

Annex L

Securities Note: Debt Securities Schedule

***General Remark:** At the time of these comments we have not yet reviewed the addendum to the Consultation Paper dated December 2002. Consequently, we cannot make any conclusion whether the concept of the base prospectus correlates with the requirements of the Registration Document and the Securities Note. Nevertheless, we would like to stress that under the systematic of a base prospectus the final Pricing Supplement should only include the specific information of the respective issue and should not require any information which would restrict the flexibility of the issuing procedure (e.g. information on the issuer already given in the Registration Document, example calculations etc.).*

*Article 5 of the proposed Directive makes it clear that the information required for the prospectus **may be divided** between separate documents (registration document, securities note and summary note). This implies that there should be no duplication between the separate documents and article 7 specifically recognizes this fact. This structure has not however been followed in the CESR Proposals. There are a number of areas where the disclosure requirements in the registration document and securities note are duplicated. Therefore the approach in the proposals to the Securities Note for equities, debt securities and derivative securities requires a radical rethink. Much more flexibility as between the registration document and the securities note need to be introduced.*

I. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS, AUDITORS AND PERSONS RESPONSIBLE FOR THE SECURITY NOTE	
1. Directors and senior management (company's directors; members of its administrative, supervisory or management bodies; partners with unlimited liability; nominees to serve in any of the aforementioned positions; founders if the company has been established for fewer than 5 years); names and functions. <u>DUPLICATION!</u>	IDS I-A
2. Advisers that have taken part in the issue/offer: Provide the names and addresses of the company's principal bankers and legal advisers to the extent the company has a continuing relationship with such entities, the sponsor for admission to trading (where required by the host country regulations), and the legal advisers to the issue.	IDS I-B
3. Auditors: names and addresses of the company's auditors for the preceding 2 financial years (together with their membership in a professional body) in accordance with national law.	IDS I-C DIR. 2001/34, Schedule A, 1.3

	<u>DUPLICATION!</u>	
4.	Statement whether the annual accounts have been refused by the official auditors or if they contain qualifications, such refusal or such qualifications must be reproduced in full and the reason given. <u>DUPLICATION!</u>	DIR. 2001/34, Schedule A, 1.3
5.	Indication of the other information in the prospectus which has been audited or reviewed by the auditors. <u>DUPLICATION!</u>	DIR. 2001/34, Schedule A, 1.3
6.	Names, <u>business</u> addresses and functions of the natural or legal persons responsible for the prospectus or, as the case may be, for certain parts of it with, in the latter case, an indication of those parts. <u>There should not be a prospectus liability for natural persons.</u>	DIR. 2001/34, Schedule A, 1.1
7.	Declaration by those responsible for the prospectus that, to the best of their knowledge, the information given in that part of the securities note, for which they are responsible, is in accordance with the facts and contains no omission likely to affect the import of the prospectus.	DIR. 2001/34, Schedule A, 1.2
II OFFER STATISTICS AND EXPECTED TIMETABLE		
II. A Offer statistics		
Total amount of the issue/offer; distinguishing those offered for sale and those offered in subscription.		FESCO/01-045, II. 5. a. i) and DIR. 2001/34, Schedule A, 2.2.0
If the amount is not fixed, a statement to this effect must be made.		DIR. 2001/34, Schedule B, 2.1.0
Describe arrangements and time for announcing to the public the definitive amount of the offer.		Members' proposal
II.B Method and expected timetable		
For all offerings and separately for each group of targeted potential investors:		
1.	The time period during which the offer will be open and where and to whom purchase or subscription applications shall be addressed.	IDS II-B.1
2.	Describe whether the purchase period may be extended or shortened and the manner and duration of possible extensions or possible early closure or shortening of this period. Describe the manner in which the latter shall be made public.	IDS II-B.1
3.	Describe the possibility to reduce subscriptions.	Members' proposal
4.	If the exact dates are not known when the document is first filed	IDS II-B.1

or distributed to public, describe arrangements for announcing the final or definitive date or period.	
5. Indication of when, and under what circumstances, the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	FESCO/01-045, II. 5. e. ii) and iii)
6. Method and time limits for paying up securities; where payment is partial, the manner and dates on which amounts due are to be paid.	IDS II-B.2
7. Method and time limits for delivery of the securities (including provisional certificates, if applicable) to subscribers or purchasers.	IDS II-B.3
8. A full description of the manner and date in which results of the distribution of securities are to be made public and when appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid). <i>Not relevant.</i>	IDS II-B.5
III. KEY INFORMATION ABOUT THE ISSUER	
III.A Capitalization and indebtedness	
A statement of capitalization and indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness and the total amount of any contingent liabilities) as of a most recent date no earlier than 60 days prior to the date of the document shall be provided. Indebtedness also includes indirect and contingent indebtedness. An appropriate negative statement shall be given, where relevant, in the absence of any loan capital, borrowings and indebtedness and contingent liabilities. <i>To be included in the Registration Document rather than in the Securities Note.</i>	IDS III-B
III.B Reasons for the offer and use of proceeds	
Reason for the offer and, where applicable, the estimated net amount of the proceeds broken down into each principal intended use thereof. If the anticipated proceeds will not be sufficient to fund all the proposed purposes, the order of priority of such purpose should be given, as well as the amount and sources of other funds needed. If the company has no specific plans for the proceeds, it should discuss the principal reasons for the offering. <i>Far too detailed as the purpose for raising funds is different to that of an issuer of equity.</i>	IDS III-C.1

III.C Risk factors	
Prominent disclosure of risk factors that are specific to securities - if any - to be offered in order to assess the market risk associated with these instruments. Provide also, if applicable, update disclosure of risk factors included in the Registration Document when useful to readers assessing the risk associated with the securities to be offered. To the extent that an item has been disclosed fully in other sections, only a summary should be included in this section and a cross reference to the section where a more detailed discussion is contained should be made. <u><i>This should only apply to structured issues.</i></u>	IDS III-D
IV.A Interests of Experts in the issue/offer	
If any of the named experts or counselors was employed on a contingent basis, owns an amount of shares in the company or its subsidiaries which is material to that person, or has a material, direct or indirect economic interest in the company or that depends on the success of the offering, provide a brief description of the nature and terms of such contingency or interest.	IDS VII-C
IV.B Conflicts of interest in the issue/offer¹	
Provide a description of any conflict of interest in the issue, detailing the entities involved and the nature of the interest.	Members' proposal
V. OFFER AND ADMISSION TO TRADING DETAILS	
V.A Description of the securities to be offered/ admitted to trading <u><i>General Remark: In the case of a base prospectus to be supplemented by final terms and conditions of the issue a lot of information can only be given in such final pricing supplement.</i></u>	
1. Describe the type and the class of the securities being offered or admitted to trading.	IDS IX-A.5
2. Indicate the law applicable to the securities	Members' Proposal
3. Indicate whether the securities are registered or bearer ones	FESCO/01-045, IX-A-8 a)
4. Indicate the currency of the securities issue.	Members' Proposal

¹ This section should be deleted because of its vagueness. The term "conflict of interest" as well as the target group are not defined. Further, CESR should consider that conflicts of interest are dealt with by various national regulatory requirements. A number of potential conflicts of interest can as a matter of law not be disclosed due to the confidential nature of potentially conflicting transactions or customer relationships. As far as financial institutions are concerned (apparently being the main focus of the provision) the issue of conflicts of interest is sufficiently dealt with by appropriate compliance measures.

5. Means of representation: where book-entry system is to be used, name and address of the entity in charge of keeping such records	Members' proposal
6. Status of the securities being offered or admitted to trading: Covenants: Negative pledge, cross default, pari passu and others similar clauses, if any (event of default...)	Members' proposal FESCO/01-045, IX-A-8 a)
7. A description of the rights attached to the securities and procedure for the exercise of any right attached to the securities.	DIR. 2001/34, Schedule A 2.2.2.
8. If the rights evidenced by the securities being offered or admitted to trading are or may be materially limited or qualified by the rights evidenced by any other class of securities or by the provisions of any contract or other documents, include information regarding such limitation or qualification or its effect on the rights evidenced by the securities to be admitted to trading or offered.	IDS IX-A.6
9. A statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued <u>- if necessary -</u> .	DIR. 2001/34, Schedule A 2.2.0 and Schedule B. 2.2.0.
10. The issue date of the securities.	Members' proposal
11. Arrangements for transfer of the securities and (where permitted) any restrictions on their free transferability.	DIR. 2001/34, Schedule A 2.2.4 and IDS IX-A.5 (b) and FESCO/01-045, II. 5. j.
12. Other specific legislation regarding the issue/offer. ²	Members' proposal
13. Interest rate The nominal interest rate and provisions relating to interest payable, if any. Where the rate is not fixed, the index or variable on which it is based and the method used to relate the two must be clearly described. Among other things, this point may include, for example: - The formal or official name of the reference rate or of the source entity	FESCO/01-045, IX-A 1 b) + Members' proposal

² The securities note shall contain information in a concentrated manner concerning, the securities and necessary to enable an investor to make an informed assessment of its investment. In this content a general description of the applicable legislation appears neither necessary nor useful. On the contrary, such a description could lead to "information overload", which would impair the acceptance of the securities note.

- Place, manner and time where and when the reference rate or index is announced and made public - If applicable minimum and maximum limits permitted as yield or interest to be paid to the holders - Information shall be given concerning the values reached by the reference index or rate over the prior year to the date of the prospectus and the interest rates that would have been applied to the issue pursuant to the variable interest clause by virtue of the said values. - The date from which interest becomes payable and the due dates for interest; - The time limit on the validity of claims to interest and repayment of principal.	FESCO/01-045, IX-A 1 f) (DIR. 2001/34, Sch B 2.1.7)
14. Procedures for the allocation of any other advantages; the method of calculating such advantages	FESCO/01-045, IX-A 1 c) (DIR. 2001/34, Sch B 2.1.2)
15. Period of the loan and any interim due dates - Maturity date and arrangements for the amortization of the loan, including the repayment procedures. Where advance amortization is contemplated, on the initiative of the issuer or of the holder, it must be described with sufficient detail, stipulating amortization terms and conditions.	FESCO/01-045, IX-A 1 d) + Members' proposal
16. An indication of yield. The method whereby that yield is calculated shall be described in summary form. The annual equivalent rate must be indicated. <u><i>The yield should be stated on the basis of the issue price for the primary investor.</i></u>	FESCO/01-045, IX-A 1 g) (DIR. 2001/34, Sch B, 2.1.8) + Members' proposal
17. Nature and scope of guarantees, sureties and commitments intended to ensure that the loan will be duly serviced as regards both the repayment of the debt securities and the repayment of interest. Indication of the places where the public may have access to the contracts relating to these guarantees, sureties and commitments.	FESCO/01-045, IX-A-2 (DIR. 2001/34, Sch B, 2.2.1)
18. Representation of debt security holders, if any. Organization of trustees or of any other representation for the body of debt security holders. Main provisions relating to the meeting of noteholders. Name and function and description and head office of the representative of the debt security holders, the main conditions of such representation and in particular the conditions under which the representative may be replaced. Indication of where the public may have access to the contracts relating to	FESCO/01-045, IX-A-3 (DIR. 2001/34, Sch B, 2.2.2) + Members' proposal

these forms of representation.	
19. The procedure for the exercise of any right of pre-emption; the negotiability of subscription rights; the treatment of subscription rights not exercised	DIR. 2001/34, Sch B, 2.4
V.B Terms and conditions of the offer and action required to apply for the offer	
1. Description of the application process, details of where application forms - if any - are available.	FESCO/01-045, II.5. i. i) and ii)
2. Details of the minimum and/or maximum amount of application, if any (whether in number of securities or aggregate amount to invest).	FESCO/01-045, II.5. i. iv)
3. Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.	FESCO/01-045, II.5. i. vi)
4. Possibility of multiple and/or joint applications, and description of the penalties for infringements.	FESCO/01-045, II.5. i. vii)
5. Indication of the period during which an application may be withdrawn, provided that investors are allowed to withdraw their subscription.	Members' proposal
6. Dealing conditions to which the offering is subject, if any.	FESCO/01-045, II.5. f. i)
V.C Plan of distribution	
1. The various categories of potential investors to which the securities are offered. If the offering is being made simultaneously in the markets of two or more countries and if a <i>tranche</i> has been or is being reserved for certain of these, indicate any such <i>tranche</i> .	FESCO/01-045, II.5. b IDS IX-B.3
2. If securities are reserved for allocation to any group of targeted investors, including, for example, offerings to existing shareholders, directors, or employees or past employees of the company or its subsidiaries, provide details of these and any other preferential arrangements.	IDS IX-B.4
3. To the extent known to the company, indicate whether major shareholders, directors or members of the company's management, supervisory or administrative bodies intended to subscribe in the offering, or whether any person intends to subscribe for more than five per cent of the offering.	IDS IX-B.2
4. The names and addresses of the entities underwriting the offering. Where not all of the issue is underwritten, a statement of the portion not covered.	FESCO/01-045, IX-B-1

5. Indicate the amount, and outline briefly the plan of distribution, of any securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of brokers or dealers, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify the brokers or dealers that will participate in the offering and state the amount to be offered through each.	FESCO/01-045, IX-B-5
6. Unless otherwise described under the response to item X.C Material Contracts, describe the features of underwriting relationships together with the amount of securities being underwritten by each underwriter in privity of contract with the company or selling persons. The foregoing information should include a statement as to whether the underwriters are or will be committed to take and to pay for all of the securities if any are taken, or whether it is an agency or the type of best efforts arrangement under which the underwriters are required to take and to pay for only such securities as they may sell to the public.	FESCO/01-045, IX-B-7
V.D Placing	
1. Details of the co-ordinator(s) of the global offering and of single parts of the offering.	FESCO/01-045, II.5. c. i)
2. Details of the placers in the various countries where the offer takes place.	FESCO/01-045, II.5. c.) ii)
V.E Pricing	
1. Indicate the expected price at which the securities will be offered or the method of determining the price, and the amount of any expenses specifically charged to the subscriber or purchaser.	IDS IX-A.1 IDS II-A
2. Process for the disclosure of the offering price.	FESCO/01-045, II.5.d.iv)
3. Settlement date	Member's proposal
V.F Admission to trading and Dealing arrangements	
1. An indication as to whether the securities offered will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other markets. This circumstance must be mentioned, without creating the impression that the admission to trading necessarily will be approved. If known, the earliest dates on which the securities will be admitted to trading and dealt in should be given. An indication of the markets where admission to trading is or will be sought, and if securities of the same class are already traded on one or more regulated markets, indication of the most	IDS IX.C

relevant.	
2. If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, details are to be given of the nature of such operations and of the number and characteristics of the securities to which they relate.	IDS IX.B.8
3. Entities which may act as intermediaries in secondary trading, providing liquidity through bid and offer rates. If any, A description of the terms of their commitment will be included. (such terms are irrelevant for an investor and not material for the assessment of the issuer or the securities)	Spanish proposal
V.G Markets	
Disclose all stock exchanges and other markets on which, to the knowledge of the issuer, the securities to be offered or admitted to trading are traded.	IDS IX-C (reviewed by members)
V.H Selling securities holders	
1. Name and address of the person or entity offering to sell the securities, the nature of any position office or other material relationship that the selling persons has had within the past three yrs. with the company or any of its predecessors or affiliates. This provision seems to relate to share issues only.	IDS IX-D.1
2. The number and class of securities being offered by each of the selling security holders. This provision seems to relate to share issues only.	IDS IX-D.2
V. I Expense of the Issue/Offer	
1. The total amount of the discounts or commissions agreed upon by the underwriters or other placement or selling agents and the company or offeror shall be disclosed, as well as the percentage such commissions represent of the total amount of the offering and the amount of discounts or commissions per security.	IDS IX-F.1.
2. A reasonably itemized statement of the major categories of expenses incurred in connection with the issuance and distribution of the securities to be admitted to trading or offered and by whom the expenses are payable, if other than the company. If any of the securities are to be offered for the account of a selling securities holders, indicate the portion of such expense to be borne by such security holder. The information may be given subject to future contingencies. If the amounts of any items are not known, estimates (identifies as	IDS IX-F.2

such) shall be given. Not relevant; net amount of proceeds is stated under III.B	
VI ADDITIONAL INFORMATION	
VI.A Articles of Association	
Indicate the register and the entry number therein, if applicable, and describe the company's objects and purposes and where they can be found in the memorandum and articles. <u>DUPLICATION!</u>	IDS X-B.1
VI.B Exchange controls	
Describe any governmental laws, decrees, regulations or other legislation of the home country of the company which may affect: the import or export of capital, including the availability of cash and cash equivalents for use by the company's group; remittance of dividends, interest or other payments to non-resident holders of the company's securities. <u>DUPLICATION!</u>	IDS X-D
VI.C Taxation	
Provide information regarding taxes to which securities holders may be subject. Information should be included as to whether the company assumes responsibility for the withholding of tax at the source and regarding applicable provisions of any reciprocal tax treaties between the home and host countries, or a statement, if applicable, that there are no such treaties.	IDS.X-E
VI.D Material Contracts	
Provide a brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the group's ability to meet its obligation to security holders in respect of the securities being issued and contracts relevant to the transaction in question	FESCO/01-045, X-C
VI.E Statement by Experts	
Where a statement or report attributed to a person as an expert is included in the document, provide such persons' name, address and qualifications and a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of that person, who has authorized the contents of that part of the document. <u>DUPLICATION!</u>	IDS X-G
VI.F Documents on display	
Provide an indication of where the documents concerning the company which are referred to in the document may be inspected, by physical or electronic means.	IDS X-H
VI.G Registration Document	

1. Indication of where the Registration Document of the issuer is available for consultation.	Members' proposal
2. The securities note shall provide information that would normally be provided in the registration document if there has been a material change or recent development since the registration document was published.	Draft Directive