8260 Viby J, Denmark and its telephone number is +45 89 38 10 00. The fiscal year of ARLA is the calendar year.

ARLA is the holding company of the Group as well as the largest operating company. Most of the Danish operations, including the processing and sale of 4.5 billion kilograms of raw milk, are part of ARLA's business.

On 31 December 2014, the total assets of ARLA on a consolidated basis amounted to EUR 6,613 million, of which the total equity of ARLA amounted to EUR 1,874 million.

### Cooperative Characteristics

As a Danish cooperative, ARLA is fully owned by the milk producers, being cooperative members. Individual milk producers in Denmark and Sweden are direct members of the cooperative. Individual milk producers in the United Kingdom, Germany, Luxembourg, the Netherlands and Belgium have corporate membership via local cooperatives whose constitutional objects are to be members of the ARLA cooperative. Membership, whether individual or by corporate membership affords all members the same terms and rights. The ownership rights in ARLA are not tradable by the cooperative members and there is only one class of membership. Those members holding the delivery-based owner certificates or contributed capital may upon cessation of membership, at the discretion of the Board of Representatives, withdraw any capital which they have accumulated in their member's accounts. As of 31 December 2014, the total amount of contributed capital and delivery-based owner certificates in such accounts was EUR 486 million and the total number of members was 13,413 at 31 December 2014.

ARLA's consolidation policy is considered to be the same as a dividend policy for a listed company. ARLA's total equity as at 31 December 2014 was EUR 1,874 million, with all capital fully paid up. The unallocated equity (total equity excluding contributed capital and delivery-based owner certificates) of ARLA as at 31 December 2014 was EUR 1,388 million. The remainder is made up of delivery-based owner certificates and contributed capital owned directly by individual members, with balances of each owner payable on termination of membership of ARLA in accordance with the provisions of the regulations and subject to the approval of the Board of Representatives. A reserve for special purposes was created with effect from 1 January 2012 and may upon the proposal of the Board of Directors only be applied by the Board of Representatives for the full or partial offsetting of material, extraordinary losses or impairments, in accordance with article 19 (3) of ARLA's Articles of Association. Other than the delivery-based owner certificates and contributed capital, the capital is owned collectively by ARLA as a cooperative.

The liability of members is limited to the capital which they have accumulated within their member's accounts and each member is entitled to one vote irrespective of the amount in such accounts. The organisational set-up of a Danish cooperative is very much similar to that of a limited company. The functions of the Board of Directors

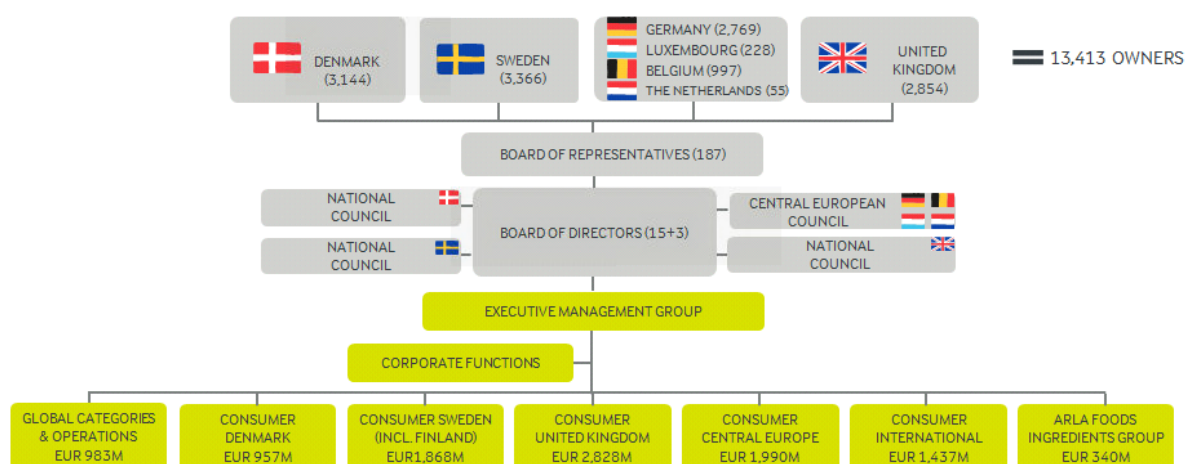
and the Executive Management Board are substantively the same as those of a limited company. The cooperative members' influence is exercised via the Board of Representatives, which consists of 175 democratically elected cooperative members (plus 12 employee representatives). These representatives are elected to represent the collective interests of the cooperative's members.

The object of ARLA is to further the financial interests of its cooperative members by carrying on dairy business, including receiving, processing and selling the milk produced by its members as well as to carry on any business which is directly or indirectly related to the above activities. Hence, ARLA is considered the marketing arm of its cooperative members and it is generally accepted that the payment to members for raw milk is directly linked to the return generated by the Group's processing and sale of the milk.

ARLA's Articles of Association stipulate in article 19.2 that "no payment can be made to the cooperative's members which reduce the total of the cooperative's capital account." Hence, ARLA regulates the price of raw milk bought from its members to reach a target profit for the year of 3.0-3.2 per cent. of turnover.

As ARLA's members are both owners of and suppliers to the cooperative, ARLA has a high degree of member stability in terms of raw milk supply, even though several milk producers are leaving for retirement, reflecting the general structural trend in agriculture production towards fewer and larger production units. Members have an obligation to deliver the bulk part or all of their production of raw milk to ARLA. This gives a steady supply of raw materials to ARLA and the Group's processing companies.

### Ownership Structure:



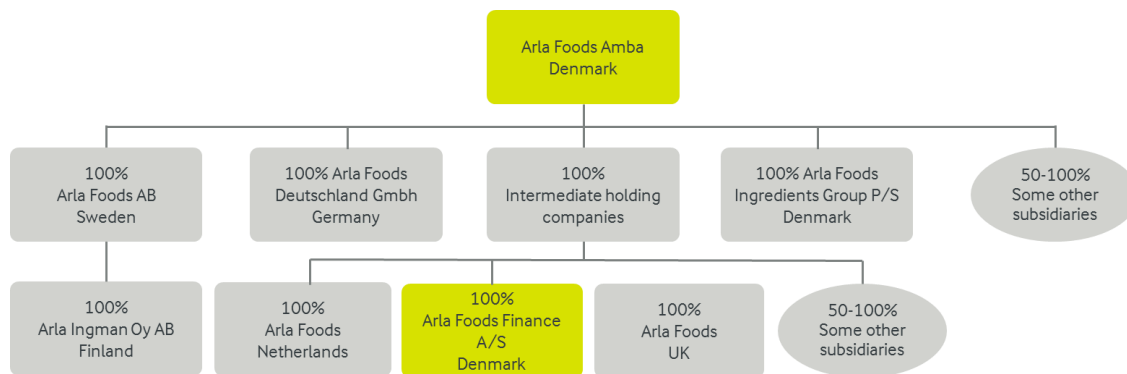
The members outside Denmark and Sweden are members via corporate membership.

### Employees

As at the date of this Base Listing Particulars, the Board of Directors consists of 15 cooperative members elected among the members and 3 elected among the employees.

### Legal Group Structure

ARLA holds directly or indirectly the respective interests in the Group's operating companies. The following diagram shows a summary of the structure of the Group as of 1 April 2015.



## History

ARLA can trace its beginnings back more than 100 years. In 2000, Swedish Arla Ekonomisk Förening and Danish MD Foods amba de facto merged by the transfer of their membership ownership rights to ARLA to form Arla Foods amba. In 2011 an additional 645 German cooperative members became owners following the de facto merger of ARLA with Hansa Milch and finally in 2012 approximately 2,500 cooperative members from Milch-Union Hocheifel (MUH) in Germany and nearly 1,600 cooperative members from the fourth largest dairy company in the United Kingdom, Milk Link, became members following the de facto merger into ARLA of those two companies. As at 31 December 2013, approximately 1,300 additional milk producers in the United Kingdom, predominantly from Arla Foods Milk Partnership, became owners in ARLA as corporate members via the local co-operative, Arla Milk Cooperative Limited. In 2014, membership continued to increase, although at a slower rate, and as at 31 December 2014, the total number of milk producers in the United Kingdom was 2,854.

During the last fifteen years, ARLA has developed from a Swedish-Danish cooperative to a North European cooperative with owners in seven countries: Sweden, Denmark, United Kingdom, Germany, Belgium, Luxembourg and the Netherlands.

In June 2014, the Rabobank Global Dairy Top 20 ranked ARLA as the seventh largest dairy company in the world by turnover.

## Strategy

ARLA's strategic ambition in its "Strategy 2015" was to increase its revenue by 50 per cent. to around EUR 10 billion in 2015 by acquisitions and organic growth. ARLA has achieved most of the milestones set in the Strategy 2015, including: becoming the number 1 dairy company in the United Kingdom by revenue, being in the top three in Germany by revenue and nearly doubling the revenue in the whey business, and achieving EUR 10.6 billion in revenue in 2014. In response to the goals already achieved in the Strategy 2015, ARLA revised and extended the strategy into a new "Strategy 2017".

The most significant change in the strategy is the change from growth to profitability and focus on export of milk products outside Europe. The focus has increased on the Middle East and Africa ("MEA"), Russia and China where ARLA expects increased demand for dairy products based on increased wealth and favourable demographic development. From 1 April 2015, the EU's milk quota system ceased to exist and ARLA expects its members to produce 1-2 billion kilograms of extra milk annually towards 2020. The aim of ARLA's strategy is to create profitable export of its milk-based products from Europe to those areas. Russia, China and the MEA are key growth markets where ARLA will invest in sales and marketing, local partnerships and production. ARLA's Russian markets are currently negatively affected by the import ban of dairy products from the EU, however ARLA has decided to maintain its presence and support its brands in the market there.

Another aim of Strategy 2017 is to further leverage ARLA's leading positions. In the core markets, ARLA will continue to develop the positions and become more sophisticated in how it approaches the business. ARLA also focuses on realising cross-national synergies and strengthening the three global brands: Arla®, Castello® and Lurpak®. Further, the focus is to maximise value creation in the United Kingdom, Germany, the Netherlands and Finland and grow profitability in Denmark and Sweden. A precondition for being a successful dairy company is an active focus on costs. ARLA has launched a number of ambitious cost and efficiency programmes which are expected to contribute with significant annual savings.

## Products and Brands

ARLA is a full range dairy company, and produces all varieties of dairy products from liquid milk to functional whey proteins.

	(Per cent.)
<b>Revenue distribution in 2014 according to product group</b>	
Fresh dairy products	42
Cheese	25
Butter and spreads	13
Milk Powder	10
Whey Products	3
Other	7
<b>Total</b>	<b>100</b>

ARLA provides retailers and the food industry with a wide product range of cheese, milk, butter and spreads. Fresh dairy products include products such as liquid milk and yoghurts. Cheeses include mozzarella for the food industry, sliced cheeses for the commodity markets, white feta-style cheese for the European markets, processed cheese for the Middle Eastern markets and a range of speciality cheeses such as cream cheese and mould cheeses. Butter and spreads are included under the global brand Lurpak®, Anchor® and the spread brand Kærgården®. ARLA also sells other products such as milk protein, whey proteins for the global food industry and milk powder for the global commodity markets.

### Brands

ARLA has a strong platform for growth based on three global trademarks, Arla®, Lurpak® and Castello®, and intends to continue to strengthen these brands.



The Arla® brand is both a corporate brand and a brand across all dairy product categories. ARLA's aim is to have a global Arla® brand within all product categories and all markets, including its core markets. ARLA has committed to making products free from artificial colouring and flavouring and limit its use of additives. The Group is the world's largest processor by volume of organic dairy products (Source: Danish Agriculture & Food Council, 18 February 2015).

Lurpak® will be the leading brand of ARLA for butter and spreads. The brand already has a market-leading position in the United Kingdom, Denmark and in the Middle East. Lurpak® is exported to more than 70 countries in the world.

Castello® is ARLA's premier cheese brand on a global scale and will cover several of ARLA's many speciality cheeses and cheeses with local origination and heritage from Sweden, Denmark, the United Kingdom and Germany.

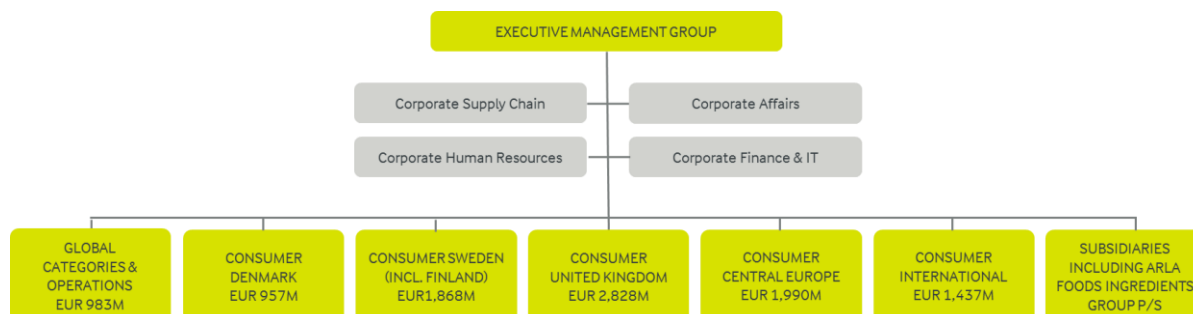
ARLA holds approximately 200 active brands of which around 50 are supported by on-going marketing programmes. Listed below are the most important brands and the split of countries where these brands have a significant presence.

	White Milk	Yoghurt and Fermented Products	Butter (BSM)	Yellow Cheese	Cream Cheese	Mould Cheese	Cooking Cheese	Cooking	Flavoured Milk	Juice	Milk Powder
<b>SWEDEN</b>	Arla	Arla Arla Yoggi	Arla Bregott Arla Svensk Smör	Arla Kvibille Wästgöta Kloster Billinge		Castello Hong Kvibille	Arla Apetina Arla Köket	Arla Arla Köket Kelda Arla Keso	Pucko	GodMorgon Rynkeby	
<b>DENMARK</b>	Arla Lærkevang Arla Harmonie	Arla Arla Yoggi Arla A38 Arla Harmonie Cheasy Cultura	Lurpak Arla Kaergården	Arla Klovborg Riberhus	Arla Buko Castello	Castello Hong	Arla Apetina Puck Arla Karolines Kökken	Arla Karolines Kökken Cheasy	Cocio Mathilde	GodMorgon Rynkeby 16 Søde appelsiner	
<b>UK</b>	Cravendale		Lurpak	Tickler							

	Lactofree		Anchor	Anchor						
GERMANY	Hansano		Arla Kærgården		Arla Buko					
WORLD			Lurpak							Milex Dano

## Business Structure

The business structure of ARLA is an overlay structure to the legal structure. The structure consists of six business groups organised to service different market needs, Global Categories and Operations for production and marketing, corporate functions and a number of subsidiaries, including Arla Foods Ingredients Group P/S.



## Global Categories & Operations ("GCO")

This business area is responsible for the global production of cheese and milk powder, as well as production of butter and spreads in Sweden, Germany and Denmark. GCO is also responsible for global innovation, research, logistics, industry sales and marketing of the global brands. The production is sold via the other business groups around the globe. Trading products/bulk products like milk powder or mozzarella are sold directly to industrial customers, traders or to a minor extent via the New Zealand Dairy Auction.

### Product categories (revenue)

	<b>As at 31 December 2014</b> (per cent. of total revenue of GCO)
Cheese	26
Powder	64
Other	10
<b>Total</b>	<b>100</b>

GCO contributed revenues of EUR 983 million to ARLA in 2014.

### Consumer International ("CIN")

CIN handles the sales activities of consumer products from ARLA outside the six European core markets as well as contract production for other food business operators, also called Third Party Manufacturing. The business generated 14 per cent. of ARLA's revenue in 2014. ARLA has established positions in Russia and the MEA. In 2012 ARLA entered into a strategic agreement with the Chinese COFCO, a government owned food business operator, for a joint ownership in one of China's biggest dairy companies, China Mengnui Dairy Company Limited, an investment of approximately EUR 235 million. The Chinese company will market and distribute branded products from ARLA under the Arla® brand. CIN has sales offices in around 20 countries and production and sales in three additional countries: Canada, Saudi Arabia and the USA.

ARLA's Russian markets are currently negatively affected by the import ban of dairy products from EU. However, Arla has decided to maintain its presence and support its brands in the market.

The primary markets of CIN are: MEA, China, Russia, USA, Canada, Poland, Spain, Norway and Greece.

	<b>As at 31 December 2014</b> (per cent. of total revenue of CIN)
<b>Product categories (revenue)</b>	

Fresh Dairy Products	9
Cheese	55
Butter & Spreads	9
Milk powder	26
Other	1
<b>Total</b>	<b>100</b>

CIN contributed revenues of EUR 1,437 million to ARLA in 2014.

#### Consumer UK ("CUK")

CUK is responsible for the production and logistics for milk, butter, cream and an array of fresh dairy products in the United Kingdom, the largest single market for ARLA. It also handles the sales and marketing of these products. The business group accounted for 27 per cent of the Group's revenue in 2014.

Some of ARLA's well-known brands in the United Kingdom are Lurpak®, Castello®, Anchor®, Cravendale®, Tickler® and Lactofree®. It also manufactures private label products for large retailers in the country.

The first phase of ARLA's investment in one of the world's biggest and highly environmentally friendly fresh milk dairies, with a capacity of up to 1 billion litres of milk per year, became operational in late 2013, providing high quality products to ARLA's customers at a very competitive cost.

<b>Product categories (revenue)</b>	<b>As at 31 December 2014</b> (per cent. of total revenue of CUK)
Fresh Dairy Products	52
Cheese	18
Butter & Spreads	20
Non-dairy products	7
Other	3
<b>Total</b>	<b>100</b>

CUK contributed revenues of EUR 2,828 million to ARLA in 2014.

#### Consumer Sweden ("CSE") and Consumer Finland ("CFI")

The business groups cover the markets in Sweden and Finland and are in a strong position in these core markets. In 2014, CSE generated 14 per cent. and CFI 3 per cent. of ARLA's revenue. The business groups are responsible for the marketing, sales and logistics in the Swedish and Finnish markets for ARLA's dairy products to retailers and consumers. They also operate their own production facilities mainly for fresh dairy products. CSE and CFI cooperate with all the major retailers in Sweden and Finland and have an integrated business set-up.

Some of the well-known brands are Arla®, Castello®, Arla Bregott®, Arla Köket®, Kvibille® and Yoggi®.

<b>Product categories (revenue)</b>	<b>As at 31 December 2014</b> (per cent. of total revenue of CSE and CFI combined)
Fresh Dairy Products	58
Cheese	22
Butter & Spreads	15
Non Dairy Products	5
<b>Total</b>	<b>100</b>

CSE contributed revenues of EUR 1,516 million and CFI revenues of EUR 352 million to ARLA in 2014.

### Consumer Denmark ("CDK")

CDK is responsible for the marketing, sales and logistics to the Danish retail trade and for the production and development of fresh milk products in Denmark. In 2014 the business group generated 9 per cent. of ARLA's revenue. CDK holds strong positions in particular in fresh milk and yoghurt, butter and spreads and fresh cooking and cheese. ARLA has a strong relationship with all the major retailers and grocery chains in Denmark and manufactures private label products for these customers as well.

Some of CDK's well-known brands are Arla®, Castello®, Riberhus®, Lurpak®, Karolines Køkken®, Arla Kærgården®, Lurpak® and Yoggi®.

<b>Product categories (revenue)</b>	<b>As at 31 December 2014</b> (per cent. of total revenue of CDK)
Fresh Dairy Products	59
Cheese	24
Butter & Spreads	13
Non Dairy Products	4
<b>Total</b>	<b>100</b>

CDK contributed revenues of EUR 957 million to ARLA in 2014.

### Consumer Central Europe ("CCE")

CCE was formed as a business group in 2011 after ARLA's de facto merger with the German cooperative Hansa Milch AG. CCE handles the production, logistics, marketing and sales to the retail trade predominantly in Germany and the Netherlands. In 2014, CCE generated 19 per cent. of ARLA's revenue. In Germany, ARLA has historically been a trading company selling products produced by ARLA in Denmark. With the mergers in Germany, CCE has transformed into a seamless dairy company with control over the full value chain. CCE operates two fresh milk dairies in Germany and one in the Netherlands. In addition to the Pronsfeld Dairy in Germany, CCE has finalised the building of a milk powder plant and a butter dairy designed to increase the value creation and reduce the dependency in the ultra-high temperature ("UHT") milk market.

CCE sells well known ARLA brands such as Arla Kærgården®, Arla Buko®, Appetina®, Castello®, the more local brands like Hansano® as well as private label products to the retailers and discounters.

<b>Product categories (revenue)</b>	<b>As at 31 December 2014</b> (per cent. of total revenue of CCE)
Fresh Dairy Products	58
Cheese	19
Butter & Spreads	10
Other	13
<b>Total</b>	<b>100</b>

CCE contributed revenues of EUR 1,990 million to ARLA in 2014.

### Subsidiaries

ARLA owns and manages a number of subsidiaries not included in the aforementioned business groups. Below are the two most important ones, although each contributes less than 5 per cent. of the revenue of ARLA.

Arla Foods Ingredients P/S ("AFI") is global market leader within whey protein technology and is one of ARLA's most profitable business units. In 2014, AFI generated 3 per cent. of ARLA's revenue and a turnover of EUR 340 million. AFI is delivering innovative whey based products to, amongst others, the dairy, bakery and ice cream industries.



Rynkeby Foods A/S is the juice business of ARLA and sells its products mainly to Denmark and Sweden and, to some extent, in Finland. Some of Rynkeby's known brands are Rynkeby®, God Morgon® and JO®. Rynkeby Foods A/S generated unconsolidated revenues of EUR 148 million in 2014.

### **Intellectual Property**

Arla has a global intellectual property policy covering both research and innovation, and marketing and sales (including branding). The policy is supported by written Standard Operations Procedures.

### **Principal Properties**

The following three are the only ARLA production sites which each individually accounted for more than 5 per cent. of the Group's gross profit in 2014.

Holstebro Mejeri, Hjernvej 24-26, 7500 Holstebro, Denmark manufactures products which for the year ended 31 December 2014 generated approximately 7 per cent. of the Group's gross profit. The dairy produces butter and spreadable, as well as cream cheese.

Pronsfeld Dairy, Niederlassung Pronsfeld, Im Scheid 1, 54597 Pronsfeld, Germany was included in the Group with effect from 1 October 2012. In 2014 the dairy generated approximately 7 per cent. of the Group's gross profit. The dairy mainly produces UHT and Extended Shelf Life milk products as well as butter and spreadable products. The dairy also produces milk powder.

Stourton Dairy, Pontefract Road, Stourton, Leeds LS10 1NN, United Kingdom manufactures various dairy products like fresh liquid milk, flavoured milk, cream and cottage cheese products, among others. In 2014, the dairy generated approximately 5 per cent. of the Group's gross profit.

### **Governmental Regulation**

ARLA is subject to government regulations in the markets in which it operates. Most regulations to which ARLA is subject are EU regulations and ARLA is supported in the EU by the Danish Agriculture & Food Council that is working with product, environmental and other regulations on an EU level. Given the cross-border nature of ARLA's business, it is in ARLA's interest to have as many of these regulations being made by the EU as possible, rather than by individual Member States.

### **Environment and Social Responsibility**

ARLA's ambition is to minimise emissions and continually improve its environmental performance throughout the supply chain. ARLA's ambition is to reduce greenhouse gas emissions as a result of transport, production and packaging by 25 per cent. between 2005 and 2020.

ARLA has participated in the UN Global Compact Initiative since 2008, supporting the ten fundamental principles in Human Rights, Labour, Environment and Anti-corruption. Each year ARLA publishes its Corporate Social Responsibility report, 'Our Responsibility', describing the Group's corporate social responsibility activities.

## Management and Employees

### *Board of Directors*

<i>Name</i>	<i>Position</i>	<i>Resides</i>	<i>Born</i>	<i>Member since</i>
Åke Hantoft	Chairman	Sweden	1952	1998
Jan Toft Nørgaard	Vice-Chairman	Denmark	1960	1998
Viggo Ø. Bloch		Denmark	1955	2003
Steen Nørgaard Madsen		Denmark	1956	2005
Karin Heléne Gunnarson		Sweden	1969	2008
Torben Myrup		Denmark	1956	2006
Hans Palle Borgström		Sweden	1960	2008
Carl Jonas Carlgren		Sweden	1968	2011
Thomas Johansen		Denmark	1959	2002
Manfred Sievers		Germany	1955	2013
Mathieu Dobbelsstein		Belgium	1957	2014
Bjørn Jepsen		Denmark	1963	2011
Manfred Graff		Germany	1959	2012
Jonathan Ovens		UK	1957	2014
John Russell		UK	1950	2012
Håkan Gillström	Employee	Sweden	1953	2015
Ib Bjerglund Nielsen	Employee	Denmark	1960	2013
John Harry Shaw	Employee	UK	1952	2013

### **Executive Management Board**

<i>Name</i>	<i>Position</i>	<i>Held position since</i>	<i>Principal activities performed outside the Group</i>
Peder Tuborgh	CEO	2005	Deputy chairman of The University of Aarhus  Chairman of Pandora A/S  Chairman of Global Dairy Platform
Povl Krogsgaard	Vice CEO	2004	Board member of the Confederation of Danish Industry

### **The Board of Representatives**

The Board of Representatives is the company's supreme body comprising 187 members of whom 175 are co-operative members while twelve are elected among the employees of ARLA. The Board of Representatives meets at least three times a year: in March, May and at a time fixed by the Board of Directors.

### **The Board of Directors**

As at the date of this Base Listing Particular, the Board of Directors consists of 17 co-operative members. A further four members are employee representatives. The number of members on the Board of Directors is decided upon by the Board of Representatives at the May meeting every other year. The business address of the Board of Directors is Arla Foods a/s, Sønderhøj 14, 8260 Viby J, Denmark. There are no potential conflicts of interest between any duties of the members of the Board of Directors to ARLA and their private interests or other duties.

### **Areas of responsibility**

The Board of Representatives and the Board of Directors make decisions relating to long-term strategic decisions. The Board of Representatives decides on the distribution of the profits for the year, changes to the Articles of Association and discusses the strategy and consolidation policy. It is the Board of Directors' responsibility to monitor the company's activities and asset management, to maintain the accounts satisfactorily and to appoint the Executive Management Board (CEO and Vice CEOs).

The Executive Management Board ("**EMG**") is responsible for ARLA's day-to-day business operations and for preparing strategies and planning the future dairy structure.

### **Employees**

ARLA's workforce encompasses a broad range of skills and experience in areas such as foods science, sales and marketing, engineering and support services. The employees at ARLA are vital for the success of its business. It is a key objective for the Group to attract and retain top-quality recruits, and to ensure that its employees develop and grow their roles and meet new challenges as their careers progress. Internal governance and education programmes have been put in place to help achieve this.

### **Recent developments**

On 30 April 2015, it was announced that Executive Vice President and Chief Finance Officer Frederik Lotz has decided to accept a position in a private equity-owned company and will leave ARLA by 31 July 2015. The process of finding his replacement has been initiated.

### **Litigation**

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the past 12 months, a significant effect on the Group's financial position or profitability, nor is ARLA aware that any such proceedings are pending or threatened.

**Auditors**

The auditors to ARLA are Ernst & Young Godkendt Revisionspartnerselskab (cvr. 3070 0228), Vaerkmestergade 25, DK-8000 Aarhus C. Ernst & Young Godkendt Revisionspartnerselskab is a member of FSR - danske revisorer, the professional body of Danish auditors.

## DESCRIPTION OF ARLA FOODS FINANCE A/S

Arla Foods Finance A/S was incorporated and registered in Denmark on 31 March 1980 with registered number 89 62 28 16 and is a limited liability company under Danish Law. The registered office is located at Sønderhøj 14, 8260 Viby J, Denmark and its telephone number is +45 89 38 10 00. The fiscal year of Arla Foods Finance A/S is the calendar year.

The purpose of Arla Foods Finance A/S is to act as a finance company and financing vehicle for the Group, including lending or otherwise making available to other members of the Group the surplus cash within the Group and the proceeds from fund raising. This also includes performing the cash-management activities for a large part of the members of the Group.

### Board of Arla Foods Finance A/S:

The Directors of Arla Foods Finance A/S and their principal activities outside ARLA

<i>Name</i>	<i>Position</i>	<i>Principal activities outside ARLA</i>
John Duus Andresen	Director	Board member Remin Holding ApS
Povl Krogsgaard	Director	Board member of the Confederation of Danish Industry
Frederik Lotz	Chairman	None <sup>1</sup>

### Executive Board

<i>Name</i>	<i>Position</i>	<i>Principal activities outside ARLA</i>
Jesper Mellemkjaer	Managing Director	None

The business address of the Board of Directors is Arla Foods Finance A/S, Sønderhøj 14, 8260 Viby J, Denmark.

There are no potential conflicts of interest between any duties of the members of the Board of Directors to Arla Foods Finance A/S and their private interests or other duties.

### Arla Foods Finance A/S's relationship to ARLA

As a wholly-owned subsidiary of ARLA, Arla Foods Finance A/S is dependent on the performance of ARLA and the other members of the Group to generate sufficient income to enable Arla Foods Finance A/S to perform and satisfy its payment obligations under the Notes. Whilst Arla Foods Finance A/S is a wholly-owned subsidiary of ARLA, under Danish corporate law, directors are obliged to act in the interests of the company and not its shareholders.

### Auditors

The auditors to Arla Foods Finance A/S are Ernst & Young Godkendt Revisionspartnerselskab (cvr. 3070 0228), Vaerkmestergade 25, DK-8000 Aarhus C. Ernst & Young Godkendt Revisionspartnerselskab is a member of FSR - danske revisorer, the professional body of Danish auditors.

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<sup>1</sup>In relation to Frederik Lotz, please see 'Recent Developments' section under the 'Description of Arla Foods amba'.

## TAXATION

The following is a general description of certain Danish, Norwegian and US tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of The Kingdom of Denmark of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes. This overview is based upon the law as in effect on the date of this Base Listing Particulars and is subject to any change in law that may take effect after such date.

### EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is 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 adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Directive**) amending and broadening the scope of the requirements described above. The Amending Directive requires Member States are required to apply these new requirements from 1 January 2017 and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Directive.

## **The proposed financial transactions tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**").

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1 January 2016.

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **Danish Taxation**

Under existing Danish tax laws no general withholding tax or coupon tax will apply to payments of interest or principal or other amounts due on the Notes, other than in certain cases on payments in respect of controlled debt in relation to each Issuer. This will not have any impact on holders of Notes who are not "affiliated" with each Issuer pursuant to section 3B of the Danish Tax Control Act (Consolidated Act no. 1126 of 24 November 2005) (i.e., they control or are controlled by each Issuer).

No stamp duty is payable upon transfer of Notes in Denmark.

### ***Resident holders of Notes***

In general, individuals and companies who are resident in Denmark are liable to Danish taxation on the income from the Notes.

In general individuals are taxable on income from the Notes when income is received from the Notes. However, if the value of the Notes are linked to the development in the value of securities, stocks or other assets, the Notes will in general be qualified as financial contracts under Danish tax law, with the consequence that the annual income are marked as the difference between the value of the Notes at the end of the income year and the value of the Notes at the beginning of the income year (the mark-to-market principle).

Note holders subject to corporate taxation are generally taxed annually of the difference between the value of the Notes at the end of the income year and the value of the Notes at the beginning of the income year (the mark-to-market principle) irrespective of whether the Notes are qualified as financial contracts or not.

### ***Non-resident holders of Notes***

Provided the holders of Notes are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and do not carry business in Denmark through a permanent establishment, the Notes should not be taxable to Denmark. However, see above regarding potential withholding taxes in case of controlled debt.

## **Norwegian Taxation**

Please note that for the purpose of the summary below, a reference to a Norwegian or Non-Norwegian Noteholder refers to the tax residency rather than the nationality of the Noteholder.

### ***Norwegian withholding tax***

Payments of interest on the Notes are not subject to any withholding tax in Norway.

### *Norwegian Noteholders*

Interest on Notes received by Noteholders who are individuals resident in Norway for tax purposes and Noteholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes (together referred to as "**Norwegian Noteholders**") are taxable as ordinary income at a flat rate of 27 per cent. The interest is subject to tax in Norway in the year of accrual.

If certain requirements are met, Norwegian Noteholders may be entitled to a tax credit in Norwegian taxes for withholding tax imposed on the interest in the jurisdiction where the foreign company (being the debtor) is resident for tax purposes.

Sale, repayment, redemption or other disposal of Notes are considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Noteholder through a realisation of Notes is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Noteholders ordinary income in the year of disposal. Ordinary income is taxable at a rate of 28 per cent.

The taxable gain/deductible loss is calculated per Note and is equal to the sales price less the Norwegian Noteholders' cost price of the Note, including costs incurred in relation to the acquisition or realisation of the Note.

If the Norwegian Noteholder owns Notes acquired at different points in time, the Notes that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Capital gains or loss on foreign currency exchange is also taxable/tax deductible in Norway. The gain/loss is included in/deducted from the ordinary income of Norwegian Noteholders in the year of disposal. Ordinary income is subject to tax at a flat rate of 28 per cent.

### *Non-Norwegian Noteholders*

As a general rule, interest received by a Noteholder not resident in Norway for tax purposes ("**Non-Norwegian Noteholders**") from Notes in non-Norwegian companies is not subject to Norwegian taxation unless the Non-Norwegian Noteholder holds the Notes in connection with the conduct of a trade or business in Norway.

### *Net wealth tax*

The value of Notes is included in the basis for the computation of net wealth tax imposed on Norwegian personal Noteholders. Currently, the marginal net wealth tax rate is 1 per cent. of the value assessed. The value for assessment purposes for listed Notes is the listed value as of 1 January in the year of assessment.

Norwegian corporate Noteholders are not subject to net wealth tax.

Non-Norwegian Noteholders are generally not subject to Norwegian net wealth tax. Non-Norwegian personal Noteholders can, however, be taxable if the Notes are effectively connected to the conduct of trade or business in Norway.

### **Foreign Account Tax Compliance Act**

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuers and the Guarantor may be classified as an FFI.

The new withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the "**grandfathering date**", which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued on or before the grandfathering date, and additional



Notes of the same series are issued after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have entered into intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Denmark have entered into an agreement (the "**US-Denmark IGA**") based largely on the Model 1 IGA.

If each Issuer and the Guarantor is treated as a Reporting FI pursuant to the US-Denmark IGA it does not anticipate that it will be obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that such Issuer or the Guarantor will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuers, the Guarantor and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

If an amount in respect of FATCA Withholding were to be deducted or withheld from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

Whilst the Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the relevant Issuer, the Guarantor, any paying agent and the Common Depositary or Common Safekeeper, given that each of the entities in the payment chain between the relevant Issuer and/or the Guarantor, as the case may be, and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuers and the Guarantor and to payments they may receive in connection with the Notes.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by each Issuer to any one or more of Danske Bank A/S, HSBC Bank plc, Nordea Bank Danmark A/S, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by each Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 19 May 2014 (the "**Dealer Agreement**") and made between each Issuer, the Guarantor and the Dealers. If in the case of any Tranche of Notes the method of distribution is an agreement between each Issuer, the Guarantor and a single Dealer for that Tranche to be issued by each Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Pricing Supplement as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Pricing Supplement. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer, the Guarantor (where applicable) and more than one Dealer for that Tranche to be issued by the relevant Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Pricing Supplement as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Pricing Supplement.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

**United States of America:** *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Pricing Supplement or neither if TEFRA is specified as not applicable in the relevant Pricing Supplement.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Principal Paying Agent or each Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Principal Paying Agent or each Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer

appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Pricing Supplement in relation thereto (or are the subject of the offering contemplated by a Listing Particulars, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by each Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

**provided that** no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of its business,where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by each Issuer;
- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has represented, agreed and undertaken and each further Dealer appointed under the Programme will be required to represent, agree and undertake that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) including any corporation or other entity organised under the laws of Japan.

## **Kingdom of Sweden**

Each of the Dealers has confirmed and agreed that they will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale except in circumstances that will not result on a requirement to prepare a prospectus for an offer to the public pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

## **Kingdom of Denmark**

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes have not been offered or sold and will not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act (Consolidated Act No. 227 of 11 March 2014) as amended from time to time and any Executive Orders issued in connection thereto.

## **Kingdom of Norway**

Notes denominated in NOK may not be offered or sold within Norway or to or for the account or benefit of persons domiciled in Norway, unless the regulation relating to the offer of Norwegian Notes and the registration in VPS Norway has been complied with.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it will comply with all laws, regulations and guidelines applicable to the offering of Notes in Norway.

## **General**

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Listing Particulars or any Pricing Supplement or Listing Particulars or any related offering material, in all cases at its own expense and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor or any of the Dealers shall have any responsibility therefor. Other persons into whose hands this Base Listing Particulars or any Pricing Supplement or Listing Particulars comes are required by each Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Listing Particulars or any Pricing Supplement or Listing Particulars or any related offering material, in all cases at their own expense.

None of the Issuer, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

## GENERAL INFORMATION

### Authorisation

1. The update of the Programme was authorised by the Board of Directors of Arla Foods amba on 19 May 2015 pursuant to its Articles of Association and by the Board of Directors of Arla Foods Finance A/S on 1 June 2015 pursuant to its Articles of Association. Each Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue of and performance of its obligations under the Notes and the giving of the guarantee relating to them.

### Listing

2. Application has been made for Notes issued under the Programme to be listed on the Official List of the Irish Stock Exchange and to admit the Notes to trading on the Global Exchange Market thereof. The estimated fees and expenses related to the listing and admission of the Notes to trading will be approximately EUR 1,940.

### Legal and Arbitration Proceedings

3. There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which either of the Issuers or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Listing Particulars, a significant effect on the financial position or profitability of either of the Issuers and their Subsidiaries or the Guarantor and its Subsidiaries.

### Significant/Material Change

4. Since 31 December 2014 there has been no material adverse change in the prospects of either of the Issuers or their Subsidiaries nor any significant change in the financial or trading position of either of the Issuers or their Subsidiaries.

### Auditors

5. The consolidated financial statement of Arla Foods amba for the year ended 31 December 2014 prepared in accordance with International Financial Reporting Standards (IFRS) has been audited without qualification by Ernst & Young Godkendt Revisionspartnerselskab. The consolidated financial statement of Arla Foods amba for the year ended 31 December 2013 prepared in accordance with IFRS has been audited without qualification by KPMG Statsautoriseret Revisionspartnerselskab. The financial statements of Arla Foods Finance A/S for the year ended 31 December 2014 prepared in accordance with the Danish Financial Statement Act have been audited without qualification by Ernst & Young Godkendt Revisionspartnerselskab. The financial statements of Arla Foods Finance A/S for the year ended 31 December 2013 prepared in accordance with the Danish Financial Statement Act have been audited without qualification by KPMG Statsautoriseret Revisionspartnerselskab.

### Documents on Display

6. Physical copies of the following documents (together with English translations thereof) may be inspected during normal business hours at the offices of the Issuers at Sønderhøj 14, 8260 Viby J, Denmark for of the life of this Base Listing Particulars:
  - (a) the constitutive documents of each Issuer;
  - (b) the constitutive documents of the Guarantor;
  - (c) the audited consolidated financial statements of Arla Foods amba for the years ended 31 December 2014 and 31 December 2013;
  - (d) the audited financial statements of Arla Foods Finance A/S for the years ended 31 December 2014 and 31 December 2013;
  - (e) the Agency Agreement;
  - (f) the Danish Agency Agreement;

- (g) the Norwegian Agency Agreement;
- (h) the Deed of Guarantee;
- (i) the Deed of Covenant;
- (j) the Dealer Agreement;
- (k) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (l) each Issuer-ICSDs Agreement (which is entered into between each Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

### **Material Contracts**

7. There are no material contracts having been entered into outside the ordinary course of the Issuers' or the Guarantor's businesses which could result in any Group member being under an obligation or entitlement that is material to the ability of an Issuer or the Guarantor to meet its obligation to Noteholders in respect of the Notes being issued.

### **Clearing of the Notes**

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg or, in the case of Danish Notes, VP Denmark or, in the case of Norwegian Notes, VPS Norway. The appropriate common code and International Securities Identification Number for each issue allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system(s) will be contained in the Pricing Supplement relating thereto.
9. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.
10. The address of VP Denmark is VP Securities A/S, Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S.
11. The address of VPS Norway is Norwegian Central Securities Depository, VPS ASA, P.O. 4, 0051 Oslo.
12. It is expected that each Series of Notes which is to be admitted to the Official List of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note or a Permanent Global Note initially representing the Notes of such Series or, as the case may be, the relevant Registered Notes, Danish Notes or Norwegian Notes and the approval of the Programme in respect of such Note(s) will be granted on or about 10 June 2015.

### **Issue Price and Yield**

13. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Pricing Supplement. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Pricing Supplement will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

**PRINCIPAL OFFICE OF ARLA FOODS AMBA**

**Arla Foods amba**

Sønderhøj 14  
8260 Viby J  
Denmark

**PRINCIPAL OFFICE OF ARLA FOODS FINANCE A/S**

**Arla Foods Finance A/S**

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8260 Viby J  
Denmark

**ARRANGER**

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Denmark

**DEALERS**

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106 40 Stockholm  
Sweden

**Svenska Handelsbanken AB (publ)**

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SE-106 70 Stockholm  
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London E14 5HQ  
United Kingdom

**REGISTRAR**

**HSBC Bank plc**

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United Kingdom

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Norway

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**AUDITORS TO EACH ISSUER AND THE GUARANTOR**

**Ernst & Young Godkendt Revisionspartnerselskab**  
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8000 Aarhus C  
Denmark

**LISTING AGENT**

**Deutsche Bank Luxembourg S.A.**  
2 boulevard Konrad Adenaur  
L-1115 Luxembourg



**SUPPLEMENT DATED 20 MAY 2016  
TO THE BASE LISTING PARTICULARS DATED 10 JUNE 2015**



**ARLA FOODS AMBA**

*(incorporated as a co-operative in the Kingdom of Denmark)*

**AND**

**ARLA FOODS FINANCE A/S**

*(incorporated with limited liability in the Kingdom of Denmark)*

and in respect of the Notes issued by Arla Foods Finance A/S, guaranteed by

**ARLA FOODS AMBA**

**EUR 750,000,000**

**Euro Medium Term Note Programme**

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This Supplement (the **Supplement**) to the Base Listing Particulars dated 10 June 2015 (the **Base Listing Particulars**) which constitutes a "Base Listing Particulars" for the purposes of the admission of the notes issued under the Programme (the **Notes**) to the Irish Stock Exchange's Official List and to trading on the Global Exchange Market of the Irish Stock Exchange, constitutes a supplementary listing particulars for the purposes of the admission of the Notes to the Irish Stock Exchange's Official List and to trading on the Global Exchange Market of the Irish Stock Exchange and has been prepared in connection with the programme (the **Programme**) established by Arla Foods amba and Arla Foods Finance A/S (each an **Issuer** and together the **Issuers**). Terms defined in the Base Listing Particulars shall have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Base Listing Particulars and any other supplements to the Base Listing Particulars published by the Issuers.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Purpose of this Supplement**

The purpose of this Supplement is (i) to incorporate by reference the auditors' report and audited consolidated financial statements for the financial year ended 31 December 2015 of Arla Foods amba (the **Arla Foods Financial Statements**); (ii) to incorporate by reference the auditors' report and audited financial statements for the financial year ended 31 December 2015 of Arla Foods Finance A/S (the **Arla Finance Financial Statements** and, together with the Arla Foods Financial Statements, the **New Documents**); (iii) to amend the section of the Base Listing Particulars entitled "Terms and Conditions of the Notes – 9.(f) *Redemption at the option of Noteholders following a change of control*"; and (iv) to update the "material adverse change" statement and the "significant change" statement set out under "Significant/Material Change" in the General Information section of the Base Listing Particulars.

**The New Documents**

The Arla Foods Financial Statements were published on 24 February 2016. The Arla Finance Financial Statements were published on 29 April 2016. Each of the New Documents has been filed with the Irish Stock Exchange. This Supplement is being published to incorporate the New Documents by reference herein. By virtue of this Supplement, the New Documents shall be deemed to be incorporated in, and to form part of, this Supplement. From the date hereof and for the life of the Base Listing Particulars, copies of the

New Documents will be available free of charge from the registered offices of the Issuers at Sønderhøj 14, 8260 Viby J, Denmark, as further described on page 84 of the Base Listing Particulars.

#### **Amendments to the Section of the Base Listing Particulars Entitled "Terms and Conditions of the Notes"**

1. Condition 2 (*Interpretation*) is amended by the deemed insertion of a new definition as follows:

““SCE” means a European Cooperative Society established in accordance with Council Regulation (EC) No 1435/2003 of 22 July 2003 on the Statute for a European Cooperative Society (SCE), as such may be amended or restated from time to time;” and

2. Condition 9.(f) (*Redemption at the option of Noteholders following a change of control*) is amended by the deemed deletion of the definition of “Change of Control” and the insertion of a replacement definition as follows:

““Change of Control” shall be deemed to have occurred if any person or group of persons acting in concert gains control of the Issuer or if the Issuer ceases to be organised as either a Danish co-operative whose members have limited liability (Danish: *andelselskab med begrænset ansvar*) or an SCE, in each case registered in Denmark;”.

#### **Amendments to the Section of the Base Listing Particulars Entitled "Description of Arla Foods amba"**

The following wording shall be deemed inserted under the heading ‘Recent Developments’:

‘On 19 May 2016 ARLA announced that it has divested its juice business Rynkeby Foods A/S. Rynkeby Foods A/S generated an unconsolidated revenue of EUR 131 million in 2015.’

#### **Amendments to the Section of the Base Listing Particulars Entitled "General Information"**

Since 31 December 2015 there has been no material adverse change in the prospects of either of the Issuers or their Subsidiaries nor any significant change in the financial or trading position of either of the Issuers or their Subsidiaries.

For the life of the Base Listing Particulars, physical copies of each Issuer’s constitutional documents will be available for inspection during normal business hours at the registered office of the Issuers at Sønderhøj 14, 8260 Viby J, Denmark, as further described on page 84 of the Base Listing Particulars.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Listing Particulars by this Supplement and (b) any other statement in or incorporated by reference in the Base Listing Particulars prior to the date of this Supplement, the statements in (a) will prevail.

Save as disclosed in this Supplement, there has been no other significant change and no further significant new matter arising since the initial publication of the Base Listing Particulars.