

**Magnolia Finance V plc**  
(incorporated with limited liability in Ireland)

**Magnolia Finance X Limited**  
(incorporated with limited liability in Ireland)

**Magnolia Finance XI Limited**  
(incorporated with limited liability in Ireland)

**Magnolia Finance XII Limited**  
(incorporated with limited liability in the Cayman Islands)

**Magnolia Finance XIII Limited**  
(incorporated with limited liability in the Cayman Islands)

**Magnolia Finance XIV Limited**  
(incorporated with limited liability in the Cayman Islands)

**Magnolia Finance XV DAC**  
(incorporated as a designated activity company in Ireland)

**Magnolia Finance XVI Limited**  
(incorporated with limited liability in the Cayman Islands)

**Credit Suisse European Mortgage Capital Limited**  
(incorporated with limited liability in Ireland)

**U.S. \$5,000,000,000 Programme  
for the issue of Limited Recourse Obligations**

Each of the companies whose names appear above (each, an "**Issuer**") has established a programme (each, a "**Programme**") for the issue of limited recourse obligations which, if issued in the form of Notes (as defined below) will, unless specified otherwise in the relevant Series Memorandum or Alternative Memorandum (each as defined below) be secured in the manner set out below. Each Issuer, may from time to time issue Notes (the "**Notes**") on the terms set out herein, as supplemented and/or modified in respect of each issue by a series memorandum (each, a "**Series Memorandum**"). In addition, an Issuer may raise finance by other means or enter into other financial transactions under its Programme, including, without limitation, by way of loan or the entry into of derivative transactions (any such finance by other means being "**Alternative Investments**") on the terms set out in an Alternative Memorandum (the "**Alternative Memorandum**") or in the Constituting Instrument (each as defined below) relating to such Alternative Investments, all as more fully described in "*Summary of the Programme - Alternative Investments*". The aggregate nominal amount of Notes and Alternative Investments issued by each Issuer under its Programme will not at any time exceed U.S. \$5,000,000,000 (or the equivalent in other currencies at the date of issue) (the "**Issuer Limit**").

References herein to the "Issuer" are references to the relevant Issuer in respect of information in this Programme Memorandum relating to such Issuer and to the extent of the Notes and Alternative Investments issued or, as the case may be, entered into by it and such references specifically exclude any other Issuer.

Notes issued under each Programme will be issued in series (each series of Notes, a "**Series**"). Each Series will, unless otherwise specified in the relevant Series Memorandum, be secured by (i) a fixed charge on, and/or an assignment by way of security, and/or another security interest over, certain specified assets of the Issuer (as more particularly described herein, the "**Charged Assets**") and all rights and sums derived therefrom, (ii) an assignment by way of security of the Issuer's rights against the Custodian (as defined herein) with respect to the Charged Assets relating to such Series under the relevant Custody Agreement (as defined herein) and all funds in respect of the Charged Assets held from time to time by the Custodian, (iii) a fixed charge on all funds held from time to time by the Principal Paying Agent (as defined herein) to meet payments due under the Notes of such Series, (iv) an assignment by way of security of the Issuer's rights, title and interest under the relevant Agency Agreement (as defined herein) and all sums derived therefrom in respect of the Notes of such Series and (v) an assignment by way of security of the Issuer's rights, title and interest under the relevant Placing Agreement and the relevant Charged Assets Sale Agreement, and may also be secured by an assignment by way of security of the relevant Issuer's rights under one or more swap or other hedging agreements (each, as more particularly described herein, a "**Charged Agreement**"), together with such additional security (if any) as may be described in the relevant Series Memorandum (together, the "**Mortgaged Property**"). The obligations of the Issuer under a Charged Agreement to the counterparty under such Charged Agreement (a "**Counterparty**") and to certain of the agents (as defined below) will, unless otherwise specified in the applicable Series Memorandum, also be secured by certain assets comprised in the Mortgaged Property.

*The Notes constitute limited recourse obligations of the relevant Issuer, and claims against the relevant Issuer by Noteholders of a particular Series and, if applicable, any Counterparty will be limited to the Mortgaged Property. The priority of claims of Noteholders and any Counterparty is set out in "Terms and Conditions of the Notes - Enforcement and Limited Recourse" as supplemented by the relevant Series Memorandum. If the net proceeds of the enforcement of the Mortgaged Property for a Series of Notes are not sufficient to make all payments due in respect of the Notes of that Series and, if applicable, due to any Counterparty, no other assets of the Issuer will be available to meet such shortfall and the claims of Noteholders and, if applicable, any Counterparty in respect of any such shortfall shall be extinguished.*

Notes of a Series or Alternative Investments may be rated by one or more of Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. ("**S&P**"), Moody's Investors Service Limited ("**Moody's**"), Fitch Ratings Limited ("**Fitch**") and/or other recognised debt rating agencies. The relevant Series Memorandum will state whether or not a Series of Notes is, or is anticipated to be, rated by any rating agency. Whether or not a rating in relation to any Series of Notes or Alternative Investments will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies will be disclosed in the relevant Series Memorandum or Alternative Memorandum. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning agency.

The Issuer will notify any rating agency which has assigned a rating to any Series of Notes or Alternative Investments or any class thereof which is outstanding of any further Series of Notes or Alternative Investments to be issued which may be unrated and the Issuer shall obtain from such relevant agency a confirmation that the current rating of the Series of Notes or Alternative Investments or, as the case may be, the relevant class thereof shall not be withdrawn or adversely affected by such further Series of Notes or Alternative Investments.

Application may be made to the Irish Stock Exchange for certain Series during the period of one year from the date of this Programme Memorandum to be admitted to the official list of the Irish Stock Exchange (the "**Official List**") and to trading on the Global Exchange Market of the Irish Stock Exchange. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted. Such approval relates only to Notes issued under the U.S. \$5,000,000,000 Programme for the issue of Limited Recourse Obligations which are to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange.

Application has been made to the Irish Stock Exchange to approve this Programme Memorandum as a Base Listing Particulars.

#### **Credit Suisse International**

The date of this Programme Memorandum is 16 September 2015.

Each Issuer accepts responsibility for the information contained in this Programme Memorandum relating to its Programme and to it. To the best of the knowledge and belief of each Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Programme Memorandum relating to its Programme and to it is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make representations other than those contained in this Programme Memorandum and in connection with the issue or sale of, or grant of a participation in, the Notes or Alternative Investments which comprise obligations of an Issuer and, if given or made, such information or representations must not be relied upon as having been authorised by the relevant Issuer or by Credit Suisse International (the "**Arranger**"). The delivery of this Programme Memorandum, or any sale made in connection herewith shall not, under any circumstances, create any implication that there has been no change in the affairs of the relevant Issuer since the date hereof or the date upon which this Programme Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of the relevant Issuer since the date hereof or the date upon which this Programme Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the relevant Issuer's Programme or it is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Notes may be issued in bearer form initially represented by a temporary global Note, by a permanent global Note or by definitive Notes, or in registered form represented by definitive registered certificates and/or a registered certificate in global form. Notes in bearer form will be subject to United States tax law requirements. The Section "*Summary of Terms and Conditions of the Notes – Form of Notes*" contains further details relating to the form of Notes which may be issued under each Issuer's Programme and, in the case of a non-U.S. Series or Tranche (each as defined below) of Notes, the exchange of interests in a temporary global Note for interests in a permanent global Note and the exchange of interests in a global Note for definitive Notes. "*Subscription and Sale*" contains further details relating to the selling and transfer restrictions applicable to the Notes.

Notes issued under any Programme have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws, and the Issuer is not, nor will it be, registered under the United States Investment Company Act of 1940, as amended (the "**1940 Act**"). Except as set forth in the relevant Series Memorandum, the Notes may not be offered, sold or otherwise transferred within the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act. Beneficial interests in the Notes of any U.S. Series or U.S. Tranche (each as defined below) must be in the minimum denomination specified in the applicable Series Memorandum.

Each initial purchaser or holder of Notes of a U.S. Series or U.S. Tranche represented by definitive registered certificates will represent and warrant that: (1) it is purchasing the Notes for its own account (or for accounts as to which it exercises sole investment discretion and in respect of which it has the authority to make, and does make, the statements contained in the Investment Agreement (as defined below)), and it has signed and delivered to the Arranger and each Dealer (as defined below) in relation to the Notes of a U.S. Series or U.S. Tranche an investment agreement or similar document (an "**Investment Agreement**") containing certain representations and warranties as more fully described under the heading "Investment Agreement" in Condition 1.2(c) under "**Terms and Conditions**" herein, and (2) it and any such account referred to in (1) above are either (A) not U.S. Persons or (B) (i)(a) qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBs**") or (b) "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act ("**AIs**") who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, and (ii) if the exemption provided by Section 3(c)(7) of the 1940 Act is being relied upon, "**Qualified Purchasers**" ("**QPs**") as defined in Section 2(a)(51) of the 1940 Act that are beneficial owners of such Notes for purposes of Section 3(c)(7) of the 1940 Act. Each subsequent purchaser or transferee of Notes of a U.S. Series or U.S. Tranche will be required to execute and deliver the transfer letter containing certain representations and warranties, as more fully described under the heading "**Transfer Letter**" in Condition 1.2(c) under "**Terms and Conditions of the Notes**" herein.

Notes of a U.S. Series or U.S. Tranche represented by a registered certificate in global form may be subject to the Alternative Procedures, as more fully described under the heading "**Alternative Procedures**" in Condition 1.2(c) under "**Terms and Conditions of the Notes**" herein. Unless otherwise specified in the applicable Series Memorandum, such Notes may be offered or sold only (i) to non-U.S. Persons (as defined in Regulation S under the Securities Act) outside the United States or (ii) to persons reasonably believed by the Issuer and the Arranger to be QIBs under Rule 144A that are also QPs under the 1940 Act, in reliance on Rule 144A under the Securities Act and Section 3(c)(7) of the 1940 Act. Each initial purchaser and subsequent transferee of such Notes will be deemed to have made the acknowledgements, representations and agreements with the Issuer and the Arranger set forth under the heading "*Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply*". To enforce the restrictions on transfer applicable to such Notes, the relevant Issuer shall have the right to force the sale or redemption of such Notes held by U.S. Persons who are determined not to be Qualifying QIBs/QPs (as defined herein).

If the assets of the Issuer were deemed to be assets of a "benefit plan investor" within the meaning of Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), certain transactions that the Issuer may enter into in the ordinary course of business might constitute non-exempt prohibited transactions thereunder and might be subject to excise taxes and have to be rescinded. However, in relation to each Series of Notes, each purchaser or holder of a Note (or any interest therein) shall be deemed to have represented by such purchase and/or holding that it is not acquiring such Note (or any interest therein), directly or indirectly, with assets of a benefit plan investor. For these purposes, a benefit plan investor is (i) an employee benefit plan subject to part 4, Title I of ERISA, (ii) any plan to which section 4975 of the U.S. Internal Revenue Code of 1986, as amended, applies or (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in such entity.

Prospective purchasers of Notes are hereby notified that an Issuer, the Arranger (as defined herein) and the Dealers (as defined herein) may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A or Regulation S under the Securities Act, or pursuant to Section 4(2) of the Securities Act.

So long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer thereof will, unless it becomes subject to and complies with Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

The distribution of this Programme Memorandum and the offering or sale of, or grant of a participation in, the Notes or Alternative Investments in certain jurisdictions may be restricted by law. Persons into whose possession this Programme Memorandum comes are required by the relevant Issuer, the Arranger, each Dealer and the Trustee (as defined below) to inform themselves about and to observe any such restrictions. This Programme Memorandum does not constitute, and this Programme Memorandum may not be used, for the purposes of any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Notes or Alternative Investments or the distribution of this Programme Memorandum in any jurisdiction where such action is required.

The initial rating (if any) of Notes of any Series or Alternative Investments issued under a Programme will be specified in the relevant Series Memorandum or Alternative Memorandum (if any) and in the relevant Constituting Instrument (as defined herein). A security rating is not a recommendation to buy, sell or hold securities or other obligations or investments and may be revised, suspended or withdrawn at any time by the relevant recognised debt rating agency. The Issuer will undertake to notify any relevant recognised debt rating agency which has assigned a rating (at the request of the Issuer) to any Series of Notes or a class thereof, of any change in its corporate status (including, without limitation, any change in its principal objects or business).

Certain restrictions on offers and sales of the Notes or Alternative Investments and on distribution of this Programme Memorandum are set out under "*Terms and Conditions of the Notes - Form, Denomination and Title*" and "*Subscription and Sale and Transfer Restrictions*" and may also be set out in the applicable Series Memorandum or Alternative Memorandum (if any).

None of the Arranger, any Dealer or the Trustee (as defined below) has separately verified the information contained herein. None of the Arranger, any Dealer or the Trustee makes any representation, express or implied, or accepts any responsibility with respect to the accuracy or completeness of any of the information in this Programme Memorandum. None of this Programme Memorandum, or any other information supplied in connection with a Programme, an Issuer, or any Notes or Alternative Investments is intended to provide the basis of any credit, risk or other evaluation and none of this Programme Memorandum, or any other information supplied in connection with the Programme or the relevant Issuer should be considered as a recommendation by such Issuer, the Arranger, any Dealer or the Trustee that any recipient thereof should subscribe or purchase Notes or Alternative Investments. Each potential subscriber or purchaser of Notes or Alternative Investments should determine for itself the relevance of the information contained in this Programme Memorandum and its subscription or purchase of Notes or Alternative Investments should be based upon such investigations as it deems necessary. None of the Arranger, any Dealer or the Trustee undertakes to review the financial condition or affairs of any Issuer or any other entity whatsoever during the life of the arrangements contemplated by this Programme Memorandum or to advise any investor or potential investor in any Notes or Alternative Investments of any information coming to the attention of the Arranger, any Dealer or the Trustee.

None of the Trustee, any Counterparty, the Arranger, any Dealer or any person other than the relevant Issuer has any obligation to any Noteholders, Receiptholders or Couponholders (if any) or investor in any Alternative Investments to ensure payment or discharge of principal, interest and/or any other obligations in respect of a Series of Notes or Alternative Investments.

References herein to "U.S.\$" and "U.S. dollars" are to the lawful currency of the United States of America and references to "EUR" are to the currency of the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty of European Union.

In connection with any Series (as defined below) of Notes (or Tranche (as defined below) thereof), the Arranger or such other person or persons as may be specified in the applicable Series Memorandum as a "**Stabilising Manager**" may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Arranger or the Stabilisation Manager or any agent thereof to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

This Programme Memorandum does not constitute an offer of, or an invitation by or on behalf of the relevant Issuer or the Arranger to subscribe for, or purchase, any Notes or Alternative Investments.

If you are in any doubt about the contents of this Programme Memorandum you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

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## **RISK FACTORS**

*Each Issuer considers the risks disclosed in this section and in the relevant Series Memorandum to be material risk factors, about which prospective Noteholders should be aware. Potential Noteholders should also read the detailed information set out elsewhere in this document.*

*The Notes will be solely obligations of the relevant Issuer. The Notes will not be obligations or responsibilities of the Arranger, the Trustee, the Agents or the Custodian (or any affiliate of any such company).*

### **1. General**

The purchase of, or investment in, any Notes or Alternative Investments involves substantial risks. Each prospective purchaser of, or investor, in Notes or Alternative Investments should be familiar with instruments having characteristics similar to the Notes or Alternative Investments and should fully understand the terms of the Notes or Alternative Investments and the nature and extent of its exposure to risk of loss.

Before making an investment decision prospective purchasers of, or investors in, Notes or Alternative Investments should conduct such independent investigation and analysis regarding the relevant Issuer, the Notes or Alternative Investments, each Counterparty under each Charged Agreement and all other relevant persons and such market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes or Alternative Investments. However as part of such independent investigation and analysis, prospective purchasers of or investors in Notes or Alternative Investments should consider carefully all the information set forth in this Programme Memorandum, in the applicable Series Memorandum or Alternative Memorandum and the considerations set out below.

Investment in the Notes or Alternative Investments is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Programme Memorandum and in the applicable Series Memorandum or Alternative Memorandum and the merits and risks of an investment in the Notes or Alternative Investments in the context of the investor's own financial, tax and regulatory circumstances and investment objectives.

### **2. Risks Relating to the Notes or Alternative Investments**

#### **2.1 Suitability of investment in Notes or Alternative Investments**

Investment in the Notes or Alternative Investments (or a participation therein) is only suitable for investors who:

1. are capable of bearing the economic risk of an investment in the Notes or Alternative Investments (or a participation therein) for an indefinite period of time;
2. are acquiring an interest in the Notes or Alternative Investments (or a participation therein) for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
3. recognise that it may not be possible to make any transfer of the Notes or Alternative Investments (or a participation therein) for a substantial period of time, if at all.

The applicable Series Memorandum or Alternative Memorandum in connection with a Series of Notes or Alternative Investments may contain sections setting out, in relation to the relevant Series, certain suitability and other investment considerations and/or risk factors relating to such Series and particular attention is drawn to those sections.

The relevant Issuer, the Arranger or any Dealer may, in its discretion, disregard interest shown by a prospective investor even though that investor satisfies the foregoing suitability standards.

Each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment. In relation to any issue of Notes under the Programme, attention is drawn, in particular, to the italicised paragraphs set out in the sections entitled "*Terms and Conditions of the Notes - Security*" and "*Terms and Conditions of the Notes - Enforcement and Limited Recourse*".

#### **2.2 Limited Recourse**

Each Series of Notes will comprise limited recourse obligations of the relevant Issuer secured on the Mortgaged Property and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. Each Issuer is a special purpose company established, inter alia, for the purpose of issuing obligations comprising Notes and

Alternative Investments. "**Alternative Investments**" means limited recourse obligations in the form of certificates, warrants, loans, *schuldscheine* or obligations under derivative or repurchase agreements. The holders of Notes shall have no recourse to the relevant Issuer beyond the moneys derived by or on behalf of that Issuer in respect of the Mortgaged Property in respect of that Series. Any shortfall on realisation of the security shall be borne by the holders of the Notes in respect of that Series. Each Series of Notes is separate and distinct and will be separately secured. There will be no cross-defaults between different Series and holders of one Series of Notes will not have recourse to the assets securing any other Series of Notes.

Further, neither the Trustee nor the holders of the Notes will be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the relevant Issuer. No person other than that Issuer will be obliged to make payments on the Notes.

### 2.3 *No Representation or Warranty*

None of the Counterparty, the Secured Creditors or the relevant Issuer or any of their respective directors or employees makes any representation or warranty in relation to the creditworthiness of any company in respect of any securities designated from time to time as forming part of the Mortgaged Property, the Counterparty or any Secured Creditor.

### 2.4 *Reliance on Creditworthiness of Other Parties*

The ability of each Issuer to meet its obligations under the Notes or Alternative Investments issued by it may depend on the receipt by it of payments under the Charged Agreement(s). To the extent that a Counterparty fails to make payments due to such Issuer under any Charged Agreement, an Issuer may be unable to meet its obligations in respect of the Notes or Alternative Investments. Consequently, each Issuer is exposed to the ability of the Counterparty to perform its obligations under the Charged Agreement to which such Issuer is a party. The receipt by an Issuer of payments under the Charged Agreement to which it is a party may also be dependent on the timely payment by such Issuer of its obligations under the Charged Agreement. The ability of an Issuer to make timely payment of its obligations under the Charged Agreement to which it is a party depends on receipt by it of the scheduled payments under the Mortgaged Property. Consequently, an Issuer which is a party to a Charged Agreement is also exposed to the ability of such issuer or obligor of the Mortgaged Property to perform its payment obligations. The ability of an Issuer to meet its obligations under its Notes and/or to remain solvent may be impaired if, in the event of the insolvency of the Programme Arranger, such Issuer's fees and expenses remain unpaid by the Programme Arranger and neither the Trustee nor the holders of the Notes elect to pay such fees and expenses.

The enforcement of an Issuer's rights under a Charged Agreement to which it is a party may be prevented or rendered more difficult or subject to delay as a result of mandatory provisions of any applicable insolvency regime. In the event of the insolvency of the Arranger, the Counterparty or any Agent, the management and/or any insolvency official appointed in relation to such entity may seek to interfere with the disposition of any of an Issuer's assets, or the determination of the value of such Issuer's assets may be delayed or, at a given time, become temporarily or permanently impractical or impossible.

The Charged Assets will be held in an account of, and in the name of, the Custodian. Where the Charged Assets consist of assets other than securities, they may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee. The Custodian may be responsible under the Agency Agreement for receiving payments on the Charged Assets and remitting them to the relevant other creditors or the Principal Paying Agent, as the case may be.

Holders of Notes are entitled to enforce their rights solely through the Trustee and are accordingly exposed to the willingness of the Trustee to exercise such rights and/or its ability or competence to do so. The Trust Deed provides that the Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any Counterparty or any guarantor thereof, the validity or enforceability of any of the Counterparty's obligations under any Charged Agreement or of any guarantee of any such obligation or any of the terms of any Charged Agreement (including, without limitation, whether the cashflows from the Charged Assets, any Charged Agreement and the Notes of the relevant Series are matched) or any such guarantee.

Further information relating to Charged Agreements is provided in the section entitled "*Description of the Charged Agreement*".

### 2.5 *Subordination of the Notes to payments under the Charged Agreement*

On an enforcement of the security granted by an Issuer in favour of the Trustee, the rights of the holders of the Notes of such Issuer to be paid amounts due under the Notes may be subordinated to (i) the prior rights of any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes, (ii) the operating expenses due and payable to the Trustee including expenses incurred in the enforcement of the security, (iii) certain permitted operating expenses due and payable to each Agent and the corporate administrator

of the relevant Issuer, to the extent not funded by the Arranger under the Sale and Disbursements Agreement and (iv) if "Counterparty Priority" or "Modified Counterparty Priority" is specified in the relevant Series Memorandum or Alternative Memorandum, the prior rights of the Counterparty in respect of the Issuer's obligations to the Counterparty and any termination payment due from the relevant Issuer to the Counterparty under the Charged Agreement(s) to which such Issuer is a party.

#### 2.6 ***Redemption following insolvency or default of counterparty or agent of the Issuer***

Investors may not be able to redeem their Notes following the occurrence of an insolvency or default of a Counterparty or an Agent as quickly as they would be able to terminate an "over-the-counter" derivative transaction with the Counterparty.

#### 2.7 ***Early Redemption following Termination of the Charged Agreement (or any transaction thereunder)***

The Charged Agreement may, unless otherwise specified in the applicable Series Memorandum or Alternative Memorandum, be terminated early on the occurrence of one of the Events of Default or Termination Events (each as defined in the Charged Agreement) specified in the Charged Agreement. In particular, the Charged Agreement may be terminated early if the Notes become repayable in full prior to their maturity date in accordance with the Conditions of the relevant Series of Notes (unless otherwise specified in the applicable Series Memorandum or Alternative Memorandum or in the confirmation(s) of the relevant Transaction(s)).

Unless otherwise specified in the applicable Series Memorandum or Alternative Memorandum or in the confirmation(s) of the relevant Transaction(s), the termination of the Charged Agreement may result in a termination amount payable by an Issuer which may reduce the amounts available to such Issuer to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.

Further information relating to Charged Agreements is provided in the section entitled "*Description of the Charged Agreement*".

#### 2.8 ***Early Redemption for Tax or Legal Reasons***

Notes may be redeemed by an Issuer before their maturity date for specified tax or legal reasons.

#### 2.9 ***No Tax Gross-up***

Payments on the Notes will be made subject to withholding tax (if any) applicable to the Notes, without an Issuer being obliged to pay additional amounts in respect of the Notes as a result thereof.

**Investors' attention is also drawn to the Taxation section of this Programme Memorandum.**

**The tax consequences for each investor in the Notes can be different and therefore investors are advised to consult with their tax advisers as to their specific consequences.**

#### 2.10 ***Modification, Waivers and Substitution***

The Conditions of the Notes contain provisions for calling meetings of holders of Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all such holders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may, without the consent of holders of Notes, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the holders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer.

#### 2.11 ***The Determination Agent and the Calculation Agent***

The Determination Agent and the Calculation Agent is required to calculate certain amounts in relation to the Notes. Holders of Notes may receive different distributions and/or payments as a result of roundings effected by the Determination Agent or the Calculation Agent (as applicable).

#### 2.12 ***Market, Liquidity and Yield Considerations***

Notes or Alternative Investments issued by an Issuer under its Programme may be illiquid and/or leveraged investments, the purchase of which involves substantial risks. Notes or Alternative Investments may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or

Alternative Investments or the liquidity of such market if one develops. None of the relevant Issuer, the Arranger or any Dealer will undertake to make a market in the Notes or Alternative Investments of any Series. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market.

#### **2.13 *Legality of Purchase***

No Issuer nor the Counterparty has or assumes responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes or Alternative Investments, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law or regulatory policy applicable to it. A prospective purchaser of Notes or Alternative Investments may not rely on the relevant Issuer or the Counterparty in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

#### **2.14 *No Investigations***

No investigations, searches or other enquiries have been made by or on behalf of an Issuer or the Trustee in respect of the Mortgaged Property. No representations or warranties, express or implied, have been given by an Issuer, the Dealer(s), the Trustee or any other person on their behalf in respect of the Mortgaged Property.

#### **2.15 *Mortgaged Property***

Holders of Notes or Alternative Investments may be exposed to the market price of the Mortgaged Property. Each Issuer of Notes or Alternative Investments may have to fund its payments by the sale of the Mortgaged Property related to such Notes or Alternative Investments at a market value and the nominal amount of the Mortgaged Property will be reduced by the principal amount of the Mortgaged Property sold. The market price of the Mortgaged Property will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the issuer of the Mortgaged Property. The Dealer(s) may have acquired, or during the terms of the Notes or Alternative Investments may acquire, confidential information with respect to any Mortgaged Property and it shall not be under any duty to disclose such confidential information to any holder of Notes or Alternative Investments.

#### **2.16 *Custody Arrangements***

Where the Securities are held by a sub-custodian on behalf of the Custodian they will be held pursuant to separate agreements which may vary in relation to any particular Custodian and/or sub-custodian and which may not be governed by English law and security interests (if any) in respect of the Securities may be created pursuant to separate agreements which may not be governed by English law. Furthermore, interests in securities held by a Custodian or Sub-Custodian may take effect as contractual rights only. The Custodian will not necessarily be responsible for the acts, omissions, insolvency or dissolution of a sub-custodian. Regardless of whether security is taken over the Securities themselves, the insolvency or dissolution of the Custodian or the sub-custodian may affect the ability of the Issuer of related Notes to meet its obligations under such Notes or to do so on a timely basis.

#### **2.17 *Credit Ratings***

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### **2.18 *Denomination***

Obligations which are Notes will be in such denominations as may be specified in the relevant Series Memorandum. In relation to any issue of Notes which have a denomination consisting of a minimum Authorised Denomination of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case, a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Authorised Denomination will not receive a definitive Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Authorised Denominations.

#### **2.19 *Currency Risk***

The investor may be exposed to currency risks, because (i) the Charged Assets may be denominated in a currency other than the applicable currency of the Notes or (ii) the Notes or Alternative Investments are denominated in a

currency other than that of the country in which the holder of such Obligation is a resident. The value of the Notes or Alternative Investments may therefore increase or decrease, based on currency fluctuations.

### 3. **Risks Relating to the Issuers**

#### 3.1 ***The Issuers are Special Purpose Vehicles***

Each Issuer's primary business is the raising of money by issuing or entering into Series of Notes, Alternative Investments or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. Each Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series of Notes or entry into Alternative Investments or other obligations from time to time including those prior to the date thereof (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which Series of Notes, Alternative Investments or other obligations are secured.

### 4. **LEGAL AND REGULATORY REQUIREMENTS**

#### 4.1 ***No Regulation of the Issuers by any Regulatory Authority***

No Issuer is required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to an Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of Notes or Alternative Investments. To the extent that the relevant Issuer is or may become subject to Regulation (EU) No 1075/2013 of the European Central Bank of 19 December 2008 (concerning statistics on the assets and liabilities of financial vehicle corporations engaged in securitisation transactions), the relevant Issuer may be required to comply with the reporting requirements of such Regulation.

Any investment in Notes or Alternative Investments does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

#### 4.2 ***Legality of Purchase***

No Issuer has and no Issuer assumes any responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes or Alternative Investments, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law or regulatory policy applicable to it. A prospective purchaser of Notes or Alternative Investments may not rely on an Issuer in connection with its determination as to the legality of its acquisition of Notes or Alternative Investments or as to the other matters referred to above.

#### 4.3 ***Preferred Creditors under Irish Law and Floating Charges***

Under Irish law, upon an insolvency or examinership of an Irish company such as Magnolia Finance V plc, Magnolia Finance X Limited, Magnolia Finance XI Limited, Magnolia Finance XV DAC or Credit Suisse European Mortgage Capital Limited (each an "**Irish Issuer**") when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts. (See risk factor 4.4 (*Examinership*) below).

The interest of secured creditors in property and assets of an Irish company over which there is a floating charge only will rank behind the claims of certain preferential creditors on enforcement of such security. Preferential creditors include the Irish Revenue Commissioners, statutory redundancy payments due to employees (including where those employees have been made redundant as a result of the liquidation of the borrower) and money due to be paid by the Irish company in respect of employers' contributions under any pension scheme.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include each Irish Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company. Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to each Irish Issuer any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over each Irish Issuer's account and the Charged Assets would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

#### 4.4 *Examinership*

Examinership is a court procedure available under the Irish Companies Act, 2014 to facilitate the survival of Irish companies in financial difficulties.

In respect of an Irish Issuer, the Issuer, the directors of each Irish Issuer, a contingent, prospective or actual creditor of each Irish Issuer, or shareholders of each Irish Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of such Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of each Irish Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by each Irish Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the holders of Notes. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the holders of Notes or

Alternative Investments, especially if such proposals included a writing down to the value of amounts due by each Irish Issuer to the holders of such Notes or Alternative Investments. The primary risks to the holders of Notes or Alternative Investments if an examiner were appointed to an Irish Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by such Issuer to the holders of Notes or Alternative Investments of such Issuer as secured by the Trust Deed;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Notes or Alternative Investments prohibiting the creation of security or the incurring of borrowings by such Issuer to enable the examiner to borrow to fund such Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and such Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of such Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by such Issuer to each of the Secured Creditors under the Notes or Alternative Investments.

#### 4.5 *Introduction of International Financial Reporting Standards ("IFRS")*

In respect of an Irish Issuer, the corporation tax position depends to a significant extent on the accounting treatment applicable to such Issuer. The accounts of each Irish Issuer are required to comply with IFRS or with generally accepted accounting principles in Ireland ("**Irish GAAP**") which has been substantially aligned with IFRS. Companies such as the Irish Issuers might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value may generally be brought into the charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997, as amended (which it is anticipated that each Irish Issuer will be) will be based on the profits that would have arisen to the company had its accounts been prepared under Irish GAAP as it existed at 31 December 2004. It is possible to elect out of such treatment and such election, if made, is irrevocable. If an Irish Issuer makes such an election, then taxable profits or losses could arise to such Issuer as a result of the application of IFRS or current Irish GAAP that are not contemplated in the cash-flows for a Series of Notes or Alternative Investments and as such may have a negative effect on the Issuer and its ability to make payments to the holders of Notes or Alternative Investments. No Irish Issuer intends to make any such election if its cashflows would be adversely affected thereby.

#### 4.6 *Euro and Eurozone Risk*

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable countries, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the "**EFSF**") and the European Financial Stability Mechanism (the "**EFSM**") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the "**ESM**"), to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from June 2013 onward.

Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Cyprus, Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe, which could have a negative impact on the Mortgaged Property.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on an Issuer, Notes of any Series or Alternative Investments and the relevant Mortgaged Property. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of Notes or Alternative Investments. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in Notes or Alternative Investments.

#### 4.7 *Risk retention and due diligence requirements in Europe*

Investors should be aware of the risk retention and due diligence requirements in Europe which currently apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings and UCITS funds. Among other things, such requirements restrict an investor who is subject to such requirements from investing in securitisations unless: (i) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed that it will retain, on an on-going basis, a net economic interest of not less than five per cent in respect of certain specified credit risk tranches or securitised exposures; and (ii) the investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including but not limited to its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator. Failure to comply with one or more of the requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge on the Notes acquired by the relevant investor.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Though many aspects of the detail and effect of all of these requirements remain unclear, these requirements and any other changes to the regulation or regulatory treatment of securitisations or of the Notes or Alternative Investments for investors may negatively impact the regulatory position of individual holders. In addition, such regulations could have a negative impact on the price and liquidity of the Notes or Alternative Investments in the secondary market. Investors should therefore make themselves aware of the relevant requirements (and any corresponding implementing rules of their regulator), where applicable to them, with respect to their investment in the Notes or Alternative Investments.

#### 4.8 *Alternative Investment Fund Administrators Directive*

EU Directive 2011/61/EU on Alternative Investment Fund Administrators ("**AIFMD**") became effective on 22 July 2013, and introduces authorisation and regulatory requirements for managers of alternative investment funds ("**AIFs**"). If an Issuer were to be considered to be an AIF within the meaning in AIFMD, it would need to be managed by a manager authorised under AIFMD (an "**AIFM**"). If an Issuer is considered to be an AIF, the compliance with the requirements of the AIFMD may substantially affect the return investors receive from their investment.

#### 4.9 *Financial Transaction Tax*

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a Financial Transaction Tax ("**FTT**") requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**FTT Member States**")

In its current form, the proposed FTT would apply to certain dealings in the Notes or Alternative Investments where at least one party is a financial institution and at least one party is established in an FTT Member State, or the financial instrument in which the parties are dealing is issued in an FTT Member State. The FTT could apply to both transaction parties where one of these circumstances applies.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any implementation, for which no firm date has yet been set. Additional member states may also decide to participate. Prospective holders of the Notes or Alternative Investments are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes or Alternative Investments before investing.

#### 4.10 *European Union Directive on Taxation of Savings Income*

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries. Since 1 January 2015, Luxembourg applies the automatic exchange of information under the EU Savings Directive.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their jurisdictions to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with

certain of those dependant or associated territories in relation to payments made by a person in a Member State to an individual or certain other residual entities resident in one of those territories.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the "**Amending Directive**"). Member States are required to apply these new requirements from 1 January 2016. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. 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.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation. The adoption of the aforementioned directive implements the Organisation for Economic Co-operation and Development (the "OECD") Common Reporting Standard and generalises the automatic exchange of information within the European Union as of 1 January 2016.

Finally, the replacement of the Amending Directive as from 1 January 2017 by an automatic exchange of information in compliance with the OECD standard is currently being discussed at the level of the European Union.

#### 4.11 **FATCA**

FATCA may impose a 30% withholding tax on payments of U.S. source income and gross proceeds from the sale of property that produces certain types of U.S. source income to non-U.S. persons that are "foreign financial institutions," such as an Issuer, unless certain conditions are satisfied. Generally, the withholding tax is phased in over several years and applies currently to payments of U.S. source income, to certain gross proceeds paid on or after 1 January 2017, and to "foreign passthru payments" (described below) no earlier than 1 January 2017. FATCA withholding tax will not be imposed if (i) the payment is made with respect to an obligation that is treated as debt for U.S. federal income tax purposes and, if U.S. source, the obligation was outstanding on or prior to 30 June 2014 or, if non-U.S. source, the obligation is outstanding on or prior to the date that is six months after the date on which U.S. Treasury regulations addressing foreign passthru payments are published (provided that, in each case, the obligation has not been materially modified after the relevant date and treated as reissued for U.S. federal income tax purposes) (a "**Grandfathered Obligation**"), or (ii) each Irish Issuer (and each non-U.S. withholding agent (if any) in the chain of custody of payments made to such Issuer) either complies with Irish regulations implementing the intergovernmental agreement between the Republic of Ireland and the United States (the "**Irish IGA**") or complies with the Cayman Islands Tax Information Authority Law (2013 Revision)(as amended) together with regulations and guidance notes made pursuant to such law (the "**Cayman FATCA Legislation**") that give effect to the intergovernmental agreement between the Cayman Islands and the United States (the "**Cayman IGA**" and each of the Irish IGA and the Cayman IGA (as applicable) a "**relevant IGA**" with respect to an Issuer) (or other applicable intergovernmental agreement entered into in connection with FATCA) or enters into an agreement (an "**FFI Agreement**") with the IRS that requires an Issuer to satisfy certain withholding tax and information reporting requirements regarding its U.S. holders. The Irish IGA and the Cayman IGA require, among other things, that each relevant Issuer collect and provide to the Irish or Cayman Islands government (as applicable) substantial information regarding holders of the Notes unless such Issuer is entitled to an exemption under FATCA. Each Issuer anticipates that withholding will not be imposed (x) on payments made to the relevant Issuer, unless the IRS has specifically listed such Issuer as a non-participating financial institution and (y) except as described below, on payments made by such Issuer. Although each relevant Issuer intends to comply with its obligations under the relevant IGA and FATCA, in some cases, the ability to comply could depend on factors outside of such Issuer's control. For example, if an FFI affiliate of the Issuer is not FATCA compliant (i.e., it fails to comply with, and is not exempted from complying with, FATCA), such Issuer itself may be prohibited from complying with FATCA. For this purpose, an "FFI affiliate" generally is a "foreign financial institution," as defined in FATCA (an "**FFI**"), that is deemed to be part of an affiliated group that includes the Issuer (where, in general, such affiliates and the Issuer are deemed related through more than 50% ownership). For example, if an FFI owns (for U.S. federal income tax purposes) more than 50% of the Issuer's equity and such FFI equity owner is not FATCA compliant, an Issuer may not be eligible to comply with FATCA. Furthermore, in certain cases, if an entity is deemed (for U.S. federal income tax purposes) to own more than 50% of the equity of both (i) an Issuer and (ii) another FFI, such other FFI may be treated as an FFI affiliate of such Issuer for this purpose and, thus, if such other FFI is not FATCA compliant, such Issuer may be prohibited from complying with FATCA. For these purposes, ownership of a majority of the Notes will constitute the requisite ownership by that person of the relevant Issuer.

The rules under FATCA or the relevant IGA may also change. In particular, future guidance may subject payments on Notes after 1 January 2017 to a withholding tax of 30% if each FFI that holds any such Note, or through which any such Note is held, is not FATCA compliant. In addition, Holders that do not supply information requested by the Issuer or its agents in connection with FATCA and the relevant IGA, or whose ownership of Notes may

otherwise prevent each relevant Issuer from complying with FATCA (for example by causing such Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to adverse consequences, including withholding on payments in respect of the Notes and the forced disposition of the relevant Notes. There can be no assurance, however, that these measures will be effective, and that each relevant Issuer and holders of the Notes will not be subject to withholding taxes under FATCA. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Notes or could reduce such payments and the costs of compliance with FATCA and the relevant IGA may be significant. There can be no assurance that payments to an Issuer in respect of its assets will not be subject to withholding under FATCA. Accordingly, a holder should consult its own tax advisors as to the potential implication of FATCA withholding taxes on the Notes before investing.

#### 4.12 *Irish taxation position of the Irish Issuers*

Each Irish Issuer has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997, as amended ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer. If, for any reason, the relevant Irish Issuer is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the relevant Irish Issuer which could have tax effects not contemplated in the cashflows for the transaction and as such adversely affect the tax treatment of the relevant Irish Issuer and consequently the payments on the Notes or Alternative Investments.

#### 4.13 *Anti-money laundering, corruption, bribery and similar laws may require certain actions or disclosures*

Many jurisdictions have adopted wide-ranging anti-money laundering and anti-terrorism laws, economic and trade sanctions, and anti-corruption and anti-bribery laws and regulations (collectively, the "**AML Requirements**"). Any of each Issuer, the Arranger, the Dealer, the Trustee or an Agent could be requested or required to obtain certain assurances from prospective investors intending to purchase Notes and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries or engage in due diligence or take other related actions in the future. It is expected that each Issuer, the Arranger, the Dealer, the Trustee and each Agent will comply with AML Requirements to which they are or may become subject and to interpret such AML Requirements broadly in favour of disclosure. Failure to honour any request by any such Issuer, the Arranger, the Dealer, the Trustee or an Agent to provide requested information or take such other actions as may be necessary or advisable for such Issuer, the Arranger, the Dealer, the Principal Paying Agent or the Trustee to comply with any AML Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Notes or Alternative Investments. In addition, it is expected that each of each Issuer, the Arranger, the Dealer, the Trustee and the Agents intend to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries, and will disclose any information required or requested by authorities in connection therewith.

#### 4.14 *Regulatory initiatives generally*

In addition to the regulatory and tax structures and risks described above, in Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of banks, financial institutions and the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to investors in transactions such as the Notes and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes or Alternative Investments are responsible for analysing their own regulatory position and none of each Issuer, the Arranger, the Dealer, the Trustee nor any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes or Alternative Investments on the Issue Date or at any time in the future.

#### 4.15 *Conflicts of Interest*

Credit Suisse International and its affiliates are acting in a number of capacities in connection with the Notes, Alternative Investments and related transactions as described in this Base Prospectus. Credit Suisse International and any of its affiliates are acting in such capacities will have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and will not, by reason of it or any of its affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to be held to a standard of care other than as expressly provided with respect to each such capacity. In no event shall Credit Suisse International or any of its affiliates be deemed to have any fiduciary obligations to any person by reason of it or any of its affiliates acting in any capacity. Credit Suisse International and its affiliates may purchase, hold and sell the Notes or Alternative Investments from time to time. Credit Suisse International or certain of its affiliates (for the purposes of this paragraph, the "**Credit Suisse International Group**") may be the counterparty to the hedge of an Issuer's obligations under an issue of Notes or Alternative Investments. Accordingly, certain conflicts of interest may arise both among Credit Suisse International Group and between the interests of Credit Suisse International Group and the interests of purchasers of Notes or Alternative Investments.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES OR ALTERNATIVE INVESTMENTS.**

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Programme Memorandum should be read and construed in conjunction with each and any supplement to this Programme Memorandum prepared from time to time and the following documents, which shall be deemed to be incorporated in, and to form part of, the Programme Memorandum and which shall be deemed to modify or supersede the contents of this Programme Memorandum to the extent that a statement contained in any such document is inconsistent with such contents:

- (A) Directors' Reports and Financial Statements in respect of the financial periods ended 31 December 2013 and 31 December 2014 for Credit Suisse European Mortgage Capital Limited; and
- (B) Directors' Reports and Financial Statements in respect of the financial periods ended 31 March 2013 and 31 March 2014 for Magnolia Finance V plc.

Copies of the documents which are incorporated herein by reference will be available free of charge from the registered office of the relevant Issuer (as specified on the last page).

## SUMMARY OF THE PROGRAMME

The following summary of each Issuer's Programme does not purport to be complete and should be read in conjunction with the remainder of this Programme Memorandum and, in relation to any particular Series of Notes or Alternative Investments, the relevant Series Memorandum or (if required) Alternative Memorandum and the terms of the relevant Constituting Instrument relating to such Notes or Alternative Investments. Further information in respect of each Series of Notes or Alternative Investments, and of the terms and conditions specific thereto, will be given in the applicable Series Memorandum or (if required) Alternative Memorandum and the relevant Constituting Instrument. References herein to the "**Conditions**" of any Series or Tranche of Notes are to the conditions of the Notes of a Series or Tranche, being those set out under "*Terms and Conditions of the Notes*" below, as supplemented and amended in respect of each issue of Notes as specified in the applicable Series Memorandum and by any other document specified as doing so. The applicable Series Memorandum and the relevant Constituting Instrument (as defined below) relating to such Series or Tranche, or any such other document which is specified as doing so may vary, amend, restate, supplement or disapply any of the Terms and Conditions set out in this Programme Memorandum in any respect, and the descriptions in this Programme Memorandum shall be read as being subject to any variations, amendments and disapplications accordingly. References in this Programme Memorandum to the "Constituting Instrument" include a reference to the terms and conditions specific to a particular issue of Notes by way of variation, amendment, restatement, supplement or disapplication of the Conditions of the Notes of a Series set out under "**Terms and Conditions of the Notes**" below, as effected by the Constituting Instrument. The terms and conditions, form of and security for any Alternative Investments are not set out herein or fully summarised below but will be set out in the relevant Constituting Instrument and the Alternative Memorandum (if any) in relation thereto.

" <b>Issuer</b> "	The Issuer which is specified in the relevant Series Memorandum. References herein to the " <b>Issuer</b> " are references to the relevant Issuer in respect of (and only to the extent of) the Notes and Alternative Investments issued or, as the case may be, entered into by it and such references specifically exclude any other Issuer.
" <b>Description</b> "	The Programme for the issue of Limited Recourse Obligations. The Issuer may raise finance by way of the issue of Notes or by other means under the Programme including, without limitation, by way of loan or entering into derivative transactions.
" <b>Programme Size</b> "	U.S.\$5,000,000,000 (subject to increase as provided in the Master Placing Terms referred to in " <i>Subscription and Sale and Transfer Restrictions</i> " below).
" <b>Arranger(s)</b> "	In relation to the Programme, Credit Suisse International and/or in relation to a particular Series or Tranche of Notes, such other arranger(s) as may be specified in the applicable Series Memorandum.
" <b>Dealers</b> "	In relation to a particular Series or Tranche of Notes, Credit Suisse International and/or such other persons as are specified as a "Dealer" in the applicable Series Memorandum.
" <b>Security</b> "	Unless otherwise specified in the relevant Series Memorandum, the Notes of each Series or Tranche issued under the Programme will be secured in the manner set out in Condition 4 under the " <i>Terms and Conditions of the Notes</i> " below, including by way of (i) a fixed charge on, and/or an assignment by way of security of or other security interest over, the relevant Charged Assets (as more particularly described below) and on all rights and sums derived therefrom, (ii) an assignment by way of security of the Issuer's rights against the Custodian (as defined below) with respect to the Charged Assets relating to such Series under the relevant Custody Agreement (as defined herein) and a fixed charge on all funds in respect of the Charged Assets relating to such Series held from time to time by the Custodian, (iii) a fixed charge on all funds held from time to time by the Principal Paying Agent (as defined below) to meet payments due under the Notes of such Series or Tranche, (iv) an assignment by way of security of the Issuer's rights, title and interest under the relevant Agency Agreement, (v) an assignment by way of security of the Issuer's rights, title and interest against each Arranger and each Dealer under the relevant Placing Agreement and against the seller of the Charged Assets under the relevant Charged Assets Sale Agreement and all sums derived therefrom in respect of the Notes of such Series or Tranche, and may also be secured by an assignment by way of security of the Issuer's rights under any

Charged Agreement (as more particularly described below), together with such additional security (if any) as may be described in the applicable Series Memorandum.

The obligations of the Issuer to the Counterparty under any Charged Agreement will also be secured on the same assets and in the same manner as the security for the obligations of the Issuer under the Notes as described above. The relative priority of claims of Noteholders and each relevant Counterparty will be specified in the applicable Series Memorandum or, if not so specified, Counterparty Priority (as defined in Condition 4.4) will apply.

Alternative Investments will be constituted and secured in the manner similar to that set out above in relation to Notes or in such other manner as may be set out in the relevant Constituting Instrument relating to such Alternative Investments. In all cases the recourse of the creditors or obligees in respect of such Alternative Investments and each Counterparty will be limited in recourse in a manner similar to that set out herein in relation to Notes.

"Currencies"	Subject to compliance with all relevant laws, regulations and directives, and, in the case of a Series or Tranche of Notes which is or are to be rated, the requirements of any relevant recognised debt rating agency, Notes may be denominated or payable in such currency or currencies or national currency units (as appropriate) as the Issuer and the Arranger may agree from time to time.
"Trustee"	HSBC Corporate Trustee Company (UK) Limited or such other person as is specified in the applicable Series Memorandum as the Trustee in relation to a Series or Tranche of Notes (the " <b>Trustee</b> ").
"Issue Agent"	In relation to a Series or Tranche of Notes, HSBC Bank plc or such other person as is specified in the applicable Series Memorandum will act as issuing agent (the " <b>Issue Agent</b> ").
"Principal Paying Agent"	In relation to a Series or Tranche of Notes, HSBC Bank plc will act as principal paying agent (the " <b>Principal Paying Agent</b> ").
"Interest Calculation Agent"	If a calculation agent is required for the purposes of determining the rate of interest in relation to a Series or Tranche of Notes, Credit Suisse International or such other person as is specified in the applicable Series Memorandum will act as interest calculation agent (the " <b>Interest Calculation Agent</b> ").
"Paying Agents"	In relation to the Notes of a Series or Tranche, the Principal Paying Agent, together with each other person (if any) as may be specified in the applicable Series Memorandum, will act as paying agents (each a " <b>Paying Agent</b> "). HSBC Institutional Trust Services (Ireland) Limited, or any other person in Ireland as may be specified in the applicable Series Memorandum in relation to any Series of Notes which may be listed on the Irish Stock Exchange, will, for as long as the rules of the Irish Stock Exchange require, act as Paying Agent in Ireland in respect of that Series of Notes.
"Registrar"	If a registrar (the " <b>Registrar</b> ") is required in relation to the Notes of a Series or Tranche in registered form, the Registrar will be Elavon Financial Services Limited or such other person as is specified in the applicable Series Memorandum.
"Transfer Agents"	If transfer agents (the " <b>Transfer Agents</b> ") are required in respect of a Series or Tranche of Notes in registered form, the Transfer Agents will be specified in the applicable Series Memorandum. HSBC Institutional Trust Services (Ireland) Limited, or any other person in Ireland as may be specified in the applicable Series Memorandum in relation to any Series of Notes which may be listed on the Irish Stock Exchange, will, for as long as the rules of the Irish Stock Exchange require, act as Transfer

Agent in Ireland in respect of that Series of Notes.

" <b>Determination Agent</b> "	If a determination agent (a " <b>Determination Agent</b> ") is required in relation to any Series or Tranche of Notes, such person as may be specified in the applicable Series Memorandum will act as such.
" <b>Collateral Agent</b> "	In relation to the Notes of a Series or Tranche where Replacement and/or Substitution of Charged Assets is applicable (as more particularly described below), such person as is specified in the applicable Series Memorandum as the " <b>Collateral Agent</b> ".
" <b>Counterparty</b> "	In relation to the Notes of a Series or Tranche where there is one or more Charged Agreements, such person(s) as is/are specified in the applicable Series Memorandum as a " <b>Counterparty</b> " will act as such.
" <b>Custodian</b> "	In relation to the Charged Assets relating to the Notes of a Series or Tranche, HSBC Bank plc or such other person as is specified in the applicable Series Memorandum as the " <b>Custodian</b> " will act as such (the " <b>Custodian</b> ").
" <b>Realisation Agent</b> "	If a realisation agent (a " <b>Realisation Agent</b> ") is required in relation to the Notes of a Series or Tranche, the Realisation Agent will be specified in the applicable Series Memorandum and will be appointed on the terms set out in the Series Memorandum and the applicable Agency Agreement or Custody Agreement.
" <b>Maturities</b> "	Any maturity as the Issuer and the Arranger may agree from time to time subject to compliance with all relevant laws, regulations and directives.
" <b>Issue Price</b> "	Notes may be issued at par or at a discount or premium to par.
" <b>Method of Issue</b> "	Notes may be issued on a continuous basis in Series with no minimum size subject to compliance with all relevant laws, regulations and directives, including, without limitation, any applicable requirements of the Irish Stock Exchange or any other relevant stock exchange or competent authority on or by which the Notes of a Series are intended to be listed or traded. Each Series may be issued in one or more tranches (each a " <b>Tranche</b> ") on the same issue date or on different issue dates. Further Notes (as defined below) may also be issued as part of an existing Series. Notes may be issued on a syndicated or non-syndicated basis.
" <b>Form of Notes</b> "	<p><i>The following applies only to Notes of a non-U.S. Series/non U.S. Tranche:</i> If the Constituting Instrument in respect of a Series of Notes specifies that such Series (a "<b>non-U.S. Series</b>") or a Tranche thereof (a "<b>non-U.S. Tranche</b>") may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S ("<b>Regulation S</b>") under the Securities Act ("<b>U.S. Persons</b>")), such non-U.S. Series or non-U.S. Tranche may comprise Notes in bearer form ("<b>Bearer Notes</b>"), in bearer form exchangeable for Registered Notes ("<b>Exchangeable Bearer Notes</b>") or in registered form ("<b>Registered Notes</b>") only. Unless otherwise specified in the applicable Constituting Instrument, Bearer Notes and Exchangeable Bearer Notes of a non-U.S. Series or a non-U.S. Tranche will be D Notes (as defined below). Unless the context otherwise requires, references herein to Bearer Notes shall include Exchangeable Bearer Notes.</p> <p>Each non-U.S. Series or non-U.S. Tranche of Bearer Notes and Exchangeable Bearer Notes which are being issued pursuant to Section 1.163-5(c)(2)(i)(D) of the Treasury Regulations under the United States Internal Revenue Code ("<b>D Notes</b>") will initially be represented by one or more Notes in temporary global form (each a "<b>Temporary Global Note</b>"). Such Temporary Global Note will be held by a common depositary on behalf of Euroclear Bank S.A./N.V. or any successor thereto, as operator of the Euroclear System ("<b>Euroclear</b>", which expression shall include, where the context so permits, any successor in business of Euroclear) and Clearstream Luxembourg, société anonyme or any successor thereto ("<b>Clearstream Luxembourg</b>" which expression</p>

shall include, where the context so permits, any successor in business of Clearstream Luxembourg), or in any clearing system specified in the applicable Series Memorandum. Interests in the Temporary Global Note may be exchanged for interests in a permanent global Note (each a "**Permanent Global Note**"), or, if so provided in the relevant Series Memorandum for definitive Bearer Notes, upon certification of non-U.S. beneficial ownership not earlier than the first day (the "**Exchange Date**") following the 40 day period commencing on the original issue date of the Notes (the "**40-Day Restricted Period**"). No interest shall be payable in respect of a Temporary Global Note unless:

- (1) upon due presentation of a Temporary Global Note for exchange (together with certification of non-U.S. beneficial ownership), delivery of a Permanent Global Note (or, as the case may be, an interest therein) or of definitive Bearer Notes is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date; or
- (2) a payment of interest falls due prior to the Exchange Date, in which case such payment shall be made in respect of the Temporary Global Note upon certification of non-U.S. beneficial ownership.

Each non-U.S. Series or non-U.S. Tranche of Bearer Notes and Exchangeable Bearer Notes issued pursuant to Section 1.163-5(c)(2)(i)(C) of the Treasury Regulations under the United States Internal Revenue Code ("**C Notes**") will be represented by a Permanent Global Note or by definitive Bearer Notes. The applicable Constituting Instrument relating to each Series will state if the Notes of such Series or Tranche are C Notes.

Each Permanent Global Note will, if so provided in the relevant Constituting Instrument, be exchangeable, in whole but not in part, for definitive Bearer Notes either:

- (1) on request from the holder thereof (or from all of the holders acting together, if more than one) for definitive Bearer Notes upon not less than 60 days' prior written notice to the Issuer and the Issue Agent given (in the case of D Notes) not earlier than the relevant Exchange Date; or
- (2) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream Luxembourg or any alternative clearing system which would not be suffered were the Bearer Notes in definitive form and a certificate to such effect is given to the Trustee; or
- (3) at the option of the holder (or all of the holders acting together, if more than one) if:
  - (a) an Event of Default under Condition 9 of the Notes occurs and is continuing and payment is not made on due presentation of the Permanent Global Note for payment; or
  - (b) either Euroclear or Clearstream Luxembourg or any other clearing system with which the Permanent Global Note is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no alternative clearing system satisfactory to the Trustee and the Principal

Paying Agent is available.

Each non-U.S. Series or non-U.S. Tranche of Registered Notes will be represented by definitive registered certificates ("**Registered Certificates**") and/or a registered certificate in global form (a "**Global Registered Certificate**") which Global Registered Certificate will be registered in the name of a nominee for Euroclear and Clearstream Luxembourg or in any clearing system specified in the applicable Constituting Instrument. Definitive Exchangeable Bearer Notes will be exchangeable for definitive Registered Notes only if and to the extent so specified in the relevant Series Memorandum. Definitive Registered Notes will not be exchangeable for Bearer Notes or an interest therein.

Each purchaser of a non-U.S. Series or non-U.S. Tranche of Notes will be deemed to represent that its purchase, holding and disposition of such Note does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of U.S. Internal Revenue Code (the "**Code**"), unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

*The following applies only to Notes of a U.S. Series/U.S. Tranche:* If the applicable Series Memorandum in respect of a Series or Tranche of Notes specifies that such Series (a "**U.S. Series**") or a Tranche thereof (a "**U.S. Tranche**") may be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, such U.S. Series or U.S. Tranche shall be Registered Notes and may be offered or sold only (i) outside the United States, to non-U.S. Persons in accordance with Regulation S or (ii) in the United States, to qualified institutional buyers as defined in Rule 144A under the Securities Act ("**QIBs**") or to "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act ("**Als**") who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, in each case in transactions exempt from registration under the Securities Act. Notes of a U.S. Series or U.S. Tranche shall be issued in the minimum denomination specified in the relevant Series Memorandum.

Unless otherwise specified in the applicable Series Memorandum, Notes of a U.S. Series or U.S. Tranche offered or sold to investors in the United States or to U.S. Persons will be issued as Registered Certificates only and will not be eligible for deposit or clearance through Euroclear, Clearstream Luxembourg, The Depository Trust Company ("**DTC**") or any alternative clearing system. Unless otherwise specified in the applicable Series Memorandum, any purchaser of any U.S. Series or U.S. Tranche who is a U.S. Person will be required to represent, warrant and undertake in an Investment Agreement (as defined herein) that if the applicable Series Memorandum specifies that the exception provided by Section 3(c)(7) of the 1940 Act is being relied upon, it is a "Qualified Purchaser" ("**QP**") as defined in Section 2(a)(51) of the 1940 Act that is the beneficial owner of such Notes for purposes of Section 3(c)(7) of the 1940 Act. To enforce the foregoing restrictions, each subsequent purchaser or transferee of Registered Notes of a U.S. Series or U.S. Tranche will be required to execute and deliver the transfer letter containing certain representations and warranties, as more fully described under the heading "**Transfer Letter**" in Condition 1(b)(3) under "**Terms and Conditions**" of the Notes herein. The Issuer must consent to the transfer of any Registered Certificates of a U.S. Series or U.S. Tranche, and shall have the authority to refuse to register transfers of such Registered Certificates or to require the transfer of such Registered Certificates to qualifying holders.

If the applicable Series Memorandum in respect of a U.S. Series or U.S. Tranche specifies that the Alternative Procedures apply, Notes of such U.S. Series or U.S. Tranche will be issued as a Global Registered Certificate registered in the name of Cede & Co., as nominee of DTC, and will be eligible for deposit or clearance through DTC only. Unless otherwise specified in the applicable Series Memorandum, beneficial

interests in such Global Registered Certificate may be offered or sold only to non-U.S. Persons outside the United States or to persons reasonably believed by the Issuer and the Arranger to be QIBs under Rule 144A that are QPs under the 1940 Act, in the latter case in reliance on Rule 144A under the Securities Act and Section 3(c)(7) of the 1940 Act. Each initial purchaser and subsequent transferee of such Notes will be deemed to have made the acknowledgements, representations and agreements with the Issuer, the Arranger and the Dealers set forth under the heading "*Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply.*" To enforce the restrictions on transfer applicable to such Notes, the Issuer shall have the right to force the sale or redemption of such Notes held by U.S. Persons who are determined not to be Qualifying QIBs/QPs (as defined in "*Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply.*").

Each purchaser of a U.S. Series or U.S. Tranche of Notes will be deemed to represent that its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

Certain transfer restrictions in respect of the Notes, including Notes comprised of a U.S. Series or U.S. Tranche, are set out in the sections herein entitled "*Terms and Conditions of the Notes - Form, Denomination and Title*" and "*Subscription and Sale*" and may also be set out in the applicable Series Memorandum. As set forth more fully therein, purchases and transfers of Notes may require the delivery of written certifications as to certain matters.

References herein to "**Noteholder**" or "**holder**" mean the bearer of any Bearer Note or the person in whose name a Registered Note is registered.

The form of any Alternative Investments will be specified in the applicable Alternative Memorandum and/or Constituting Instrument relating thereto.

<b>"Denomination of Notes"</b>	Subject to compliance with all relevant laws, regulations and directives, definitive Notes will be in such denominations as may be specified in the relevant Series Memorandum.
<b>"Fixed Rate Notes"</b>	Fixed interest will be payable in arrear on the date or dates and at a rate specified in the applicable Series Memorandum.
<b>"Floating Rate Notes"</b>	Floating Rate Notes will bear interest at a rate set separately for the Notes of each Series or Tranche by reference to a benchmark as may be specified in the applicable Series Memorandum as adjusted for any applicable spread and will be payable in arrear on the date or dates specified in the applicable Series Memorandum.
<b>"Zero Coupon Notes"</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest (except as provided in Condition 6.4).
<b>"Variable Coupon Amount Notes"</b>	The Series Memorandum issued in respect of the Notes of each Series or Tranche which comprise Variable Coupon Amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to a debt, equity or commodity index or as otherwise provided in the applicable Series Memorandum.
<b>"Index Linked and Credit Linked Notes"</b>	The Issuer will make payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Index Linked and Credit Linked Notes calculated by reference to such stock or commodity or other index, currency exchange rate or formula or linked to the occurrence or non-occurrence of certain events as specified in the

applicable Series Memorandum.

"Equity Linked Notes"	The Issuer will make payments of principal in respect of Equity Linked Notes calculated by reference to the value of an underlying share and/or a formula as specified in the applicable Series Memorandum.
"Interest Rates"	Notes may have a maximum interest rate, a minimum interest rate or both.
"Variable Redemption Amount Notes"	The Series Memorandum issued in respect of the Notes of each Series or Tranche which comprise Variable Redemption Amount Notes will specify the basis for calculating the amounts payable on redemption, which may be by reference to a debt, equity or commodity index or as otherwise provided in the applicable Series Memorandum.
"Other Notes"	Terms applicable to High Interest Notes, Low Interest Notes, Step-up Notes, Step-down Notes, Dual Currency Notes, Reverse Dual Currency Notes, Optional Dual Currency Notes, Interest Only Notes, Formula-Linked Notes and any other type of Note (including a Series of Notes comprising a combination of two or more of any of the types of Notes mentioned above) which the Issuer and the Arranger may agree to issue under the Programme will be set out in the applicable Series Memorandum.
"Redemption by Instalments"	The Series Memorandum issued in respect of the Notes of each Series or Tranche which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
"Mandatory Redemption"	If (i) the Charged Assets in respect of a Series or amounts outstanding thereunder become due and repayable prior to their stated date of maturity or other date or dates for their repayment or payment in each case, whether or not by reason of an event of default (howsoever described) thereunder, or there is a payment default in respect of such Charged Assets in respect of a Series, or (ii) if the Charged Assets comprise any agreement of the type contemplated in the definition herein of Charged Agreement, such agreement is, or becomes capable of being, terminated by any party thereto, in each case whether or not by reason of an event of default (howsoever described) thereunder or if there is a payment default in respect of such agreement or (iii) the Issuer satisfies the Trustee that the performance of its obligations under the Notes or ancillary thereto has or will become unenforceable, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or prospective law, rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof; or (iv) any other event as may be specified as an " <b>Additional Mandatory Redemption Event</b> " in the applicable Series Memorandum has occurred, the security for the Notes shall become enforceable and the Notes shall be redeemed in full unless otherwise stated in the Series Memorandum (always subject as provided in " <b>Limited Recourse</b> " below).
"Optional Redemption"	The Series Memorandum issued in respect of each issue of Notes of a Series or Tranche will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.
"Early Redemption"	Except as provided in " <b>Redemption by Instalments</b> ", " <b>Mandatory Redemption</b> " and " <b>Optional Redemption</b> " above, Notes will be redeemable prior to maturity only (i) for taxation reasons, or (ii) upon termination of the relevant Charged Agreement (if any) on the date of such termination, or (iii) in such circumstances as are specified in Condition 9 of the Notes or (iv) in the case of Notes of a U.S. Series or a U.S. Tranche, if the Issuer so requires upon determining that the holder of a beneficial interest is a Global Registered Certificate is not a Qualifying QIB/QP (as defined herein).
"Status of Notes"	The Notes of each Series will be limited recourse obligations of the Issuer ranking <i>pari passu</i> with the Notes of the same Series and without

preference among themselves (save in the case of a Series comprising more than one class of Note, in which case the Notes of each such class will rank *pari passu* and without preference among themselves but not, save to the extent specified in the applicable Series Memorandum, with Notes of another class comprised in such Series; in such a case, the ranking and preference of each class of Notes will be as specified in the relevant Series Memorandum ). (See also "**Security**" above.)

**"Charged Assets"**

The Charged Assets in relation to a Series of Notes are those which are specified as such in the relevant Series Memorandum and which may comprise, without limitation, (i) debt securities or negotiable instruments (including, without limitation, bonds, commercial paper, notes, debentures, promissory notes, certificates of deposit or bills of exchange) of any form, denomination, type and issue, (ii) shares, stock or other equity securities of any form, denomination, type and issuer, (iii) the benefit of loans, evidences of indebtedness or other rights whatsoever, contractual or otherwise (including, without limitation, sub-participation, documentary or standby letters of credit or swap, option, exchange or other arrangements of the type contemplated in the description of "**Charged Agreement**" below) assigned or transferred to or otherwise vested in, or entered into by, the Issuer or (iv) any other assets all as may be more particularly specified in the applicable Series Memorandum. The Charged Assets in relation to a Series of Notes may comprise a pool or portfolio of one or more of any of the foregoing.

The Series Memorandum issued in respect of a Series or Tranche of Notes may specify that all or some of the Charged Assets for such Series may be substituted for certain other assets or that certain assets may be added to such Charged Assets, in which case the terms on which the same may occur will be set out in such Series Memorandum.

Details of the Charged Assets (or equivalent thereof) relating to any Alternative Investments will be contained in the applicable Alternative Memorandum and/or Constituting Instrument relating thereto.

**"Charged Agreement"**

Each Charged Agreement (if any) in relation to a Series of Notes will comprise those agreements which are specified as such in the relevant Series Memorandum. Any such agreement may comprise an interest rate and/or cross-currency swap transaction, total return swap, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap, equity or equity index option, equity default swap, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, currency option, forward purchase or sale agreement, credit default swap, credit default option or any other transaction providing for the payment of money and/or the delivery of securities or other assets (present or future, actual or contingent) (including any option with respect to any of the foregoing transactions) and any combination of the foregoing transactions entered into in connection with a particular Series. The Series Memorandum for any Series of Notes may, subject in the case of a rated Series to the requirements of any relevant recognised debt rating agency, require the Counterparty to any Charged Agreement with the Issuer to deposit security, collateral or margin, or to provide a guarantee, in respect of its obligations under such Charged Agreement in the circumstances specified in such Series Memorandum. However, in the absence of such a requirement no such security, collateral, margin or guarantee will be made or provided.

Details of any Charged Agreement relating to Alternative Investments will be specified in the applicable Constituting Instrument and/or Alternative Memorandum relating to such Alternative Investments.

**"Replacement and/or Substitution of Charged Assets"**

If so specified in the applicable Series Memorandum in relation to a Series, the Counterparty in relation to a Series may, in the manner specified in the relevant Series Memorandum, request that there be substituted for any of the securities or other assets for the time being forming all or part of the Charged Assets in relation to that Series

("Replaced Assets") other securities or assets of a type or types (or combination of such type or types) having a maturity date or maturity dates (as the case may be) and having a market value or nominal value (as the case may be) (a "Replacement Value") and other features (if any) as specified in the relevant Series Memorandum ("Replacement Assets").

In addition, if the securities or other assets which comprise all or part of the Charged Assets for a Series of Notes have a maturity or expiry date which falls prior to the maturity date or other date for redemption of the Notes of such Series, and there is no provision requiring early redemption in such event, then the proceeds of redemption received upon maturity or expiry of such Charged Assets shall, in the manner specified in the relevant Series Memorandum, be applied on behalf of the Issuer either:

- (i) in the purchase of further securities and/or other assets of a type or types (or combination of such type or types), having a maturity or expiry date and having a market value or nominal value (as the case may be) (a "Substitute Value") specified in the applicable Series Memorandum ("Substitute Assets"); and/or
- (ii) by crediting such proceeds of redemption to an interest bearing deposit account in the name of the Custodian (the "Deposit Account") opened by the Custodian with a bank or other financial institution specified in the relevant Series Memorandum on terms that, pending application of the funds standing to the credit of such Deposit Account in the purchase of Substitute Assets, such funds shall bear interest at the rate determined as specified in the relevant Series Memorandum. Funds credited to the Deposit Account from time to time (including capitalised interest) shall, in any event, be repayable to the Issuer on the maturity date or other date for redemption of the Notes of the relevant Series as specified in the relevant Series Memorandum.

**"New Series"**

The holders of an existing Series of Notes (the "Existing Series") may, with the consent of any relevant Counterparty, and if so specified in the relevant Series Memorandum, jointly elect to exchange that Existing Series for a new Series of Notes (the "New Series") to be issued by the Issuer. Any Charged Agreement in respect of such Existing Series so exchanged will be terminated and the security for the New Series will be that constituted by the Constituting Instrument in relation to the Existing Series (other than the security interest in any Charged Agreement so terminated) and, if appropriate, on further Charged Agreement(s) to be entered into in connection with the New Series, all as specified in the relevant Series Memorandum and as approved in writing by the Trustee provided that, if the Existing Series is rated on a solicited basis by any relevant recognised debt rating agency, it may only be exchanged for a New Series if each such relevant recognised debt rating agency shall have confirmed that it will assign the New Series the same rating or better than that assigned by such relevant recognised debt rating agency to the Existing Series immediately prior to such exchange (unless the relevant recognised debt rating agency shall have waived such requirement or the rules of the relevant recognised debt rating agency at the date of such exchange do not so require such similar rating).

**"Purchase"**

Unless the applicable Series Memorandum in respect of the relevant Series of Notes provides otherwise, the Issuer may not purchase Notes otherwise than in connection with a Counterparty Optional Termination as provided in the Charged Agreement in respect of the relevant Series of Notes. If there is no Charged Agreement, the Arranger or any Affiliate of the Arranger may at any time require the Issuer to purchase all or some of any Notes which have been purchased by or otherwise delivered to the Arranger or an Affiliate of the Arranger, as more particularly set out in the section herein entitled "*Terms and Conditions of the Notes – Redemption Purchase and Exchange – Purchase*".

**"Collection of Payments"**

Payments of interest and principal (and any other moneys or assets received) in respect of the Charged Assets will be credited to the account

of or otherwise paid or delivered to the Custodian specified in the Series Memorandum, save as otherwise specified therein. The Custodian will apply the amount of such moneys or assets which represents the obligations of the Issuer under any Charged Agreement to the account of any relevant Counterparty designated for such purpose (which shall initially be the account (if any) specified in the Series Memorandum as the Counterparty's Account) or otherwise as specified in the relevant Charged Agreement, save as otherwise specified in the relevant Series Memorandum. All moneys or assets representing the obligations of the relevant Counterparty under any Charged Agreement or, in the event that there is no Charged Agreement, all moneys or assets collected by the Custodian in respect of the Charged Assets as aforesaid shall be applied in payment and/or delivery to the Principal Paying Agent for payment and/or delivery in respect of the Notes, save as otherwise specified in the relevant Series Memorandum and subject as provided in Condition 4 under "*Terms and Conditions*" below.

**"Restrictions"**

So long as any Notes or Alternative Investments remain outstanding, the Issuer will not, without the prior written consent of the Trustee, engage in any business (other than transactions contemplated by the Programme Memorandum in relation to the Issuer) or declare any dividends or have any subsidiaries. The Issuer will undertake to notify any relevant recognised debt rating agency which has assigned a rating (at the request of the Issuer) to any senior tranche of Notes of any change in its corporate status (including, without limitation, any change in its principal objects or business).

**"Indebtedness"**

The Issuer may incur indebtedness for borrowed money, by or in connection with the issue of Notes or Alternative Investments for the purposes of financing the acquisition of Charged Assets as permitted by the Programme Memorandum relating to the Issuer. Such Charged Assets may (but need not) comprise solely a derivative transaction. In addition, the Issuer may incur indebtedness for borrowed money for the purposes of financing the acquisition of any asset, right or thing or for making payments under any obligation whatsoever where it is stated that there are no Charged Assets in the terms and conditions applicable to the relevant Notes or Alternative Investments, provided that the obligations of the Issuer with respect to the Notes, Receipts and Coupons (if any) of the Series or the Alternative Investments concerned are limited recourse obligations, as described below.

**"Cross Default"**

None.

**"Taxation"**

Payments of principal and interest in respect of the Notes, Receipts or Coupons (if any) or Alternative Investments will be made subject to withholding tax (if any) applicable to the Notes or Alternative Investments without the Issuer being obliged to pay further amounts as a consequence (see Condition 17 under "*Terms and Conditions of the Notes*" below) unless otherwise provided in the applicable Series Memorandum.

**"Events of Default"**

The Events of Default which apply to the Notes are set out in Condition 9 under "*Terms and Conditions of the Notes*" below.

**"Limited Recourse"**

The obligations of the Issuer with respect to the Notes, Receipts and Coupons (if any) of a Series or the Alternative Investments are limited recourse obligations. If:

- (i) the net proceeds of the security for any Series of Notes or Alternative Investments, having become enforceable in accordance with the Conditions of the Notes of such Series or such Alternative Investments; or
- (ii) (if there is no security but the Issuer's obligations are nevertheless limited in recourse to an amount equal to the net proceeds of sale or realisation of a specified asset or pool of assets attributed to such Series or Alternative Investments ("**Underlying Assets**")),

the moneys available to the Issuer in respect of such Series;

are not (in either case) sufficient to make all payments due in respect of the Notes, Receipts and Coupons (if any) of such Series or the Alternative Investments and for the Issuer to meet its obligations (if any) in respect of the termination of any Charged Agreement in respect of that Series or Alternative Investments, the other assets of the Issuer (including, without limitation, assets securing, or attributable to, any other Series of Notes or Alternative Investments) will not be available for payment of any shortfall arising therefrom. Any such shortfall shall, unless otherwise specified in the applicable Series Memorandum or Alternative Memorandum (in relation to a Series of Notes), be borne by the Noteholders, the Receiptholders, the Couponholders and by any Counterparty (if any) as specified in the applicable Series Memorandum. Claims in respect of any shortfall remaining after sale or realisation of the security or Underlying Assets in relation to such Series and application of the proceeds of such enforcement in accordance with the Trust Deed (as defined below) in relation to such Series and the Conditions of the Notes of that Series shall be extinguished and failure to make any payments in respect of such shortfall shall not constitute an Event of Default with respect to the Notes or any Notes of any other Series or any Alternative Investments.

**"Other provisions"**

The applicable Series Memorandum may include provisions which complete, amend, supplement or vary the terms and conditions set out under "*Terms and Conditions of the Notes*" below as they apply to the Notes or may specify one or more other documents as doing so. In particular, such provisions may include credit related features which may include defined terms such as "**Reference Security**", "Reference Entity" and, relating to the Issuer, "**Credit Event**". References in the Programme Memorandum relating to the Issuer to such terms are to those terms as defined in the relevant Series Memorandum.

**"Listing"**

Application may be made to the Irish Stock Exchange for certain Series during the period of one year from the date of this Programme Memorandum to be admitted to the Official List and trading on its Global Exchange Market. However, any such application may not be successful. In addition, a Series may be listed on any other stock exchange or may be unlisted.

**"Rating"**

Notes of a Series or Alternative Investments may be rated by one or more of Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. ("**S&P**"), Moody's Investors Service Limited ("**Moody's**"), Fitch Ratings Limited ("**Fitch**") and/or other recognised debt rating agencies. The relevant Series Memorandum will state whether or not a Series of Notes is, or is anticipated to be, rated by any rating agency. Whether or not a rating in relation to any Series of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies will be disclosed in the relevant Series Memorandum. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning agency.

The Issuer will notify any rating agency which has assigned a rating to any Series of Notes or Alternative Investments or any class thereof which is outstanding of any further Series of Notes or Alternative Investments to be issued which may be unrated and the Issuer shall obtain from such relevant agency a confirmation that the current rating of the Series of Notes or Alternative Investments or, as the case may be, the relevant class thereof shall not be withdrawn or adversely affected by such further Series of Notes or Alternative Investments. Details of the initial rating of a Series of Notes will be given in the relevant Series Memorandum. A security rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn at any time by the relevant recognised rating agency.

<b>"Governing Law"</b>	English law or otherwise as provided in the applicable Series Memorandum.
<b>"Selling Restrictions"</b>	There are restrictions on the offer or sale of Notes and the distribution of offering material - see " <i>Subscription and Sale</i> " below. The applicable Series Memorandum in relation to the Notes of a particular Series or Tranche may contain additional or other restrictions on the offer or sale of, or grant of a participation in, Notes of the relevant Series or Tranche.
<b>"Alternative Investments"</b>	The Issuer may from time to time incur secured (or, if so specified in the relevant Alternative Memorandum or applicable Constituting Instrument, unsecured), limited recourse obligations under the Programme in a form other than Notes. Alternative Investments may take the form of limited recourse asset-backed debt instruments in non-standard form or governed by laws other than the laws of England, limited recourse asset-backed indebtedness incurred under loan or facility agreements, including agreements governed by laws other than the laws of England, derivative transactions (including, without limitation, buy-sell back transactions, sale and repurchase transactions, forward and foreign exchange transactions or swaps, options or futures transactions, which instruments, under the rules of the Irish Stock Exchange or other stock exchanges, are not or may not be currently eligible for listing or trading on or by such exchange or competent authority) or such other form as may be determined by the Issuer, the Arranger and the Dealers (if any) in respect of such Alternative Investments and (unless otherwise specified in the relevant Alternative Memorandum or Constituting Instrument) will be secured in a manner similar to that described under Condition 4 of the Notes, <i>mutatis mutandis</i> , or in such other manner as may be determined by the Issuer, the Arranger or the Dealers in respect of such Alternative Investments. The terms and conditions and form of, and security (if any) for, each Alternative Investment will be as set out in the relevant Alternative Memorandum. Alternative Investments will only be listed on the Irish Stock Exchange or any other exchange to the extent permissible under the rules of the relevant exchange.
<b>"Irish Listing Agent"</b>	Matheson.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the "Master Terms and Conditions") which, subject to completion and amendment and as supplemented, varied or restated in accordance with the provisions of the relevant Constituting Instrument and save for the italicised text, will be incorporated into the Trust Deed constituting the Series or Tranche of Notes and endorsed on Notes in definitive bearer form (if any). The relevant Series Memorandum will indicate, or set out in full, those provisions of these Master Terms and Conditions, and the amendments, variations and the supplementary provisions to such Master Terms and Conditions, which are, in each case, applicable to the Notes of such Series or Tranche. References in the Master Terms and Conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme. The terms and conditions of any Alternative Investments will be as set out in the relevant Constituting Instrument therefor.*

The Notes of the Series (as defined below) of which this Note forms a part (in these Conditions, the "Notes") are constituted, governed and secured (where applicable) by or pursuant to a constituting instrument relating to the Notes (the "Constituting Instrument", which expression shall include each schedule, appendix and/or annexure thereto) dated the Issue Date (as defined in Condition 6.10) between the "Issuer" (as defined in the Constituting Instrument), each person, if any, named therein as a counterparty (each a "Counterparty", which expression as used herein shall mean all or any of such persons, as the case may be), the "Trustee" (as defined in the Constituting Instrument and which expression shall include all persons for the time being the trustee or trustees under the Trust Deed, as defined below) and other parties (if any) named therein. The Constituting Instrument constitutes and (where applicable) secures the Notes by the creation of a trust deed (the "Trust Deed") on the terms (as amended, modified and/or supplemented by the Constituting Instrument) set out in the master trust terms (the "Master Trust Terms") as specified in the Constituting Instrument. By executing the Constituting Instrument, the Issuer has entered into a custody agreement in respect of the Notes (the "Custody Agreement"), with the "Custodian" (as defined in the Constituting Instrument), the Trustee and each Counterparty on the terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master custody terms (the "Master Custody Terms") as specified in the Constituting Instrument. By executing the Constituting Instrument, the Issuer has also entered into an agency agreement (the "Agency Agreement") with one or more of the parties defined in the Constituting Instrument as the "Issue Agent", the "Principal Paying Agent", the "Interest Calculation Agent", the "Determination Agent", the "Collateral Agent", the "Realisation Agent" the "Registrar", the "Transfer Agent" (which term may include more than one Transfer Agent) and any other "Paying Agents" (such other Paying Agents being defined as such together with the Principal Paying Agent), the Trustee and the Counterparty, on the terms (save as amended, modified and/or supplemented by the relevant Constituting Instrument) set out in the master agency terms (the "Master Agency Terms") as specified in the Constituting Instrument.

Statements in these terms and conditions (the "Conditions") are summaries of, and subject to, the detailed provisions appearing in the Trust Deed relating to the Notes and, if it is stated in the Constituting Instrument that the Notes are issued with the benefit of one or more additional instruments (each an "Additional Charging Instrument") creating security interests over the Charged Assets (as defined in Condition 4.1), each Additional Charging Instrument. Copies of the Master Trust Terms, the Master Agency Terms and the Master Custody Terms, the Constituting Instrument in relation to the Notes and, if applicable, of each Additional Charging Instrument are available for inspection at the specified offices of the Paying Agents, the Registrar and the Transfer Agents (in each case, if any) in respect of the Notes. In respect of the Notes, references herein to the "Issue Agent", to the "Principal Paying Agent" or to the "Registrar" shall include, respectively, any successor Issue Agent, Principal Paying Agent or Registrar and references herein to the "Paying Agents", to the "Transfer Agents", the "Realisation Agent" the "Collateral Agent" or to the "Custodian" shall include, respectively, any successor or additional Paying Agents, Transfer Agents, Collateral Agent or Custodian, in each case appointed in accordance with the Agency Agreement or, as the case may be, the Custody Agreement. In respect of the Notes, references herein to "Agents" are to the Issue Agent, the Principal Paying Agent, the other Paying Agents, the Interest Calculation Agent, the Registrar, the Transfer Agents, the Custodian, the Collateral Agent, the Determination Agent, the Realisation Agent, the Account Bank and each other agent appointed in accordance with the Agency Agreement or, as the case may be, the Custody Agreement, as applicable. The Noteholders (as defined below) and the holders of the interest coupons (the "Coupons") (if any) appertaining to interest bearing Notes in bearer form (the "Couponholders", which expression includes the Talonholders and the Receiptholders referred to below), the holders of talons (the "Talons") (if any) for further coupons attached to such Notes (the "Talonholders") and the holders of instalment receipts (the "Receipts") appertaining to the payment of principal by instalments (the "Receiptholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed relating to the Notes and, if applicable, any Additional Charging Instrument and to have notice of those provisions of the Custody Agreement, the Agency Agreement and the Charged Agreement (as defined in Condition 4.2) applicable to them. References herein to the "Arranger" and the "Dealers" are to the person or person(s) specified as such in the relevant Constituting Instrument acting in its or their capacity as such and references to the "Programme Memorandum" are references to the latest Programme Memorandum published by the Issuer, as amended, supplemented, restated and replaced from time to time.

The Constituting Instrument will state whether the Issuer has entered into a Charged Agreement with respect to a Series, in the absence of which the Conditions of such Series shall be construed as if references to any Counterparty or any Charged Agreement were not applicable.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it; (ii) "**interest**" shall be deemed to include all Interest Amounts (as defined in Condition 6.10) and all other amounts in the nature of interest payable pursuant to Condition 6 or any amendment or supplement to it; (iii) unless the relevant Constituting Instrument provides otherwise, a "**Series**" shall be construed as a reference to Notes which are denominated in the same currency (or, in the case of Dual Currency Notes, which have identical provisions relating to the currency in which payments are or may be made in respect thereof), have the same issue date, the same maturity date and bear interest (if any) on the same basis or at the same rate (except in respect of the first payment of interest) and on terms otherwise identical; and (iv) a "**Tranche**" shall be construed as a reference to a tranche of Notes which form part of the same Series as Notes comprised in another Tranche. References to the "Conditions" shall be construed in relation to a Series as a reference to these Conditions as amended supplemented or restated in relation to such Series by the relevant Constituting Instrument.

Words and expressions used but not otherwise defined in these Conditions shall have the meanings given to them in the master definitions (the "**Master Definitions**") specified in the Constituting Instrument. Furthermore, in the event that any provision in any of the documents listed below conflicts with any provision of one or more of the other documents listed below, the provision specified in the document ranking the higher or, as the case may be, the highest in the order in which such documents are so listed shall prevail:

- (a) first, the Trust Deed;
- (b) secondly, the Charged Agreement;
- (c) thirdly, the Additional Charging Instrument;
- (d) fourthly, these Conditions;
- (e) fifthly, the Custody Agreement;
- (f) sixthly, the Agency Agreement;
- (g) seventhly, the Charged Assets Sale Agreement;
- (h) eighthly, the Placing Agreement; and
- (i) ninthly, the Master Definitions,

however, no party shall be liable for having acted in good faith in accordance with a provision of one document which conflicts with a provision of a higher ranking document.

## 1. **Form, Denomination and Title**

### 1.1 **Bearer Notes**

- (a) If it is specified in the Constituting Instrument that Notes are in bearer form ("**Bearer Notes**"), the Bearer Notes if issued in definitive form shall be serially numbered in an Authorised Denomination (as defined in Condition 1.3), and shall be D Notes (as defined below) unless specified in the Constituting Instrument that the Notes are C Notes (as defined below). The principal amount of each Note will be specified on its face.

No Bearer Note may be offered, sold or delivered within the United States or to or for the account of a U.S. Person (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder (the "**Code**")), except in certain transactions permitted by U.S. tax regulations.

Each Series of Bearer Notes or a Tranche thereof issued pursuant to Section 1.163- 5(c)(2)(i)(D) of the Treasury Regulations under the Code ("**D Notes**") will initially be represented by one or more notes in temporary global form (a "**Temporary Global Note**") without Receipts, Coupons or Talons, and each Series of Bearer Notes or a Tranche thereof issued pursuant to Section 1.163-5(c)(2)(i)(C) of the Treasury Regulations under the Code ("**C Notes**") will be represented by one or more notes in permanent global form (a "**Permanent Global Note**") without Receipts, Coupons or Talons or by definitive Bearer Notes. A Temporary Global Note and/or a Permanent Global Note, as the case may be, will be delivered to a common depositary for Euroclear Bank S.A./N.V. or any successor thereto, as operator of the

Euroclear system ("**Euroclear**", which expression shall include, where the context so permits, any successor in business of Euroclear) and Clearstream Luxembourg, société anonyme ("**Clearstream Luxembourg**", which expression shall include, where the context so permits, any successor in business of Clearstream Luxembourg). Any reference herein to Euroclear or Clearstream Luxembourg shall, wherever the context permits, be deemed to include a reference to any additional or alternative clearing system as specified in the applicable Constituting Instrument in which beneficial interests in the Notes are for the time being recorded (an "**Alternative Clearing System**") and shall include any successor in business to Euroclear or Clearstream Luxembourg or any such Alternative Clearing System. Notwithstanding the foregoing, Bearer Notes shall not be eligible for deposit with The Depository Trust Company ("**DTC**"). Euroclear, Clearstream Luxembourg, DTC and any Alternative Clearing System are each sometimes referred to herein as a "**Clearing System**" and collectively as "**Clearing Systems**". Any reference in this Condition 1.1 to a Permanent Global Note shall be deemed to be a reference to a Permanent Global Note representing either D Notes or C Notes, as the context requires, and any reference herein to a Note shall be deemed to be a reference to a D Note or a C Note, as the context requires.

If a date for the payment of interest on any Bearer Note occurs while such Bearer Note is represented by a Temporary Global Note, the related interest payment will be made against presentation of the Temporary Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Global Note) has been received by Euroclear or Clearstream Luxembourg. Interests in a Temporary Global Note will be exchangeable for interests in a Permanent Global Note or for definitive Bearer Notes, with, where applicable, Receipts, Coupons and Talons attached in the circumstances and subject to the conditions specified in the Constituting Instrument, not earlier than the first day (the "**Exchange Date**") following the 40 day period commencing on the original issue date of the Notes (the "**40-Day Restricted Period**"), provided that certification of non-U.S. beneficial ownership has been received. Save for payments of interest as described above, no payments will be made on a Temporary Global Note unless, upon due presentation of a Temporary Global Note for exchange (together with certification of non-U.S. beneficial ownership), delivery of a Permanent Global Note (or, as the case may be, an interest therein) or definitive Bearer Notes is improperly withheld or refused and such withholding or refusal is continuing at the relevant due date for payment.

Payments of principal or interest (if any) in respect of a Permanent Global Note will be made through Euroclear or Clearstream Luxembourg or the relevant Alternative Clearing System against presentation or surrender, as the case may be, of the Permanent Global Note. A Permanent Global Note will, unless otherwise provided in the relevant Constituting Instrument be exchangeable, in whole but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached at the option of the holder (or of all the holders acting together, if more than one) if the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Permanent Global Note for payment or if either Euroclear or Clearstream Luxembourg or any Alternative Clearing System in which the Permanent Global Note is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Permanent Global Note or does in fact do either of such things and no Alternative Clearing System satisfactory to the Trustee and the Principal Paying Agent is available, all as set out in the Constituting Instrument.

No definitive Bearer Note delivered in exchange for a portion of a Permanent Global Note shall be sent by post or otherwise delivered to any location in the United States or its possessions in connection with such exchange.

- (b) Title to the Bearer Notes, the Receipts (if any), the Coupons (if any) and the Talons (if any) passes by delivery. In these Conditions, subject as provided below, "**Noteholder**" and (in relation to a Note, Receipt, Coupon or Talon) "**holder**" means the bearer of any Bearer Note, Receipt, Coupon or Talon (as the case may be). The holder of any Note, Receipt, Coupon or Talon will (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 interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

For so long as the Notes are represented by a Temporary Global Note or a Permanent Global Note (together "**Global Notes**") and the Global Notes are held on behalf of Euroclear and Clearstream Luxembourg or on behalf of an Alternative Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream Luxembourg or such Alternative Clearing System, as appropriate, and each person who is for the time being shown in the records of Euroclear or Clearstream Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) or an Alternative Clearing System as the holder of a particular principal amount of the Notes (in which regard any certificate or other document issued by

Euroclear or Clearstream Luxembourg or such Alternative Clearing System as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of the Notes" shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Notes and provided that such principal amount is an integral multiple of an Authorised Denomination.

Each Accountholder must look solely to its Clearing System for such *Accountholder's share of each payment or distribution of any other entitlement made by the Issuer to the holder of the Global Notes and in relation to all other rights arising under the Global Notes. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Notes will be determined by the respective rules and procedures of their Clearing System. Accountholders shall have no claim directly against the Issuer, the Trustee or any other person (other than their Clearing System) in respect of payments or distributions of other entitlements due under the Global Notes which are made by the Issuer to the holder of the Global Notes and such obligations of the Issuer shall be discharged thereby.*

*The following legend will appear on all D Notes, Permanent Global Notes representing D Notes and any Receipts, Coupons or Talons in respect thereof:*

*"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 U.S. INTERNAL REVENUE CODE."*

The sections of the Code referred to in the foregoing legend provide that, with certain exceptions, a United States taxpayer will not be entitled to deduct any loss, and will not be entitled to capital gains treatment in respect of any gain realised, on any sale, disposition or payment of a Note, Receipt, Coupon or Talon for U.S. federal income tax purposes.

## 1.2 Registered Notes

- (a) If it is specified in the Constituting Instrument that Notes are in registered form or if as a result of an exchange of Bearer Notes pursuant to Condition 2.1 Notes are in registered form (in both cases, "**Registered Notes**"), such Registered Notes shall be in an Authorised Denomination or an integral multiple thereof as specified in the Constituting Instrument. The principal amount of each Note will be specified on the face of the definitive registered certificate ("**Registered Certificate**") or the global registered certificate ("**Global Registered Certificate**") as applicable representing the Registered Notes. Subject to the procedures discussed below, title to the Registered Notes passes by registration in the register which the Issuer shall procure to be kept by the Registrar (the "**Register**"). In these conditions, subject as provided below, "**Noteholder**" and "**holder**" means the registered holder of any Registered Notes. The Issuer may require information to be provided by or about the beneficial owner of any Registered Notes prior to making any payment of interest on such Notes and may impose transfer restrictions upon Registered Notes in order to comply with local withholding tax obligations.

### (b) Non-U.S. Series/Non-U.S. Tranche

If the Registered Notes comprise a Series (a "**non-U.S. Series**") or a Tranche (a "**non-U.S. Tranche**") for which the Constituting Instrument specifies that the Notes may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**")), such Registered Notes will be initially represented by a Registered Certificate or a Global Registered Certificate.

Payments of principal or interest (if any) in respect of a Global Registered Certificate will be made through Euroclear or Clearstream Luxembourg or the relevant Alternative Clearing System or, if so specified in the Constituting Instrument, through the person named in such Constituting Instrument, against, in the case of payments of principal only, presentation or surrender, as the case may be, of the Global Registered Certificate. A Global Registered Certificate will, if so provided in the relevant Constituting Instrument, be exchangeable, in whole but not in part, for Registered Certificates (i) on request from the holder thereof (or of all the holders acting together, if more than one) upon not less than 60 days' prior written notice to the Issuer and the Trustee or, (ii) if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of Euroclear, Clearstream Luxembourg or any Alternative Clearing System which would not be suffered were the Registered Notes in definitive form and a certificate to such effect is given to the Trustee, (iii) at the option of the holder (or all of the holders acting together, if more than one) if the Notes become due and payable as the result of an Event of Default in accordance with Condition 9 and payment is not made on due presentation of the Global Registered Certificate for payment or if

*either Euroclear or Clearstream Luxembourg or any Alternative Clearing System in which the Global Registered Certificate is for the time being deposited is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Global Registered Certificate or does in fact do either of such things and no Alternative Clearing System satisfactory to the Trustee and the Registrar is available, all as set out in the Constituting Instrument.*

For so long as the Notes are represented by a Global Registered Certificate and the Global Registered Certificate is held on behalf of Euroclear and Clearstream Luxembourg or an Alternative Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of Euroclear and Clearstream Luxembourg or such Alternative Clearing System, as appropriate, and each person who is for the time being shown in the records of Euroclear or Clearstream Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) or an Alternative Clearing System as the holder of a particular principal amount of the Notes (in which regard (a) any certificate or other document issued by Euroclear or Clearstream Luxembourg or such Alternative Clearing System or (b) a print-out generated by accessing the EUCLID or CEDCOM systems, in each case as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of the Notes" shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Registered Certificate.

*Each Accountholder must look solely to its Clearing System for such Accountholder's share of each payment or distribution of any other entitlement made by the Issuer to the registered holder of the Registered Notes represented by the Global Registered Certificate and in relation to all other rights arising under the Global Registered Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Registered Certificate will be determined by the respective rules and procedures of their Clearing System. Accountholders shall have no claim directly against the Issuer, the Trustee or any other person (other than their Clearing System) in respect of payments or distributions of other entitlements due under the Global Registered Certificate which are made by the Issuer to the registered holder of the Registered Notes represented by the Global Registered Certificate and such obligations of the Issuer shall be discharged thereby.*

Each initial purchaser and subsequent transferee of Registered Notes of a Non-U.S. Series or a Non-U.S. Tranche will be deemed to have represented, warranted, undertaken, acknowledged and agreed with the Issuer, the Arranger and the Dealers:

- (i) that it is not a U.S. person (as defined in Regulation S under the Securities Act);
- (ii) that the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**1940 Act**"). Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and that does not require the Issuer to register under the 1940 Act; and
- (iii) that its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of the U.S. Employee Retirement Income Security Act 1974, as amended ("**ERISA**") or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

Subject to the restrictions (if any) referred to in the Constituting Instrument, Registered Notes of a non-U.S. Series or a non-U.S. Tranche which are represented by a Registered Certificate may be transferred in whole or in part in an Authorised Denomination or an integral multiple thereof upon the surrender of the Registered Certificate representing such Registered Notes, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Certificate, new Registered Certificates in the relevant amounts will be issued to the transferor and the transferee.

Each new Registered Certificate to be issued upon transfer of Registered Notes of a non-U.S. Series or a non-U.S. Tranche will (subject as referred to in the Constituting Instrument), within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom the form of transfer shall have been delivered) of receipt of such form of transfer, be available for delivery at the specified office

of the Transfer Agent or of the Registrar (as the case may be) stipulated in the form of transfer, or be mailed at the risk of the holder entitled to the Registered Certificate to such address as may be specified in such form of transfer.

Exchange of Registered Certificates on transfer will (subject as provided in the Constituting Instrument) be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

No Noteholder may require the transfer of a Registered Note to be registered during the period of 15 days ending on the due date for any payment of principal, interest or any amounts due upon redemption of such Note.

If Registered Notes are represented by a Global Registered Certificate, such Global Registered Certificate will be deposited with and registered in the name of a Common Depository (or its nominee) on behalf of Euroclear and Clearstream Luxembourg or an Alternative Clearing System or in the name of such other person as the Constituting Instrument shall provide.

(c) **U.S. Series/U.S. Tranche**

If the Registered Notes comprise a Series (a "**U.S. Series**") or a Tranche (a "**U.S. Tranche**") for which the Constituting Instrument specifies that the Notes may be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the Securities Act), such Registered Notes may only be represented by Registered Certificates provided that if the Constituting Instrument specifies that the alternative procedures described below (the "**Alternative Procedures**") apply, then such Registered Notes will be initially represented by a Global Registered Certificate deposited with a nominee of DTC. If the Alternative Procedures do not apply then, unless otherwise specified in the applicable Constituting Instrument, Registered Notes of a U.S. Series or a U.S. Tranche will not be eligible for deposit or clearance with Euroclear, Clearstream Luxembourg, DTC or any Alternative Clearing System. Notes of a U.S. Series or U.S. Tranche, whether in the form of Registered Certificates or a Global Registered Certificate, shall be issued in the minimum denominations specified in the Constituting Instrument.

Any Notes of a U.S. Series or U.S. Tranche represented by a Registered Certificate will be offered and sold only (i) outside the United States, to non-U.S. Persons pursuant to Regulation S or (ii) to or for the account or benefit of U.S. Persons that are (A) (i) qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the Securities Act or (ii) "accredited investors" ("**AIs**") within the meaning of Rule 501(a)(1), (2), (3) or (7) ("**Rule 501**") under Regulation D under the Securities Act who are acquiring the Notes for investment purposes and not with a view to the distribution thereof, and (B) in the case of U.S. Persons, Qualified Purchasers ("**QPs**") as defined in Section 2(a)(51) of the 1940 Act that are beneficial owners of such Notes for purposes of Section 3(c)(7) of the 1940 Act. The relevant Constituting Instrument will state whether the exemption provided by Section 3(c)(7) of the 1940 Act will apply to the Registered Certificates of a U.S. Series or a U.S. Tranche.

Any Registered Certificates of a U.S. Series or U.S. Tranche will bear a legend (the "**Legend**") substantially to the same effect as the contents of the Investment Agreement referred to below, and transfers of such Registered Certificates may only take place in accordance with the provisions of the Legend.

*Investment Agreement applicable to Registered Notes of a U.S. Series/U.S. Tranche*

As a condition to purchasing the Registered Notes of a U.S. Series or U.S. Tranche, other than Notes represented by Registered Certificates in respect of which Alternative Procedures apply, each initial purchaser or holder of the Notes represented by such Registered Notes will sign and deliver to the Arranger an investment agreement or similar document (an "**Investment Agreement**"), and the Arranger will undertake to provide a copy of such signed Investment Agreement to the Issuer. Unless the Constituting Instrument specifies otherwise, by virtue of having signed an Investment Agreement, each initial purchaser or holder of such Registered Notes of a U.S. Series or U.S. Tranche shall have made certain representations, warranties, acknowledgements and agreements to and/or with the Arranger, the Dealers and the Issuer, including, but not limited to, the following:

- (i) that it is acquiring the Notes for its own account or for accounts as to which it exercises sole investment discretion ("**Clients**") and it and any Client either (A) are not "U.S. Persons" as defined in Regulation S under the Securities Act, or (B) make the following statements, representations and acknowledgements in connection with its purchase and holding of the Notes:

- (A) it understands that the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and does not intend to be registered as an investment company under the 1940 Act. Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and does not require the Issuer to register under the 1940 Act;
  - (B) it understands that the Notes will bear the Legend, and that its investment is subject to the restrictions contained in the Legend;
  - (C) it represents that it and any Client are "qualified institutional buyers" as defined in Rule 144A under the Securities Act or "accredited investors" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act who are acquiring the Notes for investment purposes and not with a view to the distribution thereof;
  - (D) it represents that it and any Client are "Qualified Purchasers" as defined in Section 2(a)(51) of the 1940 Act and will be beneficial owners of the Notes, if Section 3(c)(7) of the 1940 Act is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument; and
  - (E) it represents that it is a sophisticated investor with the knowledge, sophistication and experience in business and financial matters to allow it to evaluate the merits and risks of an investment in the Notes and that it is capable of bearing the economic risk of such investment; and
- (ii) it represents that its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

*Transfer Letter applicable to Registered Notes of a U.S. Series/U.S. Tranche*

Each subsequent purchaser or transferee of Registered Notes of a U.S. Series or U.S. Tranches, other than Notes represented by Registered Certificates in respect of which Alternative Procedures apply, (whether such purchase or transfer is from the Issuer, the Arranger, a Dealer or from subsequent purchasers or transferees) will be required (unless otherwise specified in the Constituting Instrument), as a condition to its entitlement to be entered on the Register maintained by the Registrar with respect to the Notes represented by such Registered Certificates, to execute and deliver a transfer letter (a "**Transfer Letter**") substantially in the form set out in the form of Registered Certificate comprised in the Trust Deed or in such other form as may be specified in the Constituting Instrument.

Each subsequent purchaser or transferee of Registered Notes of a U.S. Series or U.S. Tranche shall have, by virtue of having signed a Transfer Letter, represented, warranted, acknowledged and agreed with the Arranger, each Dealer and the Issuer that:

- (i) the Notes have not been and will not be registered under the Securities Act or any state securities laws and the Issuer has not been and does not intend to be registered as an investment company under the 1940 Act. Accordingly, the Notes may not be offered, sold or otherwise transferred except in a transaction that is exempt from the registration requirements of the Securities Act and state securities laws and does not require the Issuer to register under the 1940 Act;
- (ii) it is (A) not a U.S. Person as defined in Regulation S under the Securities Act or (B) both (1) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or an "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under Regulation D under the Securities Act and (2) a "Qualified Purchaser" as defined in Section 2(a)(51) of the 1940 Act who is an owner of the Notes for purposes of Section 3(c)(7) of the 1940 Act, if such section is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument, if such section is deemed to be applicable to the Notes in accordance with the relevant Constituting Instrument; and
- (iii) its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

*Transfers of Registered Notes of a U.S. Series/U.S. Tranche*

If the Constituting Instrument states that the exception under Section 3(c)(7) of the 1940 Act applies to a U.S. Series or U.S. Tranche, the Issuer has agreed to limit to QPs those U.S. Persons which are at any time the beneficial owners of Notes of such U.S. Series or U.S. Tranche. In such case the Issuer may put in place procedures (which may include certification requirements) to ensure that transfers will not result in the Notes being held by any U.S. Person who is not a QP).

Subject as provided in the relevant Constituting Instrument, requests for the transfer of the whole or part of a Registered Certificate in an Authorised Denomination or an integral multiple thereof may be made by the surrender of the Registered Certificate, together with the form of transfer endorsed on such Registered Certificate duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Certificate, a new Registered Certificate in respect of the balance not transferred will be issued to the transferor.

Each new Registered Certificate to be issued upon transfer of Registered Notes of a U.S. Series or U.S. Tranche will (subject as referred to in the relevant Transfer Letter and/or the Constituting Instrument) within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom the form of transfer shall have been delivered) of receipt of such form of transfer, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) stipulated in the form of transfer, or be mailed at the risk of the holder entitled to the Registered Certificate to such address as may be specified in such form of transfer.

Exchange of Registered Certificates on transfer will (subject as provided in the relevant Constituting Instrument) be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

No Noteholder may require the transfer of a Registered Certificate to be registered during the period of 15 days ending on the due date for any payment of principal, interest or any amounts due upon redemption of such Note.

Payments of principal or interest (if any) at the request of the holder (or all holders, if more than one) shall be made through the relevant Clearing System or, if so specified in the Constituting Instrument, through the person named in such Constituting Instrument, against, in the case of payments of principal only, presentation or surrender, as the case may be, of the Global Registered Certificate. A Global Registered Certificate will be exchangeable, in whole but not in part, for Registered Certificates if the Issuer would suffer a material disadvantage as a result of a change in laws or regulations (taxation or otherwise) or as a result of a change in the practice of the relevant Clearing System which would not be suffered were the Notes in definitive registered form and a certificate to such effect is given to the Trustee) or otherwise only at the request of the holder (or all holders, if more than one) (i) if the relevant Clearing System is closed for business for a continuous period of 14 days (otherwise than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or to cease to make its book-entry system available for settlement of beneficial interests in such Global Registered Certificate or does in fact do either of such things and no alternative clearing system satisfactory to the Trustee, the Principal Paying Agent and the Registrar is available; or (ii) an Event of Default under Condition 9 occurs and is continuing and payment is not made on due presentation of the Global Registered Certificate for payment all as set out in the Constituting Instrument. In such case, Registered Certificates issued in exchange for the Global Registered Certificate shall bear such legend, and holders of the Registered Certificates issued on exchange shall be required to comply with such transfer and resale restrictions, as may be required to permit compliance with the Securities Act and the 1940 Act with respect to such Registered Certificates.

For so long as the Notes are represented by a Global Registered Certificate and the Global Registered Certificate is held on behalf of a Clearing System, beneficial interests in Notes will only be transferable in accordance with the rules and procedures for the time being of such Clearing System, and each person who is for the time being shown in the records of such Clearing System as the holder of a particular principal amount of the Notes shall be treated by the Issuer, the Trustee and the Agents as the holder of such principal amount of the Notes (and the expression "Noteholders" and references to "holding of Notes" and to "holder of the Notes" shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest, or any amount due on redemption in respect of the Global Registered Certificate.

In the case of Registered Notes placed under Rule 144A, so long as any of such Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

Any purchaser of Notes that is a registered U.S. investment company should consult its own counsel regarding the applicability of Section 12(d) and Section 17 of the 1940 Act and the rules promulgated thereunder to its purchase of the Notes and should reach an independent legal conclusion with respect to the issues involved in such purchase.

#### *Alternative procedures*

If the relevant Constituting Instrument specifies that the Alternative Procedures apply, such Registered Notes of a U.S. Series or U.S. Tranche will be initially represented by a Global Registered Certificate deposited with Cede & Co, as nominee of DTC, and will be eligible for deposit and clearance through DTC only. Unless otherwise specified in the applicable Constituting Instrument, such Notes may be offered or sold only to non-U.S. Persons outside the United States or to persons reasonably believed by the Issuer and the Arranger to be QIBs under Rule 144A that are also QPs under the 1940 Act. Each initial purchaser and subsequent transferee of such Notes will be deemed to have made the acknowledgements, representations and agreements with the Issuer and Arranger set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum.

In the event that a holder of a beneficial interest in a Global Registered Certificate is a U.S. Person and is determined not to be a Qualifying QIB/QP (as defined under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum), the Issuer shall have the right (the "**Sale/Redemption Right**") to (1) force the holder to sell such beneficial interest to a non-U.S. Person in an offshore transaction meeting the requirements of Rule 903 or 904 of Regulation S under the Securities Act or to a U.S. Person that is a Qualifying QIB/QP, or (2) redeem the Notes held by the holder for a redemption price per Note equal to the Early Redemption Amount (as defined in Condition 7.5). In addition, the Issuer shall have the right to refuse to register or otherwise honour a transfer of beneficial interests in a Global Registered Certificate to a proposed transferee that is a U.S. Person who is not a Qualifying QIB/QP.

Each purchaser of Notes will be deemed to represent that its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.

Any Global Registered Certificate to which the Alternative Procedures apply will bear a legend (the "**Global Legend**") setting forth (1) the minimum denomination of the Global Registered Certificate, (2) a description of the Sale/Redemption Right and (3) provisions substantially to the same effect as the information set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum. Transfers of such Global Registered Certificate or any beneficial interests therein shall only take place in accordance with the provisions of the Global Legend. The Issuer shall not remove the Global Legend (except for the provisions therein with respect to resales under Rule 144A, provided that the applicable holding period under Rule 144(k) has been satisfied) so long as any Notes of such U.S. Series are outstanding.

If the Alternative Procedures apply, the Issuer will, for so long as any Notes of a U.S. Series or U.S. Tranche are outstanding, use all reasonable endeavours to take certain actions to maintain its qualification for exemption from registration as an "investment company" under the 1940 Act. These actions include, but are not limited to, requesting that DTC, Bloomberg Financial Markets Commodities News and the CUSIP Bureau attach special indicators to their descriptions of the Global Registered Certificates which highlight the transfer restrictions on such Notes and requesting that DTC send a notice to all participants in DTC ("**DTC Participants**") in connection with the initial offering of such Global Registered Certificates.

The Issue Agent on behalf of the Issuer shall also send a notice (the "**Annual DTC Notice**") to DTC Participants holding an interest in a Global Registered Certificate to which the Alternative

Procedures apply, once per year on the anniversary of the issue date of the Notes of a U.S. Series or U.S. Tranche represented by such Global Registered Certificate, containing information substantially to the same effect as that set forth under the heading "Subscription and Sale – U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply" in the Programme Memorandum.

### 1.3 **Authorised Denomination**

Authorised Denomination means the denomination or denominations specified as such in the Constituting Instrument.

### 1.4 **Type of Note**

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Variable Coupon Amount Note, a High Interest Note, a Low Interest Note, an Interest Only Note, a Step-up Note or a Step-down Note (depending upon the basis for calculating interest specified in the Constituting Instrument), a Fixed Redemption Amount Note, a Variable Redemption Amount Note (depending upon the basis for calculating amounts payable on redemption specified in the Constituting Instrument) a Credit Linked Note, an Index Linked Note, an Equity Linked Note or other type of Formula Linked Note or comprises a combination of two or more of any of the types of Notes mentioned above as specified in the Constituting Instrument. All payments in respect of this Note shall be made in the currency shown on its face unless it is specified in the Constituting Instrument to be a Dual Currency Note (which for the purposes of these Conditions shall include Reverse Dual Currency Notes, Optional Dual Currency Notes and other Notes in respect of which payments shall, or may at the option of the Issuer or any holder, be made in more than one currency or in a different currency than that which would otherwise prevail in the absence of the exercise of any such option), in which case payments shall be made on the basis specified in the Constituting Instrument.

Interest bearing Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest (if any) due after the Maturity Date (as defined in Condition 7.1), or other date for redemption) and Coupons in these Conditions are not applicable. After all the Coupons attached to or issued in respect of any Bearer Note which was issued with a Talon have matured, a coupon sheet comprising further Coupons (other than Coupons which would be void) and, if applicable, one further Talon, will be issued against presentation and surrender of the relevant Talon at the specified office of any Paying Agent. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

## 2. **Exchange of Notes**

### 2.1 **Exchange of Bearer Notes**

If so specified in relation to the Notes of a Series in the Constituting Instrument, subject as provided in this Condition 2 and provided that, in the case of D Notes, certification of non-U.S. beneficial ownership has been received, Bearer Notes exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") may be exchanged for the same aggregate principal amount of Registered Notes of an Authorised Denomination at the request in writing of the relevant Noteholder and upon surrender of the Exchangeable Bearer Note to be exchanged together with all unmatured Receipts, Coupons and Talons relating to it (if any) at the specified office of the Registrar or any Transfer Agent. Where, however, an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8.2(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it.

Registered Notes may not be exchanged for Bearer Notes, unless otherwise specified in the Constituting Instrument.

### 2.2 **Delivery of new Registered Certificate/Global Registered Certificate**

Each new Registered Certificate or Global Registered Certificate to be issued upon request for exchange of Exchangeable Bearer Notes will, within three business days (in the place of the specified office of the Registrar or Transfer Agent to whom such request for exchange shall have been delivered) of receipt of such request for exchange, be available for delivery at the specified office of the Transfer Agent or of the Registrar (as the case may be) stipulated in the request for exchange, or be mailed at the risk of the holder entitled to the Registered Certificate or Global Registered Certificate to such address as may be specified in such request for exchange.

### 2.3 **Formalities free of charge**

The issue of Registered Certificates or a Global Registered Certificate upon an exchange of Bearer Notes and registration of the holder thereof will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant holder (or the giving of such indemnity by the relevant holder

as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

#### 2.4 Closed periods

No Noteholder may require a Bearer Note to be exchanged for a Registered Note during the period of 15 days ending on the due date for any payment of principal on that Note or any payment of interest thereon or after such Note has been called for redemption.

#### 2.5 Authorised Denomination

Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination.

### 3. Status

The Notes, Receipts, Coupons and Talons (if any) of any Series are limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 10 and will rank *pari passu* without any preference among themselves, save in the case of a Series of Notes comprising more than one tranche or class of Notes, in which case the Notes of each such tranche or class will rank *pari passu* and without any preference among themselves but not, save to the extent specified in the Constituting Instrument, with Notes of another tranche or class comprised in such Series. In such a case the ranking and preference of each class or tranche of Notes will be as set out in the Constituting Instrument.

### 4. Security

#### 4.1 Security

Unless otherwise specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, any and all security granted by the Issuer in respect of any Series shall be granted in favour of the Trustee, who shall hold such security on trust for each Counterparty, if there is one or more Charged Agreements in respect of the Series, the Noteholders and Receiptholders or Couponholders (if any) and such other persons as may be specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, such security being held in the order of priority described in Condition 4.4 and as more particularly specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable.

The Trust Deed provides that, save as expressly provided for in the Constituting Instrument or in the Conditions, the Trustee, in carrying out its duties and exercising its discretions under the Trust Deed, will be under no obligation or duty to act on any directions of the Noteholders or the Counterparty and in the event of any conflict between directions given by the Noteholders and by the Counterparty, it shall be entitled to act only in accordance with the directions of the Controlling Creditor. As used herein, the "**Controlling Creditor**" is either (i) the Counterparty if Counterparty Priority or *Pari passu* Ranking is applicable for the purposes of Condition 4.4 (unless all liabilities owed to the Counterparty in respect of the relevant Series have been discharged in full, in which case the Controlling Creditor shall be the Noteholders), or (ii) the Noteholders if Noteholder Priority is applicable for the purposes of Condition 4.4 (unless all liabilities owed to the Noteholders in respect of the relevant Series have been discharged in full, in which case the Controlling Creditor shall be the Counterparty, if any).

The obligations of the Issuer under the Notes and the Receipts or Coupons (if any) appertaining thereto are, unless otherwise specified in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, secured by (i) a fixed charge on, and/or by an assignment of and/or another security interest over, certain securities and/or agreements and/or rights (contractual or otherwise) and/or other assets (and/or the benefit, interest, right and/or title thereof, therein or thereto) (including, without limitation, as the case may be, (aa) bonds, commercial paper, notes, debentures, promissory notes, certificates of deposit, bills of exchange or other debt securities or negotiable instruments of any form, denomination, type and issuer, (bb) shares, stock or other equity securities of any form, denomination, type and issuer, (cc) the benefit of loans, evidences of indebtedness, and other rights, contractual or otherwise (including, without limitation, sub-participations, documentary or stand-by letters of credit or swap, option, exchange or other arrangements of the type contemplated in the definition of "Charged Agreement" in Condition 4.4, derivatives, commodity interests, assignments, participation, transferable loan certificates or instruments and/or any other instrument comprising, evidencing, representing and/or transferring such securities and/or agreements and/or rights (contractual or otherwise)) assigned or transferred to, or otherwise vested in, or entered into by, the Issuer as specified in the Conditions (the "**Charged Assets**") and all rights and all sums ("**Proceeds**") derived therefrom, (ii) an assignment of the Issuer's rights against the Custodian with respect to the Charged Assets under the Custody Agreement and a fixed charge on all funds in respect of the Charged Assets held from time to time by the Custodian, (iii) a fixed charge on all funds held from time to time by the Principal Paying Agent to meet payments due under the Notes, the Receipts and the Coupons (if any), (iv) an assignment of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom and (v) an assignment of the Issuer's rights, title and interest against each Arranger and each Dealer in relation to

the Notes under the relevant Placing Agreement and against the Seller of the Charged Assets under the relevant Charged Assets Sale Agreement.

Save as otherwise specified in the Constituting Instrument, the obligations of the Issuer under the Notes and the Receipts or Coupons (if any) appertaining thereto are also secured by an assignment of the Issuer's rights, title, benefit and interest in, to and under each Charged Agreement (as defined in Condition 4.2). Unless otherwise provided in the Constituting Instrument, such security shall extend to the obligations of the Issuer under any Further Notes (as defined in Condition 16) (and the Receipts and Coupons (if any) appertaining thereto) issued in accordance with Condition 16 and consolidated and forming a single Series with this Series. The property and other assets described above securing the obligations of the Issuer under the Notes (and any Further Notes) and the Receipts and Coupons (if any) appertaining thereto are herein collectively referred to as the "**Mortgaged Property**".

The Issuer's obligations to each Counterparty under a Charged Agreement (as defined in Condition 4.2) are, unless otherwise specified in the Constituting Instrument, secured on the same assets and in the same manner as the security for the obligations of the Issuer under the Notes and the Receipts or Coupons (if any) appertaining thereto as described in the second preceding paragraph of this Condition 4.1. Unless otherwise provided in the Constituting Instrument or in the Further Constituting Instrument (as defined in Condition 16), such security in favour of a Counterparty shall extend to the obligations of the Issuer under any Further Charged Agreement (as defined in Condition 16) supplemental to such Charged Agreement entered into in accordance with Condition 16.

*To the extent that an obligor in respect of the Charged Assets fails to make payments to the Issuer under the relevant Charged Assets on the due date therefor, the Issuer will be unable to meet its obligations under the Charged Agreement and/or unable to meet its obligations in respect of the Notes, the Receipts, or the Coupons (if any) as and when they fall due. In such event, and subject to Condition 4.3, the Notes will become repayable in accordance with Condition 7 and the security therefor will become enforceable in accordance with and subject to the provisions of Condition 10.*

*The Notes are capable of being declared immediately due and repayable prior to their stated date of maturity or other date or dates for their redemption following the occurrence of any of the events of default more particularly specified in Condition 9. If the Notes become repayable in accordance with Condition 9 the security therefor will become enforceable in accordance with the Master Trust Terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) and subject to the provisions of Condition 10.*

*On any such enforcement, the net proceeds thereof may be insufficient to pay amounts due to each Counterparty under each Charged Agreement and amounts due on repayment to the Noteholders, Couponholders (if any) and Receipholders (if any) whether in accordance with the order of priority specified by the Trust Deed or at all.*

## 4.2 Charged Agreements

### (a) General

The Issuer has, unless otherwise specified in the Constituting Instrument, entered into one or more agreements which may comprise an interest rate swap and/or cross-currency swap transaction, total return swap, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap, equity or equity index option, equity default swap, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, currency option, forward purchase or sale agreement, credit default swap, credit default option or any other transaction providing for the payment of money and/or the delivery of securities or other assets (present or future, actual or contingent) (including any option with respect to any of the foregoing transactions) and any combination of any of the foregoing transactions (any such agreement entered into with respect to a Series, as the same may be amended or supplemented from time to time in accordance with the provisions of the Constituting Instrument, a "**Charged Agreement**") with a Counterparty under which that Counterparty may make certain payments and/or deliveries of securities or other assets to the Issuer in respect of amounts due on or deliveries in respect of the Notes and Receipts or Coupons (if any) and the Issuer may make certain payments and/or deliveries of securities or other assets to that Counterparty on receipt thereof by the Issuer out of sums or deliveries received by the Issuer on the Charged Assets all as more particularly described in the Constituting Instrument. Any Charged Agreement may, subject in the case of a rated Series to the requirements of any relevant recognised debt rating agency which at any time has assigned a current rating to the Notes at the request of the Issuer, (such recognised debt rating agency or any such successor or replacement thereto or therefor or alternative rating agency being herein referred to as a "**Rating Agency**", and the terms "**rated**" and "**rating**" shall be construed accordingly), contain provisions requiring the relevant Counterparty to deposit security, collateral or margin, or to provide a guarantee, in certain circumstances all as more particularly described in the Constituting Instrument. In the absence of such requirement, no such security, collateral, margin or guarantee will be made or provided. If the Notes fall due for redemption in

whole or in part at any time prior to the date on which a Charged Agreement is scheduled to terminate, the Charged Agreement will terminate, or will be capable of being terminated, proportionately, in which event either party to a Charged Agreement may be liable to make a termination payment to the other as provided in such Charged Agreement.

***To the extent that a Counterparty fails to make payments due to the Issuer under any Charged Agreement the Issuer will be unable to meet its obligations in respect of the Notes or the Receipts or Coupons (if any). In such event, the Charged Agreement will be terminated and, subject to Condition 4.3, the Notes will become repayable in accordance with Condition 7.***

***The Trust Deed provides that the Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any Counterparty or any guarantor thereof, the validity or enforceability of any of the Counterparty's obligations under any Charged Agreement or of any guarantee of any such obligation or any of the terms of any Charged Agreement (including, without limitation, whether the cashflows from the Charged Assets, any Charged Agreement and the Notes are matched) or any such guarantee.***

***Further information relating to Charged Agreements is provided in the section herein entitled "Description of Charged Agreements".***

(b) **Maintenance of rating**

If an issue of the Notes is rated (at the request of the Issuer) by one or more Rating Agencies, the related Charged Agreement (if any) may provide, amongst other things, that, if the rating of the long term debt of the relevant Counterparty is lowered by any such Rating Agency (a "**Counterparty Downgrade**") and at such time the Notes are then rated by such Rating Agency, the relevant Counterparty may, if such Rating Agency has confirmed that the rating of the Notes by it will be adversely affected by such Counterparty Downgrade, at its option at any time while such circumstance is continuing:

- (i) transfer all its rights and obligations under the relevant Charged Agreement to another entity acceptable to such Rating Agency such that the rating assigned by such Rating Agency to the Notes immediately following such transfer shall be at least as high as the rating of the Notes immediately prior to the Counterparty Downgrade;
- (ii) obtain a guarantee of its rights and obligations under the relevant Charged Agreement from another entity acceptable to such Rating Agency such that the rating assigned by such Rating Agency to the Notes immediately following the giving of such guarantee shall be at least as high as the rating of the Notes immediately prior to the Counterparty Downgrade; or
- (iii) transfer all of its rights and obligations under the relevant Charged Agreement to an entity not falling within (i) above but whose obligations under the relevant Charged Agreement are guaranteed by an entity falling within (ii) above.

***For the avoidance of doubt, the Counterparty may, but will in no circumstances be obliged to, take any of the foregoing actions. As provided in Condition 4.2(a), a Charged Agreement for a particular Series may, but will not automatically, contain provisions requiring the Counterparty to take certain actions in certain circumstances all as more particularly described in the relevant Constituting Instrument.***

Any transfer of the rights and obligations of the Counterparty or any guarantee of the obligations of the relevant Counterparty (or of any transferee of the rights and obligations of the Counterparty) in respect of the relevant Charged Agreement will be subject to:

- (i) the Trustee being satisfied that such rights and obligations have been effectively transferred and/or guaranteed, as the case may be, by the transferee and/or guarantor selected by the relevant Counterparty and that all the Issuer's right, title, benefit and interest in, to, under and in respect of the relevant Charged Agreement following any such assignment and transfer and/or guarantee in respect of the obligations of the relevant Counterparty (or, as the case may be, any transferee to whom the obligations of the relevant Counterparty are transferred), are effectively charged or otherwise secured in favour of the Trustee for the benefit of the Noteholders, the Receiptholders and Couponholders (and the holders of any Further Notes, and the Receipts and the Coupons (if any) appertaining thereto, issued in accordance with Condition 16 and consolidated and forming a single series with the Notes of this Series) in each case in form and substance satisfactory to the Trustee; and

- (ii) the Trustee having received confirmation from each relevant Rating Agency that its then current rating of the Notes will not be withdrawn or adversely affected by any transfer and/or guarantee as is referred to above.

#### 4.3 Realisation of the Mortgaged Property upon redemption under Condition 7.5 or 9

In the event of the security constituted under the relevant Trust Deed (or, if applicable, any Additional Charging Instrument) becoming enforceable as provided in Condition 7.5 or Condition 9, the Trustee shall have the right to enforce, and, if so directed in writing by the Controlling Creditor, shall enforce its rights under the Trust Deed and/or if applicable, any Additional Charging Instrument in relation to the Mortgaged Property if so directed in writing by the Controlling Creditor, but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, individual Noteholders, Receiptholders or Couponholders (if any) or any Counterparty, provided that the Trustee shall not be required to take any action unless it is first indemnified and/or prefunded and/or secured to its satisfaction. Unless otherwise specified in the Constituting Instrument, a Realisation Agent will be appointed in respect of a particular Series of Notes on the terms set out in the Constituting Instrument. If, for whatever reason or unless otherwise specified in the Constituting Instrument, a Realisation Agent is not expressly appointed in the Constituting Instrument, Credit Suisse International shall be deemed to have been appointed to act in such capacity, as more particularly set out in the Agency Agreement and these Conditions.

If a Realisation Agent has been appointed in respect of the Notes, the Realisation Agent shall, on behalf of and as the agent of the Trustee pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Mortgaged Property as soon as reasonably practicable on or after the date on which it receives an instruction to do so at its best execution price less any commissions or expenses charged by the Realisation Agent and specified for this purpose in the Constituting Instrument.

If, however, the Realisation Agent determines that there is no available market for the Mortgaged Property, or if the Realisation Agent otherwise determines that it is impossible to sell or otherwise realise the Mortgaged Property or any part of it, the Realisation Agent will promptly notify the Issuer, the Trustee and the Counterparty of such lack of availability or impossibility and the Realisation Agent shall not be required to effect the sale or other realisation of the Mortgaged Property or any part of it. Any such determination by the Realisation Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, the Counterparty and the Noteholders. In the event that the Realisation Agent makes such determination the Trustee at its discretion may, and shall if so directed in accordance with the second preceding paragraph of this Condition 4.3, (but subject in each case to its being indemnified and/or prefunded and/or secured in accordance with such paragraph) realise all or part of the Mortgaged Property by other means as instructed.

In order to obtain its best execution price for the above purposes, the Realisation Agent shall be required to take reasonable care to ascertain the best price that is available for the sale or other realisation of the Mortgaged Property at the time of the sale or other realisation for transactions of the kind and size concerned and, unless circumstances require the Realisation Agent to do otherwise, in the interests of the Controlling Creditor, to deal at a price which is not less advantageous to the Controlling Creditor, provided that the Realisation Agent shall not be required to delay the sale or other realisation for any reason including the possibility of achieving a higher price.

The Realisation Agent shall not be liable (i) to account for anything except the actual net proceeds of the Mortgaged Property received by it or (ii) for any costs, charges, losses, damages, liabilities or expenses arising from or connected with the sale or other realisation unless such costs, charges, losses, damages, liabilities or expenses shall have been caused by its own fraud or wilful default. Nor shall the Realisation Agent be liable to the Issuer, the Noteholders, the Trustee or any other person merely because a higher price could have been obtained had the sale or other realisation been delayed or to pay to the Issuer, the Noteholders, the Trustee or any other person interest on any proceeds from the sale or other realisation held by it at any time.

The Trustee shall have no responsibility or liability for the performance by the Realisation Agent of its duties under this Condition 4.3 or for the price at which any of the Mortgaged Property may be sold or otherwise realised.

***The net sums (if any) realised upon enforcement of the security pursuant to the Conditions may be insufficient to pay all the amounts due to any Counterparty and to the Noteholders and Receiptholders or Couponholders (if any). In such event, any shortfall shall, unless otherwise specified in the Constituting Instrument, be borne by the Noteholders and Receiptholders or Couponholders (if any) and by the Counterparty according to the order of priority specified in the Constituting Instrument.***

#### 4.4 Application

After meeting the expenses and remuneration and any other amounts due to the Trustee (or any other agent and/or delegate and/or person appointed by it) including in respect of liabilities incurred, or to any receiver appointed pursuant to the relevant Trust Deed including in respect of liabilities incurred, and/or, if applicable, any Additional Charging Instrument in each case in respect of the Notes, and subject as provided in such Constituting Instrument

and/or, if applicable, any Additional Charging Instrument, the net proceeds of the enforcement of the security constituted pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument will be applied as follows:

- (a) if "**Counterparty Priority**" is specified in the Constituting Instrument:
  - (i) firstly, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes of any party to any of the documents entered into in connection with the issue of the Notes;
  - (ii) secondly, in or towards satisfaction on a pro rata and *pari passu* basis, according to the respective amounts due and payable, of the fees and other remuneration of (and amounts payable in respect of indemnity protection) and any costs, charges, liabilities, expenses and all other amounts incurred by any Agent under the Agency Agreement and the Custodian (or any sub-custodian) under the Custody Agreement;
  - (iii) thirdly, in meeting the claims (if any) of the Counterparty under the Charged Agreement (or, as the case may be, each Counterparty *pari passu* and rateably under each Charged Agreement, unless otherwise specified in the Constituting Instrument);
  - (iv) fourthly, in meeting the claims (if any) of the Noteholders, the Receiptholders and the Couponholders (if any) *pari passu* and rateably; and
  - (v) fifthly, in meeting any other outstanding liabilities of the Issuer and, thereafter, in payment of the balance (if any) to the Issuer;
- (b) if "**Pari passu Ranking**" is specified in the Constituting Instrument:
  - (i) firstly, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes of any party to any of the documents entered into in connection with the issue of the Notes;
  - (ii) secondly, in or towards satisfaction on a pro rata and *pari passu* basis, according to the respective amounts due and payable, of the fees and other remuneration of (and amounts payable in respect of indemnity protection) and any costs, charges, liabilities, expenses and all other amounts incurred by any Agent under the Agency Agreement and the Custodian (or any sub-custodian) under the Custody Agreement;
  - (iii) thirdly, in meeting the claims (if any) of the Counterparty under the Charged Agreement (or, as the case may be, each Counterparty *pari passu* and rateably under each Charged Agreement, unless otherwise specified in the Constituting Instrument) and the Noteholders, the Receiptholders and the Couponholders (if any) *pari passu* and rateably (converted, if necessary, for the purpose of calculation into a common currency at such rate(s) of exchange as the Trustee shall in its absolute discretion select); and
  - (iv) fourthly, in meeting any other outstanding liabilities of the Issuer and, thereafter, in payment of the balance (if any) to the Issuer; or
- (c) if "**Noteholder Priority**" is specified in the Constituting Instrument:
  - (i) firstly, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes of any party to any of the documents entered into in connection with the issue of the Notes;
  - (ii) secondly, in or towards satisfaction on a pro rata and *pari passu* basis, according to the respective amounts due and payable, of the fees and other remuneration of (and amounts payable in respect of indemnity protection) and any costs, charges, liabilities, expenses and all other amounts incurred by any Agent under the Agency Agreement and the Custodian (or any sub-custodian) under the Custody Agreement;

- (iii) thirdly, in meeting the claims (if any) of the Noteholders, the Receiptholders and the Couponholders (if any) pari passu and rateably;
- (iv) fourthly, in meeting the claims (if any) of the Counterparty under the Charged Agreement (or, as the case may be, each Counterparty pari passu and rateably under each Charged Agreement); and
- (v) fifthly, in meeting any other outstanding liabilities of the Issuer and, thereafter, in payment of the balance (if any) to the Issuer,

or any other basis of distribution provided for in the relevant Constituting Instrument and provided that, for a Series to which (b) or (c) above applies, the Constituting Instrument may provide that the Issuer's obligations under each Charged Agreement to each Counterparty (if any) shall be satisfied in priority to the Issuer's obligations under the Notes and any Receipts and Coupons appertaining thereto to the extent that the Notes have become due and repayable by reason of the occurrence of an event specified in Condition 7.2 or by reason of the Charged Agreement (if any) having terminated as a result of the occurrence of an event specified in Condition 7.2. If no priority is specified in the relevant Constituting Instrument and if there is a Charged Agreement in relation to the relevant Series, Counterparty Priority shall apply.

#### 4.5 **Shortfall after Application of Proceeds**

If the net proceeds of the security constituted pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument for any Series of the Notes, such security having been enforced under Condition 4.3, are not sufficient to make all payments due in respect of the Notes and Receipts or Coupons (if any) and for the Issuer to meet its obligations, if any, in respect of the termination of each Charged Agreement (if any) in respect of that Series, the other assets of the Issuer (including, without limitation, assets securing or otherwise attributable to any other Series of Notes) will not be available for payment of any shortfall arising therefrom. Any such shortfall shall, unless otherwise provided in the Constituting Instrument and/or any Additional Charging Instrument, if applicable, be borne by the Noteholders and Receiptholders and Couponholders (if any) and by the Counterparty in accordance with the inverse of the order of priorities on enforcement as specified in the Constituting Instrument. Claims in respect of any such shortfall remaining after realisation of the security under Condition 4.3 and application of the proceeds in accordance with the relevant Trust Deed and Condition 4.4 shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under Condition 9 in respect of the Notes or in respect of any notes of any other Series.

*Pursuant to Condition 10, none of the Trustee, any Noteholder, Receiptholder or Couponholder (if any) or any Counterparty, shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court based or otherwise) in relation to the Issuer, in relation to any shortfall in respect of any Series remaining after the realisation of the security under Condition 4.3 or otherwise, nor shall any of them have any claim in respect of any unpaid sums or on any account whatsoever over or in respect of any assets of the Issuer which are or purport to be security for any other Series.*

*Neither the Trustee nor the Custodian is under any obligation to maintain any insurance in respect of any part of the security constituted pursuant to the relevant Trust Deed, whether against loss of such security by theft or fire, in respect of fraud or forgery or against any other risk whatsoever.*

#### 4.6 **Replacement and/or Substitution of Charged Assets**

- (a) If so specified in relation to the Notes of a Series in the Constituting Instrument, the Counterparty (if any) may, subject to and in accordance with the provisions of the Constituting Instrument, by notice in writing to the Issuer (a "**Replacement Notice**") in, or substantially in, the form scheduled to the Constituting Instrument, request that any securities or other assets for the time being comprising all or part of the Charged Assets in relation to that series of Notes (hereinafter referred to as the "**Replaced Assets**") be replaced (a "**Replacement**") by other securities or assets of a type or types (or combination thereof), having a maturity date or dates and other features (if any) specified in the Constituting Instrument and having a market value or nominal value (as the case may be) (a "**Replacement Value**") calculated and determined by such Counterparty (if any) in accordance with the Constituting Instrument ("**Replacement Assets**") provided however that:
  - (i) no such Replacement nor any Replacement Assets shall on the date of such replacement (aa) result in the contravention by the Issuer of any applicable law or regulation, (bb) require the Issuer to make any filing or declaration under any applicable law or regulation or (cc) give rise (save as provided for in this Condition 4.6(a)) to any obligation or liability on the Issuer's part to take any action, or to make any payment, other than with the Issuer's express agreement unless the Issuer shall have first been indemnified and/or secured to its satisfaction against such obligation or liability and, if the Notes are rated by one or more Rating Agencies at the request of

the Issuer, confirmation shall be obtained from each such relevant Rating Agency that its current rating of the Notes will not be withdrawn or adversely affected by such Replacement;

- (ii) upon any release of the Replaced Assets from the security created by the relevant Trust Deed and/or any Additional Charging Instrument, any Replacement Assets being substituted for the Replaced Assets are expressed to be delivered, transferred or (as the case may be) assigned to the Issuer on the same terms, *mutatis mutandis*, as the Replaced Assets or otherwise as the Trustee and such Counterparty (if any) may approve in writing;
- (iii) upon any release of the Replaced Assets from the security created by the relevant Trust Deed and/or Additional Charging Instrument, any such Replacement Assets being substituted for the Replaced Assets are subject to the charge or other security interest created by the relevant Constituting Instrument and/or any Additional Charging Instrument and/or any further security documents required by the Trustee; and
- (iv) such other conditions as may be specified in the Trust Deed are satisfied.

Upon receipt of a Replacement Notice, the Issuer shall forthwith notify the Trustee, the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes), the Custodian, and, in accordance with Condition 14, the Noteholders. The Trustee shall not be liable to the Issuer, any Counterparty, the Noteholders, or any other person and the Issuer shall not be liable to the Trustee, any Counterparty or the Noteholders for any loss arising from any arrangement referred to in the Replacement Notice or otherwise from the operation of this Condition 4.6(a). Amendments consequential upon any Replacement may be required to be made to the provisions of the Charged Agreement (if any) relating to the Notes to reflect the change in the composition of the Charged Assets. The provisions relating to the right of a Counterparty to request a Replacement will be more particularly described in the Constituting Instrument. The Replacement Value determined pursuant to the provisions of the relevant Constituting Instrument shall be binding on the Issuer, the Trustee and the Noteholders and no liability to the Issuer, the Trustee or the Noteholders or any other person shall attach to the Counterparty or the Issuer in connection therewith.

The Trust Deed provides that, in connection with any Replacement, the Trustee shall be entitled to assume that the selection of any Replacement Assets by the Counterparty and the related Replacement satisfies the conditions referred to in paragraphs (i) to (iv) (as modified (if at all) by the relevant Constituting Instrument) above and, for the avoidance of doubt, it need make no enquiry of any nature regarding such conditions. By subscription for or acquisition of any Note, each Noteholder accepts and is bound by this provision absolutely.

The relevant Counterparty shall bear and pay, and shall indemnify the Issuer and the Trustee against, all costs, expenses and taxes (including, without limitation, stamp duty) (if any) payable in connection with a Replacement.

*If and to the extent required to do so by the rules of any relevant stock exchange or competent authority, the Issuer will notify the relevant stock exchange (if any) on which the Notes are for the time being listed and/or the relevant competent authority of any Replacement made, and a Supplemental Series Memorandum will be prepared and filed with the relevant stock exchange and/or competent authority, in accordance with this Condition 4.6(a).*

- (b) If so specified in relation to the Notes of a Series in the Constituting Instrument, if securities and/or other assets which comprise all or part of the Charged Assets for the time being for a Series of Notes have a scheduled maturity or expiry date which falls prior to the scheduled maturity date or other date for final redemption of the Notes of such Series ("**Maturing Assets**") and the Notes are not required to be redeemed in that event, then subject to and in accordance with the relevant Constituting Instrument, the proceeds of redemption received upon maturity of such Maturing Assets shall be applied by the Custodian on behalf of the Issuer either:
  - (i) in the purchase of further securities and/or other assets of a type or types (or combination thereof) identified by the Collateral Agent and having a scheduled maturity or expiry date or dates and other features (if any) specified in the Constituting Instrument (if any) and having a market value or nominal value (as the case may be) (a "**Substitute Value**") calculated and determined by the Collateral Agent in accordance with the Constituting Instrument (if any) ("**Substitute Assets**"); or
  - (ii) by crediting such proceeds of redemption to an interest bearing account in the name of the Custodian (the "**Deposit Account**") opened by the Custodian with a bank or other financial institution specified in the Constituting Instrument (if any) on terms that, pending application of the funds standing to the credit of such Deposit Account in the purchase of Substitute Assets,

such funds shall bear interest at the rate determined as specified in the Constituting Instrument (if any). In respect of a rated Series, any requirements of the relevant Rating Agency or Rating Agencies regarding such bank or financial institution (such as any minimum rating requirement) will be set out in the Constituting Instrument. Funds credited to the Deposit Account from time to time (including capitalised interest) shall be debited from the Deposit Account on or before the Maturity Date or other date for redemption of the Notes to be applied by the Issuer in connection with such redemption or in making payment under any Charged Agreements as the case may require or as specified in the Constituting Instrument.

The net proceeds of redemption of Maturing Assets and funds standing to the credit of the Deposit Account may be applied by the Custodian on behalf of the Issuer in or towards the purchase of Substitute Assets from time to time, subject to and in accordance with the provisions of the Constituting Instrument as specified in the relevant Substitution Notice (as defined below). In connection therewith, the Collateral Agent shall at the times and on the dates specified in the Constituting Instrument determine the availability of Substitute Assets for the purposes of this Condition 4.6(b), calculate and determine the Substitute Value thereof and the date on which such Substitute Assets fall to be purchased and the applicable purchase price therefor subject to and in accordance with the Constituting Instrument and shall forthwith (and in any event on or before the date and/or time specified in the Constituting Instrument) give a notice to the Issuer (a "**Substitution Notice**") in, or substantially in, the form scheduled to the Constituting Instrument, specifying, among other things, the details of any Substitute Assets, the applicable Substitute Value thereof, the purchase price thereof and the date on which such purchase price falls to be paid. Upon receipt of a Substitution Notice, the Issuer shall forthwith notify the Trustee, the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes), the Custodian, each Counterparty (if any), and, in accordance with Condition 14, the Noteholders, and a Substitution Notice, once given by the Collateral Agent, shall be conclusive and binding on the Issuer, and on such other persons so notified by the Issuer (save in the case of manifest error). Subject to and in accordance with the provisions of the Constituting Instrument, the Substitute Assets specified in such Substitution Notice shall be purchased by the Custodian on behalf of the Issuer on the date specified in such Substitution Notice at the price specified in such Substitution Notice either by applying the net proceeds of redemption upon maturity of any Maturing Assets, as aforesaid, and/or, as the case may be, by applying funds standing to the credit of the Deposit Account in or towards making such purchase (provided, however that no purchase of Substitute Assets shall occur to the extent that the purchase price therefor and any costs, expenses and taxes (including stamp duty) payable in connection with the substitution (the "**Substitution Costs**") exceeds (and the Collateral Agent shall be entitled to, and shall, deduct any Substitution Cost from) the net proceeds of redemption upon maturity of any Maturing Assets, as aforesaid, and funds (if any) standing to the credit of the Deposit Account available on the relevant date for purchase thereof). Notwithstanding the foregoing, a Substitution may only be made if:

- (i) such Substitution and any Substitute Assets do not at the date of such substitution (aa) result in the contravention by the Issuer of any applicable law or regulation, (bb) require the Issuer to make any filing or declaration under any applicable law or regulation and (cc) give rise (save as provided for in this Condition 4.6(b)) to any obligation or liability on the Issuer's part to take any action, or to make any payment, other than with the Issuer's express agreement unless the Issuer shall have first been indemnified and/or secured to its satisfaction against such liability, if the Notes are rated by one or more Rating Agencies at the request of the Issuer, confirmation shall be obtained from each Rating Agency (if any) which has assigned a rating to the Notes at the request of the Issuer that its current rating of the Notes will not be withdrawn or adversely affected by such Substitution or Substitute Assets; and
- (ii) any Substitute Assets are expressed to be delivered, transferred or (as the case may be) assigned to the Issuer on the same terms, *mutatis mutandis*, as the Maturing Assets or otherwise as the Trustee and each Counterparty (if any) may approve.

Any Substitute Assets purchased pursuant to the foregoing provisions of this Condition 4.6(b) shall be subject to the charge and/or other security created by the relevant Trust Deed and/or any Additional Charging Instrument and subject to such other conditions as may be specified in the relevant Constituting Instrument and/or any Additional Charging Instrument. In addition, amendments consequential upon any purchase of Substitute Assets and/or the crediting of funds to the Deposit Account may be required to be made to the provisions of the Charged Agreement to reflect the change in the composition of the Charged Assets which amendments shall be specified by the Collateral Agent in the relevant Substitution Notice.

All determinations of the availability of Substitute Assets, and all determinations and calculations of the Substitute Value thereof, the purchase price and applicable date for purchase thereof and/or amendments (if any) required to be made to any Charged Agreement consequential upon any purchase of Substitute Assets or crediting of funds to the Deposit Account shall be made by the Collateral Agent in accordance

with the relevant Constituting Instrument and all such determinations and calculations shall be binding on the Issuer, the Trustee, the Noteholders, each Counterparty (if any) and all other persons (in the absence of manifest error). The Trustee shall not be liable to the Issuer, each Counterparty (if any), the Noteholders or any other person nor shall the Issuer be liable to the Trustee, any Noteholder or each Counterparty for any loss arising from any arrangement referred to in any Substitution Notice or for the purchase price of the Substitute Assets or otherwise from the operation of this Condition 4.6(b). The purchase of Substitute Assets pursuant to the provisions of this Condition 4.6(b) is herein referred to as "Substitution".

All rights of Replacement and/or Substitution under this Condition 4.6 shall cease forthwith upon the security constituted by the relevant Trust Deed becoming enforceable.

In connection with any Substitution, the Trustee shall be entitled to assume that the selection of any Substitute Assets by the Collateral Agent and the related Substitution satisfies the conditions therefor set out in this Condition 4.6(b) (as modified (if at all) by the Constituting Instrument) and, for the avoidance of doubt, it need make no enquiry of any nature regarding such conditions. By subscription for or acquisition of any Note, each Noteholder accepts and is bound by this provision absolutely.

If this Condition 4.6(b) is applicable, unless otherwise specified in the Constituting Instrument, a Collateral Agent will be appointed in respect of a particular Series of Notes on the terms set out in the Constituting Instrument. If, for whatever reason or unless otherwise specified in the Constituting Instrument a Collateral Agent is not expressly appointed in the Constituting Instrument, Credit Suisse International shall be deemed to have been appointed to act in such capacity, as more particularly set out in the Agency Agreement and these Conditions.

*If and to the extent required to do so by the rules of any relevant stock exchange or competent authority, the Issuer will notify the relevant stock exchange (if any) on which the Notes are for the time being listed and/or the relevant competent authority of any Substitution made, and a Supplemental Series Memorandum will be prepared and filed with the relevant stock exchange and/or competent authority, in accordance with this Condition 4.6(b).*

## 5. Restrictions

So long as any of the Notes remain outstanding (as defined in the Trust Deed), the Issuer has covenanted that it will not, without the prior written consent of the Trustee and each Counterparty (if any) (and such consent shall be notified to each Rating Agency):

5.1 engage in any activity or do anything whatsoever except:

- (a) issue or enter into or create the Notes or other series of notes ("**Discrete Series**") or Alternative Investments (as defined below), provided always that any such Discrete Series or Alternative Investments are issued, entered into or created on terms:
  - (i) that such Discrete Series or Alternative Investments is or are secured on or otherwise limited in recourse to specified assets of the Issuer (or the proceeds thereof or an amount equivalent thereto) which do not form part of:
    - (A) the Mortgaged Property for the Notes; or
    - (B) the assets securing, or to which recourse is otherwise limited in respect of, any other Discrete Series or any other Alternative Investments, and
  - (ii) which provide for the extinguishment of all claims in respect of such Discrete Series or Alternative Investments after application of the proceeds of the specified assets on which such Discrete Series or Alternative Investments is or are secured or to which recourse is otherwise limited,

and the Issuer hereby confirms that each Discrete Series or Alternative Investments which has been issued, entered into or created was issued, entered into or created on the terms set out in this Condition 5.1(a), and such terms have not been the subject of any subsequent amendment or modification (other than with the prior written consent of the Trustee and each Counterparty (if any));

- (A) enter into the Agency Agreement, Custody Agreement, Trust Deed, any related Charged Agreement in relation to the Notes and all other deeds and agreements of any other kind related thereto and any agency agreement, custody agreement, trust deed, charged agreement relating to any Discrete Series or Alternative Investments and all other deeds or agreements of any other kind related thereto, but provided always that any such

agreement or deed is entered into on terms that the obligations of the Issuer thereunder are secured on or otherwise limited in recourse to specified assets of the Issuer which do not form part of the Mortgaged Property for the Notes or (unless expressly specified by the terms and conditions applicable to a Discrete Series or to any Alternative Investments) the assets securing or to which recourse is otherwise limited in relation to, any other Discrete Series or any other Alternative Investments and on terms which provide for extinguishment of all claims in respect of such obligations after application of the proceeds of realisation of the specified assets on which such indebtedness or obligation is secured or to which recourse is otherwise limited;

- (B) acquire or hold, or enter into any agreement to acquire or hold or constitute, the Mortgaged Property in respect of the Notes, or the assets securing, or to which recourse is otherwise limited in respect of, any Discrete Series or Alternative Investments;
  - (C) perform its obligations under the Notes, the Trust Deed, the Agency Agreement, the Custody Agreement, each Charged Agreement and all the deeds or agreements incidental to the issue and constitution thereof or of the security therefor and under any Discrete Series or any Alternative Investments and the agency agreement, custody agreement, trust deed, charged agreement and all other deeds or agreements incidental to the issue and constitution of, or the granting of security for, Discrete Series or Alternative Investments;
  - (D) enforce any of its rights under the Agency Agreement, the Custody Agreement, the Trust Deed, each Charged Agreement or any other deed or agreement entered into in connection with the Notes, and under the agency agreement, the custody agreement, trust deed, each charged agreement or any other deed or agreement entered into in connection with any Discrete Series or Alternative Investments;
  - (E) perform any act incidental to or necessary in connection with the Trust Deed, Agency Agreement, Custody Agreement, each Charged Agreement or the Notes or any Discrete Series or Alternative Investments or any other deed or agreement entered into in connection with, or including, the Notes, an Discrete Series or Alternative Investments in connection with any of the above;
- (b) have any subsidiaries or employees;
  - (c) subject to sub-paragraph (A) above, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the term and conditions applicable to any Discrete Series or Alternative Investments);
  - (d) declare or pay any dividends or make any other distribution to its shareholders;
  - (e) purchase, own, lease or otherwise acquire any real property;
  - (f) consolidate or merge with any other person; or
  - (g) issue any additional shares.

As used in these Conditions, "**Alternative Investments**" means any agreement, instrument or other transaction issued or entered into by the Issuer pursuant to which the Issuer has an obligation for the payment or repayment of money and to deliver or redeliver securities which is specified in the relevant Constituting Instrument constituting the same to be an "**Alternative Investment**" of the Issuer.

## 6. **Interest**

Words and expressions used in this Condition 6.1 to 6.9 are defined (unless defined elsewhere in these Conditions) in Condition 6.10.

### 6.1 **Interest Rate and Accrual**

Each Note (other than a Zero Coupon Note) bears interest on its Calculation Amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date.

Interest will accrue on each Note from the Interest Commencement Date to the due date for redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will

continue to accrue (as well after as before judgment) at the Interest Rate and in the manner provided in this Condition 6 until the Relevant Date (as defined in Condition 7.4(c)).

## 6.2 Business Day Convention

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, if the business day convention specified in the Terms is (i) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (aa) such date shall be brought forward to the immediately preceding Business Day and (bb) each subsequent such date shall be the last Business Day of the month in which such date would have fallen, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

## 6.3 Interest Rate on Floating Rate Notes

If a Note is a Floating Rate Note, the Interest Rate will be determined by reference to a Benchmark as adjusted by adding thereto or subtracting therefrom the Spread (if any) or by multiplying such rate by the Spread Multiplier (if any).

The Interest Rate payable from time to time in respect of each Floating Rate Note will be determined by the Interest Calculation Agent on the basis of the following provisions:

(a) At or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, the Interest Calculation Agent will:

(i) in the case of Floating Rate Notes where it is specified in the Constituting Instrument that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (each as specified in the Constituting Instrument), determine the Interest Rate for such Interest Period which shall, subject as provided below, be:

(A) the Relevant Rate so appearing in or on that page, section or other part of such information service (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity), or

(B) the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the Relevant Rates of the persons at that time whose Relevant Rates so appear in or on that page, section or other part of such information service,

in any such case in respect of euro-currency deposits in the relevant currency for a period equal to the period in question more particularly referred to in the Benchmark and as adjusted by the Spread or Spread Multiplier (if any);

(ii) in the case of Floating Rate Notes where it is specified in the Constituting Instrument that the Primary Source of Interest Rate Quotations shall be the four or more Reference Banks specified in Constituting Instrument and in the case of Floating Rate Notes falling within Condition 6.3(a)(i) but in respect of which no Relevant Rates appear at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the relevant page, section or other part of such information service, but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal office in the Relevant Financial Centre of each of the Reference Banks (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 6.8) to provide the Interest Calculation Agent with its Relevant Rate quoted to leading banks for Euro-currency deposits in the relevant currency for a period equivalent to the duration of such Interest Period. Where this Condition 6.3(a)(ii) shall apply, the Interest Rate for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such Relevant Rates as calculated by the Interest Calculation Agent as adjusted by the Spread or Spread Multiplier (if any); and

(iii) in the case of Floating Rate Notes where it is specified in the Constituting Instrument that ISDA Determination applies, the Interest Rate applicable to the Notes for each Interest Period will be the sum of the Spread 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 Interest Calculation Agent under an interest rate swap transaction if the Interest 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:

- (A) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the Constituting Instrument;
  - (B) the Designated Maturity (as defined in the ISDA Definitions) is as specified in the Constituting Instrument; and
  - (C) the relevant Reset Date (as defined in the ISDA Definitions) is either (x) if the relevant floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (y) in any other case, as specified in the Constituting Instrument.
- (b) If at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to Condition 6.3(a)(ii) in respect of a Floating Rate Note, two or three only of such Reference Banks provide such relevant quotations, the Interest Rate for the relevant Interest Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.
- (c) If at or about the Relevant Time on any Interest Determination Date where the Interest Rate falls to be determined pursuant to Condition 6.3(a)(ii) in respect of a Floating Rate Note, only one or none of such Reference Banks provide such Relevant Rates, the Interest Rate for the relevant Interest Period shall be the rate per annum (expressed as a percentage) which the Interest Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, 0.000005 being rounded upwards) of the Relevant Rates in respect of the relevant currency which banks in the Relevant Financial Centre of the country of such currency selected by the Interest Calculation Agent (after consultation with the Trustee) are quoting at or about the Relevant Time (in such Relevant Financial Centre) on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre, as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Interest Calculation Agent are not quoting as aforesaid, the Interest Rate shall be the Interest Rate in effect for the last preceding Interest Period to which Condition 6.3(a)(i) or 6.3(a)(ii) or 6.3(b) (as the case may be) shall have applied.

#### 6.4 Interest Rate on Zero Coupon Notes

Where a Note the Interest Rate of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date (as defined in Condition 7.1) shall be the "**Amortised Face Amount**" of such Note as determined in accordance with Condition 7.4(c). As from the Maturity Date or other date for redemption, any overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the "**Amortisation Yield**" specified in the Constituting Instrument (as well after as before judgment) to the Relevant Date (as defined in Condition 7.4(c)).

#### 6.5 Minimum/Maximum Rates

If a Minimum Interest Rate is specified in the Constituting Instrument, then the Interest Rate shall in no event be less than it and if there is so specified a Maximum Interest Rate, then the Interest Rate shall in no event exceed it.

#### 6.6 Determination of Interest Rate and calculation of Interest Amounts

The Interest Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Interest Rate and calculate the Interest Amounts for the relevant Interest Period. The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount of such Note by the Day Count Fraction specified in the Constituting Instrument, unless an Interest Amount is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount. The determination of the Interest Rate and the calculation of the Interest Amounts by the Interest Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

#### 6.7 Notification of Interest Rate and Interest Amounts

The Interest Calculation Agent will cause the Interest Rate and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee, the Issuer, the Principal Paying Agent, or, in the case of Registered Notes, the Registrar, each of the Paying Agents and, for as long as the Notes are Listed Notes (as defined below) and the rules of the relevant stock exchange or competent authority so require, any stock

exchange or competent authority on or by which the Notes are listed or traded and to be notified to Noteholders in accordance with Condition 14 as soon as possible after their determination but in no event later than the fifth Business Day thereafter. The Interest Amount and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Interest Rate in respect of the Notes shall nevertheless continue to be calculated and determined as previously in accordance with this Condition 6 but no publication of the Interest Rate or the Interest Amount so determined and calculated need be made.

As used in these Conditions, "**Listed Notes**" means Notes which are listed on the Irish Stock Exchange.

#### 6.8 Interest Calculation Agent and Reference Banks

The Issuer will procure that, so long as any Note remains outstanding, there shall at all times be at least four Reference Banks with offices in the Relevant Financial Centre and an Interest Calculation Agent if provision is made for them in the Constituting Instrument. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Interest Calculation Agent is unable or unwilling to act as such, the Issuer will, with the prior written consent of the Trustee, appoint the London office of a leading bank engaged in the London interbank market to act as such in its place and its determination shall be final and binding on the parties. The Interest Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

#### 6.9 Determination or calculation by Trustee

If the Interest Calculation Agent does not at any time for any reason so determine the Interest Rate and calculate the Interest Amounts for an Interest Period (as provided in Condition 6.6), the Trustee (or a person appointed by the Trustee which shall be a leading bank engaged in the business of determining interest rates and calculating interest amounts, but with no liability attaching to the Trustee) may do so. In doing so, the Trustee shall apply the provisions of Condition 6.6, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in all the circumstances, and each such determination or calculation shall be deemed to have been made by the Interest Calculation Agent.

#### 6.10 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meaning set out below:

"**Benchmark**" means such benchmark as may be specified as the Benchmark in the Constituting Instrument.

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) designated with respect to Business Days in the Constituting Instrument or a TARGET Settlement Day (if "TARGET" or "TARGET Settlement Day" is designated with respect to Business Days in the Constituting Instrument) and/or such other days as are designated with respect to Business Days in the Constituting Instrument.

"**Calculation Amount**" means the amount specified as such in the Constituting Instrument, or if no such amount is so specified, the principal amount of any Note as shown on the face thereof.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the "**Calculation Period**"):

- (a) if "**Actual/365**" or "**Actual/Actual**" is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);
- (b) if "**Actual/Actual ISMA**" is specified, the actual number of days in the Calculation Period divided by (x) in the case of Notes where interest is scheduled to be paid only by means of regular annual payments, the actual number of days in the Calculation Period or (y) in the case of Notes where interest is scheduled to be paid other than only by means of regular annual payments, the product of the number of days in the Calculation Period and the number of Interest Payment Dates that would occur in one calendar year assuming interest was to be calculated in respect of the whole of that year;
- (c) if "**Actual/365(Fixed)**" is specified, the actual number of days in the Calculation Period divided by 365;

- (d) if "**Actual/360**" is specified, the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**", "**360/360**" or "Bond Basis" is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and
- (f) if "**30E/360**" or "Eurobond Basis" is specified, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the Maturity Date (as defined in Condition 7.1) is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

**"Interest Amount"** means the amount of interest payable in respect of each Authorised Denomination for the relevant Interest Period.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified as the Interest Commencement Date in the Constituting Instrument.

**"Interest Determination Date"** means, in respect of any Interest Period, the date specified as the Interest Determination Date in the Constituting Instrument, or, if none is so specified, the day which, in the reasonable determination of the Interest Calculation Agent, falls the number of days preceding the commencement of such Interest Period as is customary in respect of the relevant Benchmark.

**"Interest Payment Date"** means the date or dates specified as the date(s) for the payment of interest in the Terms and on the face of any definitive Note.

**"Interest Period"** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**"Interest Rate"** means the rate of interest payable from time to time in respect of a Note (subject to Condition 6.5) and which is either specified in, or calculated in accordance with the provisions of, the Constituting Instrument.

**"ISDA Definitions"** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. and as supplemented and/or amended from time to time.

**"Issue Date"** means, in the case of the issue of a Note or Notes of a Series, the date of issue of such Note or Notes as specified in the Constituting Instrument.

**"Redemption Amount"** means, in relation to any Note, as the context may require, the Scheduled Redemption Amount, the Early Redemption Amount, the Noteholder Optional Redemption Amount or the Issuer Optional Redemption Amount.

**"Reference Banks"** means the institutions specified as Reference Banks in the Constituting Instrument.

**"Relevant Financial Centre"** means London (if the relevant Benchmark is LIBOR, LIMEAN or LIBID) or Brussels (if the relevant Benchmark is EURIBOR) or (in the case of Notes, the Interest Rate in respect of which is to be calculated by reference to some other Benchmark) the financial centre specified in the Constituting Instrument, or, if no such centre is so specified, the financial centre determined by the Interest Calculation Agent to be appropriate to such Benchmark.

**"Relevant Rate"** means, for the purpose of the determination of the Interest Rate in accordance with Condition 6.3:

- (a) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;
- (b) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and
- (c) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

**"Relevant Time"** means the local time in the Relevant Financial Centre at which the Interest Calculation Agent determines that it is customary to determine bid and offered rates in respect of euro-currency deposits in the currency in question in the interbank market in that Relevant Financial Centre.

**"Spread"** means the percentage rate per annum specified in the Constituting Instrument as being applicable to a Note.

**"Spread Multiplier"** means the percentage specified in the Constituting Instrument as being applicable to the interest rate for a Note.

**"TARGET Settlement Day"** means any day on which the Trans-European Automated Real-time Gross settlement Express Transfer system which utilises a single shared platform and which was launched on 19 November 2007, or any successor thereto, is open.

## 7. Redemption, Purchase and Exchange

### 7.1 Final redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note (other than an Interest Only Note) will be redeemed at its Scheduled Redemption Amount (as defined in Condition 7.5) plus any accrued but unpaid interest (if any) on the date specified as the Maturity Date in the Terms (the **"Maturity Date"**). No Scheduled Redemption Amount will be payable on an Interest Only Note.

*If and to the extent required to do so by the rules of any relevant stock exchange or competent authority, the Issuer will notify the relevant stock exchange (if any) on which the Notes are for the time being listed and/or the relevant competent authority of any redemption of Notes prior to the Maturity Date.*

### 7.2 Mandatory redemption

If :

- (a) (i) the Charged Assets or amounts outstanding thereunder become due and repayable prior to their stated date of maturity or other date or dates for their repayment or payment in each case whether or not by reason of an event of default (howsoever described) thereunder or (ii) there is a payment default in respect of the Charged Assets; or
- (b) the Charged Assets comprise any agreement of the type contemplated in the definition herein of Charged Agreement and (i) such agreement is terminated by any party thereto, in each case whether or not by reason of an event of default (howsoever described) thereunder or (ii) there is a payment default in respect of such agreement; or
- (c) the Issuer satisfies the Trustee that the performance of its obligations under the Notes or ancillary thereto has or will become unenforceable, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or prospective law (provided that such law has been enacted), rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof; or
- (d) any other event as may be specified as an **"Additional Mandatory Redemption Event"** in the Constituting Instrument has occurred,

then (except to the extent otherwise provided in the Constituting Instrument) the Notes shall become due and repayable as provided by Condition 7.5. The Issuer or the Trustee shall or the Counterparty may, promptly upon becoming aware of any such event or circumstance (in the case of the Trustee, provided that in its capacity as such it is actually aware of the same) give notice thereof to the other of them and the Issuer shall give notice to the Noteholders in accordance with Condition 14 that the Notes are due and repayable in accordance with Condition 7.5 as soon as reasonably practicable after becoming aware of such event or circumstance.

### 7.3 Redemption for taxation and other reasons

(a) If:

- (i) the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount that would otherwise be due in respect of the Notes but for the imposition of such tax (other than in circumstances which give rise to a Withholding Requirement (as defined below) entitling the Noteholders by Extraordinary Resolution to declare the Notes due and repayable pursuant to Condition 7.3(b) below), the Issuer shall promptly upon

becoming aware thereof so inform the Trustee and shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee and the Counterparty (if any) as the principal debtor (and provided that, in the case of a rated Series, prior notice of any such substitution is given to the Rating Agency or Rating Agencies each of which has confirmed that its rating will not be adversely affected thereby) and if it is unable to arrange such substitution before the next payment is due in respect of the Notes; or

- (ii) any Charged Agreement relating to the relevant Series of Notes is terminated (in whole but not in part and other than in connection with Condition 7.7 or in consequence of Condition 7.8 or in connection with a redemption of Notes pursuant to Condition 7.2, Condition 7.6 or Condition 9 or save where the Conditions provide otherwise) for any reason,

then (except to the extent otherwise provided in the Constituting Instrument) the Notes shall become due and repayable as provided by Condition 7.5. The Issuer or the Trustee shall or the Counterparty may, promptly upon becoming aware of any such event or circumstance (in the case of the Trustee, provided that in its capacity as such it is actually aware of the same) give notice thereof to the other of them and the Issuer shall give notice to the Noteholders in accordance with Condition 14 that the Notes are due and repayable in accordance with Condition 7.5 (unless otherwise specified in the relevant Constituting Instrument) as soon as reasonably practicable after becoming aware of such event or circumstance.

Notwithstanding the foregoing, if any of the taxes referred to in this Condition 7.3 arise:

- (i) owing to the connection of any Noteholder or Receiptholder or Couponholder with the taxing jurisdiction in which the Issuer is incorporated, any taxing jurisdiction in which the Issuer is resident for tax purposes or other relevant taxing jurisdiction (including any jurisdiction in or through which payment is made or any jurisdiction which has a political, taxation or other relevant agreement, union or federation with the jurisdiction in or through which payment is made) otherwise than by reason only of the holding of any Note or Receipt or Coupon or receiving principal or interest in respect thereof; or
- (ii) by reason of the failure by the relevant Noteholder or Receiptholders or Couponholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax; or
- (iii) in respect of any Note or Coupon where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive ("European Union Directive") otherwise implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) in respect of any Note or Coupon presented for payment by or on behalf of a Noteholder or Couponholder 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 European Union,

then, to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder or Receiptholder or Couponholder but this shall not affect the rights of the other Noteholders and Receiptholders or Couponholders (if any) hereunder. Any such deduction shall not constitute an Event of Default under Condition 9.

- (b) Provided always that the Constituting Instrument shall have expressly stated that this Condition 7.3(b) shall apply to the Series of Notes in question, if, as a result of the imposition of a Withholding Requirement (as defined below) the Issuer would, or there is a substantial likelihood that the Issuer would, receive any amount from a Counterparty under a Charged Agreement applicable to the Notes of such Series net of a withholding or deduction for or on account of any taxes, the Noteholders may, by Extraordinary Resolution, elect that the Notes shall become due and repayable (whereupon they shall become due and repayable) as provided by Condition 7.5(b) (unless otherwise specified in the relevant Constituting Instrument). Unless and until, however, such an Extraordinary Resolution is passed by the Noteholders each payment of principal (or, as the case may be, Scheduled Redemption Amount) or interest (or, as the case may be, Coupon Amounts) shall (unless otherwise specified in the relevant Constituting Instrument) be reduced by a proportion which is equal to the proportion which the amount required to be withheld or deducted from the relevant payment payable to the Issuer under the relevant Charged Agreement which is intended to provide the Issuer with sufficient funds to pay such principal (or, as the case may be, Scheduled Redemption Amount) or interest (or, as the case may be, Coupon Amounts), as the case may be (the "**Relevant Payment**") bears to the full amount of such Relevant Payment which would have been payable to the Issuer under the Charged Agreement in the absence of the relevant Withholding Requirement. Accordingly, unless and until an Extraordinary Resolution is

passed by the Noteholders declaring the Notes due and repayable in accordance with this Condition 7.3(b), failure by the Issuer to pay the full amount of any principal (or, as the case may be, Scheduled Redemption Amount) or interest (or, as the case may be, Coupon Amounts) but for such reduction aforesaid shall not constitute an Event of Default for the purposes of Condition 9. The Issuer shall promptly notify the Trustee upon becoming aware of any Withholding Requirement (or substantial likelihood thereof) which would be imposed on any amount payable to it under any Charged Agreement and shall promptly give notice thereof to the Noteholders in accordance with Condition 14 together with details of the amount of such withholding or deduction, the date on which it is first applicable and the proportion by which each relevant payment in respect of the Notes will be reduced in consequence thereof in accordance with this Condition.

As used herein, "**Withholding Requirement**" means a requirement to make a withholding or deduction for or on account of any Taxes (as defined in the Charged Agreement) due to any action taken by a taxing authority or taken or brought in a court of competent jurisdiction, on or after the Issue Date (regardless of whether such action is taken or brought with respect to a party to a Charged Agreement) or a Change in Tax Law (as defined in the relevant Charged Agreement).

#### 7.4 **Early redemption of Zero Coupon Notes**

The provisions of this Condition 7.4 shall apply to any Note in respect of which the Amortisation Yield and Day Count Fraction are specified in the Constituting Instrument.

- (a) The amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7.2, Condition 7.3 or, if applicable, Condition 7.6 or upon its becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note. References in these Conditions to "**principal**" or "**Early Redemption Amount**" or "**Issuer Optional Redemption Amount**" or "Noteholder Optional Redemption Amount" in the case of Zero Coupon Notes shall be deemed to include references to "**Amortised Face Amount**" where the context permits.
- (b) Subject to the provisions of Condition 7.4(c) below, the Amortised Face Amount of any Zero Coupon Note shall be the Scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the Constituting Instrument compounded annually. Where such calculation is made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the Constituting Instrument.
- (c) If the amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Condition 7.2, Condition 7.3 or, if applicable, Condition 7.6 or upon its becoming due and payable as provided in Condition 9 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with Condition 7.4(b), except that such sub-paragraph shall have effect as though the reference therein to the Maturity Date were replaced by a reference to the date (the "**Relevant Date**") which is the earlier of:
  - (i) the date on which all amounts due in respect of the Note have been paid; and
  - (ii) the date on which the full amount of the moneys payable has been received by the Trustee or the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, and notice to that effect has been given to holders in accordance with the provisions of Condition 14.

The calculation of the Amortised Face Amount will continue to be made (as well after as before judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 6.4.

#### 7.5 **Redemption Amount of Notes**

- (a) The amount payable upon redemption of each Note ("**Scheduled Redemption Amount**") (other than an Interest Only Note) on the Maturity Date in accordance with Condition 7.1 shall be its outstanding principal amount, unless otherwise specified in the applicable Constituting Instrument.
- (b) Subject as provided by Condition 7.4 and unless the Constituting Instrument provides otherwise, the amount payable upon redemption of each Note pursuant to the paragraph headed "Alternative procedures" of Condition 1.2(c) or Condition 7.2 or Condition 7.3 or upon it becoming due and payable as provided in Condition 9 shall be the amount determined by the Determination Agent or person appointed by the Issuer pursuant to (d) below (as applicable) to be the lesser of (i) the outstanding principal amount of such Note and (ii) the amount available for redemption of such Note by applying the

portion available to the Noteholders pursuant to Condition 4.4 (or as it may be amended or replaced by the Constituting Instrument) of the net proceeds of enforcement of the security in accordance with Condition 4 *pari passu* and rateably to the Notes (such amount being the "**Early Redemption Amount**"). No interest shall be payable in addition to the Early Redemption Amount except interest which was due and payable prior to the Early Redemption Date (as defined below). Redemption of the Notes at their Early Redemption Amount shall not constitute an Event of Default under Condition 9.

- (c) Unless the Constituting Instrument provides otherwise, upon the date on which the Notes are or will become due and repayable pursuant to the paragraph headed "**Alternative procedures**" of Condition 1.2(c) or Condition 7.2 or Condition 7.3, the security constituted by the relevant Constituting Instrument shall become enforceable (in the case of any redemption under Condition 1.2(c) to the extent applicable to the portion of the Notes to be redeemed) and the provisions of Condition 4.1 and Condition 4.3 shall thereafter apply. Upon receipt of the proceeds (if any) of realisation of the Mortgaged Property following such enforcement, the Trustee shall give notice to the Noteholders in accordance with Condition 14 of the date on which each Note shall be redeemed at its Early Redemption Amount the ("**Early Redemption Date**").
- (d) The Constituting Instrument shall specify the name of the Determination Agent appointed to determine the Early Redemption Amount, where appropriate. The Issuer will procure that, so long as any Note remains outstanding, there shall at all times be a Determination Agent if provision is made for the same in the Constituting Instrument and, if there is a Charged Agreement and no Determination Agent is specified in the Constituting Instrument, the Counterparty shall be the Determination Agent.

The Determination Agent will, on such date as the Determination Agent may be required to calculate any Early Redemption Amount, if required to be calculated, cause such Early Redemption Amount to be notified to the Trustee, the Principal Paying Agent or, in the case of Registered Notes, to the Registrar, and each of the Paying Agents and to be notified to Noteholders in accordance with Condition 14 as soon as possible after its calculation but in no event later than the first Business Day thereafter. The calculation of the Early Redemption Amount, if required to be calculated, shall (in the absence of manifest error) be final and binding upon all parties.

If the Determination Agent is unable or unwilling to act as such, the Issuer will, with the prior written consent of the Trustee, appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Determination Agent may not resign its duties without a successor having been appointed as aforesaid.

- (e) If any Maximum or Minimum Redemption Amount is specified in the Constituting Instrument, then the Early Redemption Amount shall in no event exceed the maximum or, subject as provided in Condition 7.5(b) and Condition 10, be less than the minimum so specified.
- (f) The Issuer may, if so specified in the applicable Constituting Instrument that this Condition 7.5(f) applies, elect to satisfy its obligations to the Noteholders to pay the Redemption Amount in respect of each Note by delivery to the relevant Noteholder of the Attributable Charged Assets (as defined below).

In such case, the Issuer will procure that the Custodian will, subject to receipt by it of a confirmation from the Principal Paying Agent or Registrar (as relevant) of any termination payment payable to or by the Issuer from or to the Counterparty (if any) on termination of the Charged Agreement (if any), subject to the terms and conditions of the Charged Assets and to all applicable laws, regulations and directives and to payment by the relevant Noteholder(s) of any related costs and expenses (including stamp duty or other taxes), deliver or shall procure that the Attributable Charged Assets are delivered to each relevant Noteholder (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery) on the date specified in the applicable Constituting Instrument (the "**Delivery Date**").

In order to receive delivery of the relevant amount of Attributable Charged Assets, each Noteholder shall, on or prior to the Delivery Date, supply to the Custodian such evidence of the aggregate principal amount of the Notes held by such Noteholder as the Custodian may require. The following shall constitute evidence satisfactory to the Custodian:

- (i) if the Notes are in definitive form, all unmatured Coupons appertaining to such Note(s), (or an indemnity from each Noteholder in respect of any unmatured Coupons not so surrendered as the Issuer may require) or,
- (ii) in the case of Notes in global form, a certificate or other document issued by Euroclear or Clearstream Luxembourg or the Alternative Clearing System as to the principal amount of the Notes standing to the credit of the account of the Noteholder in question and confirming that such Noteholder has undertaken to Euroclear or Clearstream Luxembourg or the Alternative

Clearing System expressly for the benefit of the Issuer that it will not sell, transfer or otherwise dispose of its Notes (or any of them) or any interest therein at any time on or prior to the Delivery Date,

together with, in either case, confirmation from the Principal Paying Agent or the Paying Agent or the Registrar (as relevant) that the Noteholder has surrendered to it the relevant Notes and confirmation from the Counterparty that any amount payable to the Counterparty on termination of the Charged Agreement has been received by the Counterparty to its satisfaction.

On receipt of such evidence by the Custodian, the relevant amount of Attributable Charged Assets shall (subject as aforesaid) be delivered to such Noteholder or to such account with Euroclear or Clearstream Luxembourg or the Alternative Clearing System as will be specified in the delivery instructions given in the manner set out below. Any stamp duty or other tax and any other costs and expenses payable in respect of the transfer of such Attributable Charged Assets shall be the responsibility of, and payable by, the relevant Noteholder.

A holder of Notes in definitive form, at the same time as surrendering such Notes together with, if applicable, all unmatured Coupons appertaining thereto, to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), shall specify to the Principal Paying Agent or the Registrar (as applicable) its instructions concerning the delivery to it, or any nominee of it, of the relevant amount of Attributable Charged Assets to which it is entitled and the Principal Paying Agent or Registrar (as applicable) shall forthwith notify the Custodian and the Counterparty (if any) of such instructions.

A holder of Notes in global form shall notify the Custodian of its instructions concerning the delivery to it, or any nominee of it, of the relevant amount of Attributable Charged Assets to which it is entitled, which instructions will, for the avoidance of doubt, be included in any notice given to the Custodian by Euroclear or Clearstream Luxembourg in accordance with the provisions above and the Custodian shall forthwith notify the Counterparty of such instructions.

As used herein "**Attributable Charged Assets**" shall be the proportion (rounded to the nearest whole number) of Charged Assets as equals the proportion which each Noteholder's holding of Notes bears to the total principal amount outstanding of the Notes as calculated by the Determination Agent in the manner and on the date specified in the applicable Series Memorandum. If the amount of Attributable Charged Assets to be delivered to a Noteholder is not divisible by the minimum denomination of such Charged Assets, the amount of Attributable Charged Assets to be delivered to such Noteholder shall be rounded down to the nearest whole multiple of such minimum denomination. Any amount received by or on behalf of the Issuer from the Counterparty in connection with the termination of the Charged Agreement shall comprise part of the Attributable Charged Assets in the proportion determined as described above. Any determination of the Attributable Charged Assets to which a Noteholder is entitled shall be final and binding on all parties.

*The net sums (if any) realised upon the security becoming enforceable on the early redemption of the Notes pursuant to the Conditions (including Condition 7.2 and 7.3 above) may be insufficient to pay all the amounts due to each Counterparty (if any) and to pay to the Noteholders amounts equal to the Early Redemption Amount and the interest which would otherwise accrue to the date of redemption. In such event, any shortfall shall be borne by the Noteholders, Receiptholders and Couponholders (if any) and by each Counterparty (if any) and any other persons entitled to the benefit of the security pursuant to the Constituting Instrument according to the order of priority specified in the Constituting Instrument and the Early Redemption Amount will reflect such shortfall in the case of the Noteholders. None of the Trustee, the holder or holders of the shares in the Issuer any Counterparty (if any), the Arranger, the Dealers or any other person has any obligation to any Noteholders or Receiptholders or Couponholders (if any) for payment of any amount by the Issuer in respect of the Notes or Receipts or Coupons (if any).*

#### 7.6 **Redemption at the option of the Noteholders or the Issuer**

##### (a) **Noteholder option**

If this Condition 7.6(a) is stated by the Constituting Instrument to be applicable, the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any Note, redeem such Note on the date or dates specified for such purpose in the Constituting Instrument at its Scheduled Redemption Amount or such other amount as may be specified in the Constituting Instrument, or the amount calculated on the basis specified in the Constituting Instrument (as the case may be) as being the applicable redemption amount or the applicable basis of determining the redemption amount pursuant to this Condition 7.6(a) (such amount being the "**Noteholder Optional Redemption Amount**"), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption ("**Redemption Notice**") in the form set out in the relevant Constituting Instrument and/or Series Memorandum, not more than 60 nor less than 30 days prior to the relevant date for redemption and provided that, in the case of any Note represented by a Global Note or a Global Registered Certificate registered in the name of a nominee for Euroclear or Clearstream Luxembourg or an Alternative Clearing System, the Noteholder must deliver such Redemption Notice together with an authority to Euroclear or Clearstream Luxembourg or the relevant Alternative Clearing System (in each case, as appropriate) to debit such Noteholder's account accordingly and provided that, in the case of any Note represented by a Global Registered Certificate registered in the name of any other person, the Noteholder must deliver such Redemption Notice together with an instruction to such person to amend its records accordingly (to be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount). No Note (or authority) so deposited may be withdrawn (except as provided in the Constituting Instrument) without the prior written consent of the Issuer.

(b) **Issuer option**

If this Condition 7.6(b) is stated by the Constituting Instrument to be applicable, the Issuer may, on giving not more than 60 nor less than 30 days' notice to the Trustee and the Noteholders in accordance with Condition 14, and subject to compliance with all relevant laws, regulations and directives, at the option of the Issuer, redeem all or some of the Notes in the manner and on the date or dates specified in the Constituting Instrument at their Scheduled Redemption Amount or such other amount as may be specified in the Constituting Instrument, or the amount calculated on the basis specified in the Constituting Instrument (as the case may be) as being the applicable redemption amount or the applicable basis of determining the redemption amount pursuant to this Condition 7.6(b) (such amount being the "**Issuer Optional Redemption Amount**"), together with interest accrued to the date fixed for redemption.

Notice given by the Issuer to redeem Note(s) pursuant to this Condition 7.6(b) may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition 7.6(b) and the Constituting Instrument.

In the case of a partial redemption of Notes (if permitted as specified in the Constituting Instrument):

- (i) when the Notes are in definitive form, if a partial redemption is specified in the Constituting Instrument to be effected by selection of whole Notes, the Notes to be redeemed will be selected in the manner indicated in the Constituting Instrument and notice of the Notes called for redemption will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption, or, if a partial redemption of Notes is specified in the Constituting Instrument to be effected by pro rata payment, the outstanding principal amount of each Note shall be redeemed in a proportion equal to the proportion which the outstanding principal amount of such Note bears to the aggregate outstanding principal amount of all the Notes at such time; and
- (ii) when the Notes are represented by a Global Note or a Global Registered Certificate, if a partial redemption is specified in the Constituting Instrument to be effected by selection of whole Notes, the Notes to be redeemed will be selected in accordance with the rules of Euroclear or Clearstream Luxembourg (to be reflected in the records of Euroclear and Clearstream Luxembourg as either a pool factor or a reduction in nominal amount) or the relevant Alternative Clearing System (in each case, as appropriate) or (in any case where a Global Registered Certificate is registered in the name of a person other than a nominee for Euroclear or Clearstream Luxembourg or an Alternative Clearing System) in accordance with the rules and procedures established from time to time by such person or, if a partial redemption of Notes is specified in the Constituting Instrument to be effected by pro rata payment, each Note shall be redeemed in a proportion equal to the proportion which the outstanding principal amount of such Note bears to the aggregate outstanding principal amount of all the Notes at such time.

(c) **Consequence of exercise of options**

As soon as reasonably practicable after the exercise of an option pursuant to this Condition 7.6, the Realisation Agent shall, if applicable, take such steps as it considers appropriate to effect an orderly and prompt sale of the Charged Assets or such part thereof as corresponds to the Notes to be redeemed. In carrying out any such sale the Realisation Agent shall act in good faith and shall sell at its best execution price less any commissions or expenses charged by the Realisation Agent and specified for this purpose in the Constituting Instrument.

In order to obtain its best execution price for the above purposes, the Realisation Agent shall be required to take reasonable care to ascertain the best price that is available for the sale of the Charged Assets or

such part thereof at the time of the sale for transactions of the size and kind concerned but shall not be required to delay the sale for any reason including the possibility of achieving a higher price. The Realisation Agent shall not be liable (i) to account for anything except the actual net proceeds of the Charged Assets received by it or (ii) for any costs, charges, losses, damages, liabilities or expenses arising from or connected with the sale or otherwise unless such costs, charges, losses, damages, liabilities or expenses shall have been caused by its own fraud or wilful default. Nor shall the Realisation Agent be liable to the Issuer, the Noteholders, the Trustee or any other person merely because a higher price could have been obtained had the sale been delayed or to pay to the Issuer, the Noteholders, the Trustee or any other person interest on any proceeds from the sale held by it at any time.

#### 7.7 **Purchase**

The Issuer may not purchase Notes otherwise than in connection with a Counterparty Optional Termination, as provided in the Charged Agreement. If there is no Charged Agreement, the Arranger or any Affiliate of the Arranger may at any time require the Issuer to purchase all or some of any Notes ("**Purchase Notes**") which have been purchased by or otherwise delivered to the Arranger or an Affiliate of the Arranger in consideration for delivery by the Issuer to the Arranger or, as the case may be, the relevant Affiliate of the Arranger on the date on which the Purchase Notes are to be delivered to the Issuer of a proportion of the Charged Assets, as selected by the Arranger or, as the case may be, the relevant Affiliate of the Arranger in its sole and absolute discretion, equal to the proportion which the aggregate principal amount of the Purchase Notes bears to the aggregate principal amount of the Notes outstanding immediately prior to the purchase by or other delivery to the Arranger or, as the case may be, the relevant Affiliate of the Arranger.

As used above, "**Affiliate**" means any entity controlled, directly or indirectly, by the Arranger, any entity that controls, directly or indirectly, the Arranger or any entity directly or indirectly under common control with the Arranger and, for this purpose, "**control**" of any entity or person means ownership of a majority of the voting power of the entity or person.

*The Trust Deed contains provisions for the release from the security in favour of the Trustee of the relevant Charged Assets (or part thereof) which correspond to the Series of Notes (or part thereof) to be redeemed by the Issuer pursuant to Condition 7.6 or purchased by the Issuer pursuant to Condition 7.7.*

*Whilst the Notes are represented by a Global Note or a Global Registered Certificate, the relevant Global Note or Global Registered Certificate will be endorsed to reflect the principal amount of Notes so redeemed or purchased.*

#### 7.8 **Exchange of Series**

If so specified in relation to the Notes of a Series in the Constituting Instrument, the Noteholders of a Series may together by notice in writing delivered to the Issuer (and copied to the Trustee), with the consent of each Counterparty (if any), and subject to and in accordance with the provisions of the Constituting Instrument, request the Issuer to issue a further Series of Notes (the "**New Series**") in exchange for that existing Series of Notes (the "**Existing Series**") on such terms as may be specified in the Constituting Instrument or specified or approved by all such Noteholders. Any Charged Agreement in respect of such Existing Series so exchanged will be terminated and the security for the New Series will be that constituted by the Constituting Instrument in relation to the Existing Series (other than a security interest in respect of any Charged Agreement so terminated) (except that the security for the New Series may be postponed in point of priority to any other security over the assets securing the Existing Series which may have attached to such assets since the creation of the security for the Existing Series) and, if appropriate, over a further Charged Agreement to be entered into in connection with the New Series, all in accordance with the terms of the Constituting Instrument and as previously approved in writing by the Trustee provided that if the Existing Series is rated by any Rating Agency at the request of the Issuer, they may only be exchanged for a New Series if each such Rating Agency shall have confirmed that it will assign the New Series the same rating as that assigned by such Rating Agency to the Existing Series (unless the relevant Rating Agency shall have waived such requirement or the rules of the relevant Rating Agency at the date of such exchange do not so require such similar rating).

If the Existing Series comprises Listed Notes and if it is intended that the New Series be Listed Notes, the Issuer shall notify the relevant stock exchange and any relevant competent authority and produce such Series Memorandum and produce such information as the rules of such stock exchange or competent authority may require in connection therewith.

*If the Noteholders of a Series elect, pursuant to Condition 7.8 to exchange such Series for a New Series, upon termination of any Charged Agreement in respect of the Existing Series so exchanged, a shortfall may be suffered by the Noteholders.*

#### 7.9 **Redemption by instalments**

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note which provides for "**Instalment Dates**" and "**Instalment Amounts**" will be partially redeemed on each Instalment Date at the specified Instalment Amount, whereupon the outstanding principal amount of such Note and its Scheduled Redemption Amount (unless specified otherwise in the Constituting Instrument) shall be reduced for all purposes by the Instalment Amount. If the Constituting Instrument requires the Instalment Amounts to be calculated, it will specify the Determination Agent appointed to determine such Instalment Amounts and the provisions of Condition 7.5 in relation to the calculation of Redemption Amounts shall apply *mutatis mutandis* in relation to the calculation of Instalment Amounts.

#### 7.10 **Cancellation**

All Notes of any Series which are redeemed (together, in the case of Bearer Notes, with such unmatured Receipts, Coupons and Talons as are attached thereto or are surrendered therewith at the time of such redemption) and all Receipts and Coupons which are paid and Talons which are exchanged shall, unless otherwise permitted by these Conditions or the Constituting Instrument, be cancelled forthwith by the Paying Agent or the Registrar or Transfer Agent, as the case may be, by or through which they are redeemed or paid. Each Paying Agent shall give all relevant details and forward cancelled Notes, Receipts, Coupons and Talons to the Principal Paying Agent or its designated agent. All Notes which are purchased by the Issuer pursuant to Condition 7.7 (together, in the case of Bearer Notes, with such unmatured Receipts, Coupons and Talons as are attached thereto or are surrendered therewith at the time of such purchase) and all Receipts and Coupons which are paid and Talons which are exchanged shall, unless otherwise permitted by the Conditions, be delivered to, and cancelled forthwith by, the Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) or the Registrar or Transfer Agent (in the case of Registered Notes), as the case may be.

Each Transfer Agent shall give all relevant details and forward cancelled Notes to the Registrar or its designated agent.

### 8. **Payments**

#### 8.1 **Bearer Notes**

Payments of principal and interest in respect of Bearer Notes (other than Dual Currency Notes) will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts other than payment of the last Instalment Amount and provided that each Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8.5(f)) or Coupons (in the case of interest, save as specified in Condition 8.5(f)) at the specified office of any Paying Agent outside the United States by transfer to an account denominated in the currency in which such payment is due.

No payments of principal, interest or other amounts due in respect of Bearer Notes (or the related Coupons, Talons or Receipts) will be made by transfer to an account maintained by the Holder in the United States.

#### 8.2 **Registered Notes**

- (a) Payments of principal (which, for the purposes of this Condition 8.2, shall include the final Instalment Amount but not other Instalment Amounts) in respect of Registered Notes (other than Dual Currency Notes) will be made to the person shown on the register against presentation and surrender of the relevant Registered Certificate at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 8.1. To the extent that a Noteholder does not present (and, if applicable, surrender) the relevant Registered Certificate at least three Business Days prior to the Maturity Date or other date for redemption (as the case may be) none of the Issuer, the Trustee, the Registrar, the Principal Paying Agent, the Interest Calculation Agent, each Counterparty (if any), the Determination Agent (if any), the Custodian or any other person shall be liable in respect of any delay in the payment of the relevant redemption monies to such Noteholder as a consequence thereof.
- (b) Interest (which, for the purposes of this Condition 8.2, shall include all Instalment Amounts other than the final Instalment Amount) on Registered Notes payable on any Interest Payment Date or, as the case may be, any Instalment Date will be paid to the persons shown on the Register on the day before the due date for payment thereof (the "**Record Date**"). Payment of interest on each Registered Note (other than a Dual Currency Note) will be made in the currency in which such Notes are denominated by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

#### 8.3 **Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

- (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due;
- (b) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and
- (c) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**8.4 Payments subject to fiscal laws; payments on Global Notes and Global Registered Certificates**

- (a) All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commissions or expenses shall be charged to the Noteholders, Receipholders or Couponholders (if any) in respect of such payments.
- (b) Payments of principal and interest in respect of Bearer Notes when represented by a Global Note and payments of principal in respect of Registered Notes when represented by a Global Registered Certificate will be made against presentation and surrender or, as the case may be, presentation of the Global Note or Global Registered Certificate at the specified office of the Principal Paying Agent or, as the case may be, the Registrar, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Issuer, the Principal Paying Agent or, as the case may be, the Registrar or the bearer or registered owner of the Global Note or Global Registered Certificate or any person (so long as the Global Note or Global Registered Certificate is held on behalf of Euroclear, Clearstream Luxembourg, DTC or an Alternative Clearing System) shown in the records of Euroclear, Clearstream Luxembourg or DTC (other than each Clearing System to the extent that it is an account holder with the other Clearing System for the purpose of operating the "bridge" between the Clearing Systems) or such Alternative Clearing System as the holder of a particular principal amount of the Notes. A record of each payment so made will be endorsed on the relevant schedule to the Global Note or Global Registered Certificate by or on behalf of the Principal Paying Agent or, as the case may be, the Registrar which endorsement shall be prima facie evidence that such payment has been made.
- (c) The bearer of a Global Note or the registered owner of a Global Registered Certificate shall be the only person entitled to receive payments of principal and interest on the Global Note or Global Registered Certificate and the Issuer will be discharged by payment to the bearer or registered owner of such Global Note or Global Registered Certificate in respect of each amount paid. So long as the relevant Global Note or Global Registered Certificate is held by or on behalf of Euroclear, Clearstream Luxembourg, DTC or an Alternative Clearing System, each of the persons shown in the records of Euroclear, Clearstream Luxembourg, DTC or such Alternative Clearing System as the holder of a Note must look solely to Euroclear, Clearstream Luxembourg, DTC or such Alternative Clearing System, as the case may be, for its share of each payment so made by the Issuer to the bearer or registered owner of the Global Note or Global Registered Certificate subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream Luxembourg, DTC or such Alternative Clearing System, as the case may be. So long as the relevant Global Registered Certificate is registered in the name of a person other than a nominee for Euroclear, Clearstream Luxembourg, DTC or an Alternative Clearing System, each of the persons shown in the records of such person as the holder of a Note must look solely to such person for its share of each payment so made by the Issuer to such person, subject to the rules and procedures established from time to time by such person. No person other than the bearer of the Global Note or the registered owner of the Global Registered Certificate shall have any entitlement to payments due by the Issuer on the Notes.

**8.5 Unmatured Receipts and Coupons and unexchanged Talons**

- (a) Fixed Rate Notes which are Bearer Notes, other than Notes which are specified in the Constituting Instrument to be Long Maturity Notes (being Fixed Rate Notes whose principal amount is less than the aggregate interest payable thereon on the relevant dates for payment of interest under Condition 6.1) or Variable Coupon Amount Notes, shall be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 7.4(c)) for the payment of such Redemption Amount (whether or not such Coupon has become void pursuant to Condition 11).
- (b) Subject to the provisions of the Constituting Instrument, upon the due date for redemption of any Floating Rate Note, Long Maturity Note or Variable Coupon Amount Note which is a Bearer Note,

unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (c) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (d) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (e) Where any Floating Rate Note, Long Maturity Note or Variable Coupon Amount Note which is a Bearer Note is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (f) If the due date for redemption of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Registered Note from its Maturity Date in respect of which the Registered Certificate has been presented for payment of principal shall, save as otherwise provided in the Conditions, be paid in accordance with Condition 8.2. Interest accrued on a Zero Coupon Note from its Maturity Date shall be payable on redemption of such Zero Coupon Note against presentation thereof.

#### 8.6 Non-business days

Subject as provided in the Constituting Instrument and as provided in Condition 6.2, if any date for payment in respect of any Note, Receipt or Coupon is not a Business Day (as defined in Condition 6.10), the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment.

#### 8.7 Dual Currency Notes

The Constituting Instrument in respect of each Series of Dual Currency Notes shall specify the currency in which each payment in respect of the relevant Notes shall be made, the terms relating to any option relating to the currency in which any payment is to be made and the basis for calculating the amount of any relevant payment and the manner of payment thereof.

#### 8.8 Talons

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of the Principal Paying Agent or such other Paying Agent as is notified to the Noteholders in exchange for a further coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 11).

#### 9. Events of Default

Unless the Notes have already fallen due for redemption in whole pursuant to these Conditions and the Constituting Instrument, the Trustee at its discretion (other than with respect to the Event of Default set out in item (b) below) may, and if so requested in writing by the holders of at least one-fifth in principal amount of the Notes of any Series then outstanding (other than with respect to the Event of Default set out in item (b) below) or if so directed by an Extraordinary Resolution of the Noteholders shall, subject to its being indemnified and/or prefunded and/or secured to its satisfaction, give notice to the Issuer that the Notes of such Series are, and they shall accordingly immediately upon enforcement of the security constituted by the relevant Trust Deed and any Additional Charging Instrument in respect of such Series become, due and repayable at their Early Redemption Amount, calculated as provided by Condition 7.5 (or, in the case of Zero Coupon Notes of a Series (unless the Constituting Instrument provides otherwise or does not specify the Amortisation Yield and Day Count Fraction) at their Amortised Face Amount) and the proceeds of realisation of such security shall be applied as specified in Condition 4.4 (all as provided by the Trust Deed), in any of the following events ("Events of Default"):

- (a) if default is made by the Issuer for a period of 14 days or more in the payment of any sum due in respect of such Notes or any of them (save as specifically provided in these Conditions); or
- (b) if the Issuer fails to perform or observe any of its other obligations under such Notes or the relevant Trust Deed and, if such failure is remediable, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and, for such purposes, any failure to perform or observe any

obligation shall be deemed remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or

- (c) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or
- (d) if an examiner is appointed in respect of the Issuer; or
- (e) any event occurs with respect to the Issuer which, under the applicable laws of any jurisdiction, has an analogous effect of any of the events specified in Condition 9(c) or Condition 9(d) above.

While the Notes of any Series are represented by one or more Global Notes or Global Registered Certificates, the holder of any such Global Note or Global Registered Certificate (or two or more of them acting together, if more than one) representing one-fifth in principal amount of the Notes of such Series may exercise the right to request the Trustee to declare such Notes due and payable at the relevant amount by request in writing to the Trustee.

*The Issuer has covenanted pursuant to the Trust Deed with the Trustee that, for so long as any Note remains outstanding, it shall provide a written confirmation to the Trustee annually that no Event of Default or Potential Event of Default (each as defined in the Master Definitions) has occurred.*

*The Issuer has further covenanted in the Trust Deed that it will give notice in writing to the Trustee promptly upon becoming aware of the occurrence of any Event of Default or Potential Event of Default and, at the same time as giving such notice to the Trustee, shall procure that a copy of the same is sent to each Rating Agency which has (at the request of the Issuer) assigned a rating to the Notes.*

*The occurrence of an event of default under one Series will not constitute an event of default under any other Series except as otherwise specified in the relevant Constituting Instrument in a case where the Charged Assets and/or the Charged Agreement(s) (if any) in respect of the Notes of one Series also comprise the Charged Assets and/or Charged Agreement(s) in respect of a Discrete Series.*

#### **10. Enforcement and Limited Recourse**

Only the Trustee may pursue the remedies available under the Trust Deed, the Conditions and any Additional Charging Instrument to enforce the rights of the Noteholders, Receiptholders and Couponholders (if any) of a Series or any Counterparty (in their respective capacities as such) in the order of priority specified in the Constituting Instrument. Neither any holder of any Note or Receipt or Coupon (if any) of such Series nor any Counterparty is entitled to proceed directly against the Issuer, the Mortgaged Property or any other assets of the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Trust Deed, any Additional Charging Instrument or the Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. After realisation of the security in respect of the Notes of such Series which has become enforceable (subject to and in accordance with Condition 4.3) and distribution of the net proceeds thereof in accordance with Condition 4, or, in the case of an unsecured Series, distribution of the proceeds of the assets which are attributable to the relevant Series in accordance with the relevant priority of payments, and (in either case), save for lodging a claim in the liquidation of the Issuer initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer, neither the Trustee nor any Noteholder, Receiptholder or Couponholder (if any) may take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Notes or Receipts or Coupons (if any) nor may any Counterparty with the benefit of the security constituted by the Trust Deed take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the relevant Charged Agreement in respect of such Series and, in each case, all claims against the Issuer in respect of each of such sums unpaid shall be extinguished. In particular, (but, without limitation,) none of the Trustee, or any Noteholder, Receiptholder or Couponholder (if any) or any Counterparty shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer in relation to such sums or otherwise, nor shall any of them have any claim in respect of any such sums or on any other account whatsoever over or in respect of any other assets of the Issuer. Notwithstanding, the Trustee and each Noteholder agrees that the Issuer's obligations are solely corporate obligations of such Issuer and will not have any recourse against any director, officer or employee of such Issuer for any claims, losses, damages, liabilities, indemnities or other obligations whatsoever in connection with the Notes.

*Such net proceeds may be insufficient to pay all the amounts due to each Counterparty and to pay to the Noteholders amounts equal to the Scheduled Redemption Amount and the interest which would otherwise accrue to the date of redemption. In such event, any shortfall shall be borne by the Noteholders, Receiptholders and Couponholders (if any) and by each Counterparty (if any) and any other persons entitled to the benefit of the security pursuant to the Constituting Instrument according to the order of priority specified in the Constituting Instrument and the Early Redemption Amount will reflect such shortfall in the case of the*

*Noteholders. None of the Trustee, the holder or holders of the shares in the Issuer (or if it is acting as a share trustee or custodian, the beneficiary or beneficiaries), each Counterparty (if any), the Arranger, the Dealers or any other person has any obligation to any Noteholders or Receiptholders or Couponholders (if any) for payment of any amount by the Issuer in respect of the Notes or Receipts or Coupons (if any).*

#### 11. Prescription

Claims against the Issuer for payment shall be prescribed and become void unless made within 10 years (in respect of the Notes and Receipts (if any)) and 5 years (in respect of Coupons and Talons (if any)) from the due date for payment.

#### 12. Replacement of Notes, Receipts, Coupons and Talons

If any Bearer Note or Registered Note (in global or definitive form), Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to all applicable laws and stock exchange requirements, at the specified office of the Principal Paying Agent (in the case of Bearer Notes) and the Registrar or any Transfer Agent (in the case of Registered Notes), upon payment by the claimant of the out-of-pocket expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Principal Paying Agent or, as the case may be, the Registrar or any Transfer Agent may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued. In the case of a mutilated or defaced Bearer Note (unless otherwise covered by such indemnity as the Issuer may require) any replacement Bearer Note will only have attached to it Receipts, Coupons and/or Talons corresponding to those attached to the mutilated or defaced Bearer Note surrendered for replacement.

#### 13. Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution

##### 13.1 Meetings of Noteholders, modifications and waiver

The Trust Deed provides for the convening of meetings of Noteholders of a Series to consider matters affecting their interests, including the modification (subject as provided in Condition 13.5 by Extraordinary Resolution of the Conditions, the Trust Deed applicable to the Series and/or, if applicable, any Additional Charging Instrument or any agreement or deed constituted or created by the Constituting Instrument applicable to the Series. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a majority in principal amount of the Notes of the relevant Series for the time being outstanding, or, at any adjourned such meeting, two or more persons being or representing Noteholders of the relevant Series, whatever the principal amount of the Notes so held or represented, except that, inter alia, the terms of the security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes or the Receipts or Coupons (if any) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing two-thirds, or, at any adjourned such meeting, not less than one-third, in principal amount of the Notes for the time being outstanding. The holder of a Global Note or Global Registered Certificate representing the whole of a Series will be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders. A resolution duly passed at any meeting of the Noteholders will be binding on all Noteholders of the relevant Series, whether or not they were present at such meeting, and on Receiptholders and Couponholders (if any). A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes who for the time being are entitled to receive notice of the meeting shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders of such Series. The Trustee may, without consulting the Noteholders or Receiptholders or Couponholders (if any), determine that an event which would otherwise be an Event of Default shall not be so treated but only if and insofar as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby and only with the prior written consent of the Counterparty (such consent not to be unreasonably withheld or delayed and, for such purpose, it shall be reasonable for the Counterparty to withhold or delay its consent if its rights or interests in respect of the relevant Series would be adversely affected thereby) and provided, if the Notes are rated at the request of the Issuer by any Rating Agency, each such Rating Agency shall have been notified in advance thereof. The Trustee may also agree, without the consent of the Noteholders or Receiptholders or Couponholders (if any) but subject as provided in Condition 13.5, and provided if the Notes rated at the request of the Issuer by any Rating Agency, each such Rating Agency shall have been notified in advance thereof:

- (a) any modification to the Conditions, any Additional Charging Instrument or the Constituting Instrument (or the Trust Deed, the Custody Agreement, the Agency Agreement, the Charged Agreement or any other agreement or deed constituted or created by the Constituting Instrument) or any Additional Charging Instrument applicable to the Series which is of a formal, minor or technical nature or is made to correct a manifest error or is made as a result of any comments raised by the Irish Stock Exchange in connection with an application to list a Series of Notes, and
- (b) any other modification (except as mentioned in the relevant Constituting Instrument and as summarised above) and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Conditions any Additional Charging Instrument or the Constituting Instrument (or the Trust Deed, the

Custody Agreement, the Agency Agreement, the Charged Agreement or any other agreement or deed constituted or created by the Constituting Instrument) applicable to the Series and to which the Issuer and/or the Trustee are a party or any accession by or substitution of any party to any such agreement or deed which in each case, in the opinion of the Trustee, is not materially prejudicial to the interests of the Noteholders of that Series and subject as provided by the relevant agreement or deed.

Any such modification, authorisation or waiver shall be binding on the Noteholders of that Series and the Receiptholders and the Couponholders (if any) of that Series and the Counterparty (if any) and, unless the Trustee agrees otherwise with the Issuer, such modification shall be notified to the Noteholders of that Series in accordance with Condition 14 and the Irish Stock Exchange (for so long as the Notes are listed thereon and the Irish Stock Exchange so requires) as soon as practicable thereafter.

### **13.2 Authorisation**

The Issuer will not exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Charged Assets unless directed in writing to do so by the Controlling Creditor (and if the Noteholders are the Controlling Creditor, by the holders of at least one fifth of the principal amount outstanding of the Notes of the relevant Series, or by an Extraordinary Resolution of the Noteholders of such Series) and, if such direction is given, the Issuer will act only in accordance with such directions. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) of, the Charged Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Charged Assets unless it shall have been so directed in writing by the Controlling Creditor. If any such persons aforesaid are at any time requested to give an indemnity to any person in relation to the Charged Assets or to assume obligations not otherwise assumed by them under any of the Charged Assets, or to give up, waive or forego any of their rights and/or entitlements under any of the assets secured pursuant to the relevant Trust Deed and/or, if applicable, any Additional Charging Instrument, or agree any composition, compounding or other similar arrangement with respect to any of the Additional Charged Assets or any part of them, the Issuer will not give such indemnity or otherwise assume such obligations or give up, waive or forego such rights or agree such composition, compounding or other arrangement unless (i) it shall have been so requested by the Controlling Creditor and (ii) it shall have been counter-indemnified to its satisfaction.

### **13.3 Substitution of Issuer**

The provisions of the Trust Deed permit the Trustee to agree, subject to such amendment of the Trust Deed, any Additional Charging Instrument, if applicable, and the other agreements and deeds constituted or created by the relevant Constituting Instrument and such other conditions as the Trustee may require including the transfer of security and subject to the prior written approval of each Counterparty (if any), but without the consent of the Noteholders, the Receiptholders or the Couponholders (if any) of any Series, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the relevant Trust Deed, any Additional Charging Instrument (if applicable) and the Notes, Receipts, Coupons and Talons (if any) in relation to any Series. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or Receiptholders or Couponholders (if any) of any Series, but subject to the prior written approval of each Counterparty (if any), to a change of the law governing the Notes, the Receipts, the Coupons, the Talons (if any) and/or the Trust Deed and/or any Additional Charging Instrument and any other agreement or deed constituted or created by the Constituting Instrument with respect to the Series in question, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders, the Receiptholders or the Couponholders of the Series in question.

### **13.4 Entitlement of the Trustee**

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for individual Noteholders, Receiptholders or Couponholders, or of holders of any other notes or bonds, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Receiptholder or Couponholder be entitled to claim from, the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Receiptholders or Couponholders.

### **13.5 Counterparty**

If, in relation to the relevant Series, there is one or more Charged Agreements, the Issuer shall not agree to any amendment or modification or any waiver or authorisation of any breach or proposed breach of the Conditions, any Additional Charging Instrument or the Constituting Instrument (or the Trust Deed, the Custody Agreement, the Agency Agreement, the Charged Agreement or any other agreement or deed constituted or created by the Constituting Instrument) without first obtaining the written consent of the Counterparty.

#### 14. Notices

Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the seventh day after the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper (expected to be the Financial Times) having general circulation in London and (so long as the Notes are Listed Notes and the rules of any relevant stock exchange or competent authority so require) in any such other newspaper in which publication is so required by the rules of that stock exchange or competent authority or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe approved by the Trustee. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Receiptholders, Couponholders and Talonholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

So long as any Notes are represented by Global Notes or Global Registered Certificates notices in respect of those Notes may be given by delivery of the relevant notice to Clearstream Luxembourg, Euroclear, DTC or the relevant Alternative Clearing System for communication by them to entitled account holders or (in the case of a Global Registered Certificate registered in the name of a person other than a nominee for Euroclear, Clearstream Luxembourg, or an Alternative Clearing System) to such person for communication by it to those persons entered in the records of such person as being entitled to such notice, in each case, in substitution for publication in a leading daily newspaper as aforesaid.

#### 15. Indemnification of the Trustee

The Trust Deed provides for the indemnification of the Trustee and for its relief from responsibility for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Mortgaged Property, including provisions relieving it from taking proceedings to enforce repayment or from taking any action in accordance with the Constituting Instrument or any Additional Charging Instrument without being first indemnified to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer, any issuer or guarantor of, or other obligor in respect of, the assets, rights and/or benefits comprising the Charged Assets, any Counterparty or any of their respective subsidiaries or associated companies without accounting to the holders of Notes, Receipts or Coupons for any profit resulting therefrom.

The Trust Deed provides that the Trustee is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Mortgaged Property, from any obligation to insure all or any part of the Mortgaged Property (including, in either such case, any documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) or to procure the same to be insured and from any claim arising from all or any part of the Mortgaged Property (or any such document aforesaid) being held in an account with Euroclear, Clearstream Luxembourg, DTC or an Alternative Clearing System in accordance with that system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian selected by the Trustee or the Custodian.

The Trust Deed provides that the Trustee will be under no obligation or duty to act on any directions of the Noteholders or any Counterparty (save as expressly provided in these Conditions, the Trust Deed and (save as aforesaid), in the event of any conflict between directions given by the Noteholders and by any Counterparty, it shall be entitled to act in accordance only with the directions of the Controlling Creditor.

The Trust Deed provides that the Trustee shall not be bound or concerned to make any investigation into the creditworthiness of any Counterparty or of any obligor under any Charged Assets or the validity or enforceability of any of the obligations of any Counterparty, under any Charged Agreement or of any obligor under the terms of any Charged Asset (including, without limitation, whether the cashflows from any Charged Assets, the Charged Agreement and the Notes are matched).

#### 16. Further Issues

Without prejudice to the issue by the Issuer of a Series of Notes comprising more than one tranche or class of Notes in the manner contemplated by Condition 3, the Issuer shall be at liberty from time to time without the consent of the Noteholders to:

- (a) create and issue Series of Notes on terms that such Series shall not be consolidated with or form a single series with any other Series of Notes and will not be secured on the Mortgaged Property or underlying assets for or in relation to any such Series and will form a separate Series of Notes or
- (b) create and issue notes ("**Further Notes**") on terms that such Further Notes shall be consolidated and form a single Series with the Notes of any existing Series (an "**Existing Series**") but so long as confirmation is obtained from any Rating Agency that has, at the request of the Issuer, assigned a rating

to the Existing Series that its then current rating of the Notes of the relevant Existing Series will not be withdrawn or adversely affected thereby and provided that:

- (i) the Further Notes together with the Notes of the Existing Series are secured on the Issuer's right, title and interest in and to the Charged Assets for the Existing Series (the "**Original Charged Assets**") and assets (the "**Further Charged Assets**") which are identical to the Original Charged Assets in every material respect and the nominal amount of which bears the same proportion to the nominal amount of the Further Notes as the proportion which the nominal amount of the Original Charged Assets bears to the nominal amount of the Notes of such Existing Series;
- (ii) the Conditions of the Further Notes are identical to the Conditions of the Notes of such Existing Series except in respect of the first amount of interest (if any) in respect thereof;
- (iii) the Further Notes are constituted by a constituting instrument supplemental to the Constituting Instrument in respect of the Notes of such Existing Series (the "**Further Constituting Instrument**");
- (iv) if the Issuer has entered into a Charged Agreement (the "**Original Charged Agreement**") in respect of such Existing Series, the Issuer enters into an agreement or agreements supplemental to the Original Charged Agreement (the "**Further Charged Agreement**") extending the provisions of the Original Charged Agreement, pro rata, to cover amounts receivable in respect of the Further Charged Assets and the obligations of the Issuer in respect of the Further Notes;
- (v) the security interests granted by the Issuer in such Further Constituting Instrument and/or any further Additional Charging Instrument executed pursuant to such Further Constituting Instrument are granted to the Trustee (i) for the Counterparty (if there is a Further Charged Agreement) to secure the obligations of the Issuer under both the Original Charged Agreement and the Further Charged Agreement and (ii) for all of the Noteholders of the consolidated Series on the same basis as that applicable to the Noteholders of the Existing Series;
- (vi) in the case of an Existing Series which is rated by a Rating Agency at the request of the Issuer each rating (if any) of the Charged Assets and the Further Charged Assets at the date of issue of the Further Notes will be identical to the rating (if any) of the Original Charged Assets at the date of issue of the Notes of the Existing Series; and
- (vii) if the Constituting Instrument for the Existing Series provides that the exemption from the 1940 Act provided by Section 3 (C)(I) of the 1940 Act is being relied upon, no further Notes may be issued if, as a result of such issuance, the total number of beneficial owners of the Notes of the Existing Series plus the Further Notes (together) that are U.S. Persons would exceed 100.

Upon any issue of Further Notes pursuant to this Condition 16, all references in these Conditions to "**Notes**", "**Charged Assets**", "**Constituting Instrument**" and "**Charged Agreement**" shall be deemed (where the context permits) to be references to the Notes and the Further Notes (including, where the context admits, any Receipts, Coupons or Talons appertaining thereto), the Original Charged Assets and the Further Charged Assets, the Constituting Instrument and the Further Constituting Instrument, and the Original Charged Agreement and the Further Charged Agreement, respectively. The Issuer may not, without the consent of the Noteholders by Extraordinary Resolution, issue any separate Series of Notes (other than Further Notes, as described above) which are secured on the assets comprised in the Mortgaged Property for the Notes of this Series except as otherwise specified (and then only to the extent so specified) in the Constituting Instrument relating to the Notes.

Further, if the Notes are rated (at the request of the Issuer) by any Rating Agency or Rating Agencies the Issuer undertakes to the Trustee, the Noteholders and each Counterparty in relation to the Notes that it will promptly notify the Trustee and such Rating Agency or Rating Agencies of each Discrete Series or Alternative Investments to be created or issued by it prior to the creation or issue thereof and shall, prior to the creation or issue of such Discrete Series or Alternative Investments, obtain written confirmation from such Rating Agency or Rating Agencies that its then current rating of the Notes will not be adversely affected or withdrawn by such Rating Agency or Rating Agencies as a result of the issue or creation of such Discrete Series or Alternative Investments (whether or not such Discrete Series or Alternative Investments are to be rated, at the request of the Issuer, by such Rating Agency or Rating Agencies).

#### 17. **Taxation**

All payments in respect of the Notes, Receipts or Coupons (if any) will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or the Registrar or any Transfer Agent or any Paying Agent is required by applicable law to make any such payment in respect of the Notes, Receipts or Coupons (if any) subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or such Paying Agent,

Registrar or Transfer Agent (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Agent, the Arranger, the Trustee or any Counterparty will be obliged to make any additional payments to the Noteholders, Receiptholders or Couponholders (if any) in respect of such withholding or deduction.

**18. Governing Law and Submission to Jurisdiction**

- 18.1 Subject to Condition 18.6, the Trust Deed, the relevant Constituting Instrument, the Agency Agreement, the Custody Agreement, the Notes, the Receipts, the Coupons and the Talons (if any), and Charged Agreement (if any) and all other documents to which, by execution of the Constituting Instrument, the Issuer becomes a party in respect of a Series and any non-contractual obligations and other matters arising from or connected with such documents, are governed by and shall be construed in accordance with English law. Each Additional Charging Instrument (if any) shall be governed by and construed in accordance with the law specified therein.
- 18.2 Subject to Condition 18.3 and Condition 18.6, in relation to any legal action or proceedings arising out of or in connection with the Trust Deed, the relevant Constituting Instrument, the Agency Agreement, the Custody Agreement, the Notes, the Receipts, the Coupons and the Talons (if any), and Charged Agreement (if any) and all other documents to which, by execution of the Constituting Instrument, the Issuer becomes a party in respect of a Series (whether arising out of or in connection with contractual or non-contractual obligations) ("Proceedings"), the Issuer irrevocably agrees that the English courts shall have exclusive jurisdiction, and waives any objections to Proceedings in such courts on the grounds of venue or on the grounds that the Proceedings have been brought in an inappropriate forum.
- 18.3 The parties agree that Condition 18.2 operates for the benefit of the Trustee, the Counterparty and each of the Noteholders, Receiptholders and Couponholders and accordingly each party (other than the Issuer) shall be entitled to take Proceedings in any other court or courts having jurisdiction and the Issuer irrevocably submits to the jurisdiction of such court or courts and waives any objection to Proceedings in such court or courts on the grounds of venue or on the grounds that Proceedings have been brought in an inappropriate forum.
- 18.4 The Issuer shall, by executing the Constituting Instrument, irrevocably appoint for the time being the agent for service of process specified in the Constituting Instrument to receive, for it and on its behalf, service of process in any Proceedings in England and Wales.
- 18.5 No person shall have any right to enforce any of the Conditions of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## DESCRIPTION OF MAGNOLIA FINANCE V PLC

### General

Magnolia Finance V plc (the “**Issuer**”) was incorporated in Ireland as a public limited company on 16 May 2005, with registration number 402194 under the name Magnolia Finance V plc, under the Companies Acts 1963-2003.

The registered office of the Issuer is at, 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The telephone number of the Issuer is +353 1 6806000. The authorised share capital of the Issuer is EUR 40,000 divided into 40,000 Ordinary Shares of EUR 1 each (“**Shares**”). The Issuer has issued 40,000 Shares all of which are fully paid. The issued Shares are held directly or indirectly by three Irish companies limited by guarantee, Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a “**Share Trustee**”, and together, the “**Share Trustee**”), on trust for charitable purposes. Each Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up the Issuer unless and until it has received written confirmation from the Directors of the Issuer that the Issuer does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over the Issuer is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from the Issuer solely for charitable purposes.

The Issuer has been established as a special purpose company. The principal activities of the Issuer are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### Directors and Company Secretary

The Directors of the Issuer are as follows:

- Rhys Owens
- Lynda Ellis

The business address of Rhys Owens is, 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and the business address of Lynda Ellis is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The Company Secretary is Deutsche International Corporate Services (Ireland) Limited.

Deutsche International Corporate Services (Ireland) Limited is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between the Issuer and the administrator, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days’ written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

### Financial Statements

This Programme Memorandum incorporates by reference the contents of the Directors’ Report and financial statements for the period ending 31 March 2013 and 31 March 2014. The Issuer intends to publish financial statements for the period ending 31 March 2015. The Issuer will not prepare interim financial statements.

The auditors of the Issuer are KPMG of 1 Harbourmaster Place, IFSC, Dublin 1. The auditors are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland.

## DESCRIPTION OF MAGNOLIA FINANCE X LIMITED

### General

Magnolia Finance X Limited was incorporated in Ireland as a private limited company on 30 October 2014, with registration number 551899 under the name Magnolia Finance X Limited, under the Companies Acts 1963-2013.

The registered office of Magnolia Finance X Limited is at Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The telephone number of Magnolia Finance X Limited is +353 1 680 6000. The authorised share capital of Magnolia Finance X Limited is EUR 100,000,000 divided into three Ordinary Shares of EUR 100,000,000 each ("**Shares**"). Magnolia Finance X Limited has issued three Shares all of which are fully paid. The issued Shares are held by three Irish companies limited by guarantee: Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a "**Share Trustee**", and together, the "**Share Trustee**"), on trust for charitable purposes. Each Share Trustee has, *inter alia*, undertaken not to exercise its voting rights to wind up Magnolia Finance X Limited unless and until it has received written confirmation from the Directors of Magnolia Finance X Limited that Magnolia Finance X Limited does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over Magnolia Finance X Limited is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from Magnolia Finance X Limited solely for charitable purposes.

Magnolia Finance X Limited has been established as a special purpose company. The principal activities of Magnolia Finance X Limited will be the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### Directors and Company Secretary

The Directors of Magnolia Finance X Limited are:

- Margaret Kennedy
- Deirdre Glynn

The business address of Margaret Kennedy is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and the business address of Deirdre Glynn is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The Company Secretary is Deutsche International Corporate Services (Ireland) Limited. Deutsche International Corporate Services (Ireland) Limited is the administrator of Magnolia Finance X Limited. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between Magnolia Finance X Limited and the administrator, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

Margaret Kennedy and Deirdre Glynn are employees of the administrator.

The financial year of Magnolia Finance X Limited ends on 30 April in each year

Magnolia Finance X Limited commenced operations on its date of incorporation but has not prepared financial statements as of the date of this Programme Memorandum.

## DESCRIPTION OF MAGNOLIA FINANCE XI LIMITED

### General

Magnolia Finance XI Limited was incorporated in Ireland as a private limited company on 19 March 2015, with registration number 559181 under the name Magnolia Finance XI Limited, under the Companies Acts 1963-2013.

The registered office of Magnolia Finance XI Limited is at Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The telephone number of Magnolia Finance XI Limited is +353 1 680 6000. The authorised share capital of Magnolia Finance XI Limited is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1.00 each ("**Shares**"). Magnolia Finance XI Limited has issued three Shares all of which are fully paid. The issued Shares are held by three Irish companies limited by guarantee: Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a "**Share Trustee**", and together, the "**Share Trustee**"), on trust for charitable purposes. Each Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up Magnolia Finance XI Limited unless and until it has received written confirmation from the Directors of Magnolia Finance XI Limited that Magnolia Finance XI Limited does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over Magnolia Finance XI Limited is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from Magnolia Finance XI Limited solely for charitable purposes.

Magnolia Finance XI Limited has been established as a special purpose company. The principal activities of Magnolia Finance XI Limited will be the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

Directors and Company Secretary

The Directors of Magnolia Finance XI Limited are:

- Derek Lawlor
- Michael Carroll

The business address of Derek Lawlor is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and the business address of Michael Carroll is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The Company Secretary is Deutsche International Corporate Services (Ireland) Limited. Deutsche International Corporate Services (Ireland) Limited is the administrator of Magnolia Finance XI Limited. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between Magnolia Finance XI Limited and the administrator, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

Derek Lawlor and Michael Carroll are employees of the administrator.

The financial year of Magnolia Finance XI Limited ends on 30 April in each year.

Magnolia Finance XI Limited commenced operations on its date of incorporation but has not prepared financial statements as of the date of this Programme Memorandum.

## DESCRIPTION OF MAGNOLIA FINANCE XII LIMITED

### General

Magnolia Finance XII Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 28 April 2015, with registration number MC-299104 under the name Magnolia Finance XII Limited, under the Companies Law (2013 Revision) of the Cayman Islands.

The registered office of Magnolia Finance XII Limited is at PO Box 1093, Queensgate House, Grand Cayman, KY1- 1102, Cayman Islands. The telephone number of Magnolia Finance XII Limited is +1 345 945 7099. The authorised share capital of Magnolia Finance XII Limited is US\$50,000 divided into 50,000 Ordinary Shares of US\$1.00 each ("**Magnolia Finance XII Shares**"). Magnolia Finance XII Limited has issued 250 Magnolia Finance XII Shares all of which are fully paid. The issued Magnolia Finance XII Shares are held by MaplesFS Limited (the "**Share Trustee**") on trust for charitable purposes.

Magnolia Finance XII Limited has been established as a special purpose company. The principal activities of Magnolia Finance XII Limited are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### *Directors and Company Secretary*

The Directors of Magnolia Finance XII Limited are as follows:

- Andrew Dean
- Edmund King

The business address of both Andrew Dean and Edmund King is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands. The Company Secretary is Maples Secretaries (Cayman) Limited, administrative and related services. The appointment of the administrator may be terminated forthwith if the administrator (i) commits a breach of the administration agreement between Magnolia Finance XII Limited and the administrator and such breach is not capable of remedy or where such breach is capable of remedy the administrator fails, within thirty days of receipt of notice served by Magnolia Finance XII Limited requiring it so to do, to make good such breach or (ii) upon the giving of notice of termination by Magnolia Finance XII Limited if the administrator enters into liquidation or is dissolved (except as a voluntary liquidation or dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by Magnolia Finance XII Limited) or commits any other act of bankruptcy under applicable laws. The administrator may retire upon three months' written notice. The business address of the administrator is MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Andrew Dean and Edmund King are employees of the administrator.

Magnolia Finance XII Limited commenced operations on its date of incorporation but it is not required to prepare financial statements under Cayman Law.

## DESCRIPTION OF MAGNOLIA FINANCE XIII LIMITED

### General

Magnolia Finance XIII Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 28 April 2015, with registration number MC-299105 under the name Magnolia Finance XIII Limited, under the Companies Law (2013 Revision) of the Cayman Islands.

The registered office of Magnolia Finance XIII Limited is at PO Box 1093, Queensgate House, Grand Cayman, KY1- 1102, Cayman Islands. The telephone number of Magnolia Finance XIII Limited is +1 345 945 7099. The authorised share capital of Magnolia Finance XIII Limited is US\$50,000 divided into 50,000 Ordinary Shares of US\$1.00 each ("**Magnolia Finance XIII Shares**"). Magnolia Finance XIII Limited has issued 250 Magnolia Finance XIII Shares all of which are fully paid. The issued Magnolia Finance XIII Shares are held by MaplesFS Limited (the "**Share Trustee**") on trust for charitable purposes.

Magnolia Finance XIII Limited has been established as a special purpose company. The principal activities of the Magnolia Finance XIII Limited are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### Directors and Company Secretary

The Directors of Magnolia Finance XIII Limited are as follows:

- Andrew Dean
- Edmund King

The business address of both Andrew Dean and Edmund King is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands. The Company Secretary is Maples Secretaries (Cayman) Limited. MaplesFS Limited is the administrator of Magnolia Finance XIII Limited. Its duties include the provision of certain administrative and related services. The appointment of the administrator may be terminated forthwith if the administrator (i) commits a breach of the administration agreement between Magnolia Finance XIII Limited and the administrator and such breach is not capable of remedy or where such breach is capable of remedy the administrator fails, within thirty days of receipt of notice served by Magnolia Finance XIII Limited requiring it so to do, to make good such breach or (ii) upon the giving of notice of termination by Magnolia Finance XIII Limited if the administrator enters into liquidation or is dissolved (except as a voluntary liquidation or dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by Magnolia Finance XIII Limited) or commits any other act of bankruptcy under applicable laws. The administrator may retire upon three months' written notice. The business address of the administrator is MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Andrew Dean and Edmund King are employees of the administrator.

Magnolia Finance XIII Limited commenced operations on its date of incorporation but it is not required to prepare financial statements under Cayman Law.

## DESCRIPTION OF MAGNOLIA FINANCE XIV LIMITED

### General

Magnolia Finance XIV Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 28 April 2015, with registration number MC-299106 under the name Magnolia Finance XIV Limited, under the Companies Law (2013 Revision) of the Cayman Islands.

The registered office of Magnolia Finance XIV Limited is at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands. The telephone number of Magnolia Finance XIV Limited is +1 345 945 7099. The authorised share capital of Magnolia Finance XIV Limited is US\$50,000 divided into 50,000 Ordinary Shares of US\$1.00 each ("**Magnolia Finance XIV Shares**"). Magnolia Finance XIV Limited has issued 250 Magnolia Finance XIV Shares all of which are fully paid. The issued Magnolia Finance XIV Shares are held by MaplesFS Limited (the "**Share Trustee**") on trust for charitable purposes.

Magnolia Finance XIV Limited has been established as a special purpose company. The principal activities of Magnolia Finance XIV Limited are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

#### Directors and Company Secretary

The Directors of Magnolia Finance XIV Limited are as follows:

- Andrew Dean
- Edmund King

The business address of both Andrew Dean and Edmund King is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands. The Company Secretary is Maples Secretaries (Cayman) Limited. MaplesFS Limited is the administrator of Magnolia Finance XIV Limited. Its duties include the provision of certain administrative and related services. The appointment of the administrator may be terminated forthwith if the administrator (i) commits a breach of the administration agreement between Magnolia Finance XIV Limited and the administrator and such breach is not capable of remedy or where such breach is capable of remedy the administrator fails, within thirty days of receipt of notice served by Magnolia Finance XIV Limited requiring it so to do, to make good such breach or (ii) upon the giving of notice of termination by Magnolia Finance XIV Limited if the administrator enters into liquidation or is dissolved (except as a voluntary liquidation or dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by Magnolia Finance XIV Limited) or commits any other act of bankruptcy under applicable laws. The administrator may retire upon three months' written notice. The business address of the administrator is MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Andrew Dean and Edmund King are employees of the administrator.

Magnolia Finance XIV Limited commenced operations on its date of incorporation but it is not required to prepare financial statements under Cayman Law.

## DESCRIPTION OF MAGNOLIA FINANCE XV DAC

### General

Magnolia Finance XV DAC was incorporated in Ireland as a designated activity company on 22 June 2015, with registration number 563381 under the name Magnolia Finance XV Designated Activity Company, under the Companies Acts 2014.

The registered office of Magnolia Finance XV DAC is at Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The telephone number of Magnolia Finance XV DAC is +353 1 680 6000. The authorised share capital of Magnolia Finance XV DAC is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1.00 each ("**Shares**"). Magnolia Finance XV DAC has issued three Shares all of which are fully paid. The issued Shares are held by three Irish companies limited by guarantee: Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a "**Share Trustee**", and together, the "**Share Trustee**"), on trust for charitable purposes. Each Share Trustee has, *inter alia*, undertaken not to exercise its voting rights to wind up Magnolia Finance XV DAC unless and until it has received written confirmation from the Directors of Magnolia Finance XV DAC that Magnolia Finance XV DAC does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over Magnolia Finance XV DAC is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from Magnolia Finance XV DAC solely for charitable purposes.

Magnolia Finance XV DAC has been established as a special purpose company. The principal activities of Magnolia Finance XV DAC will be the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### Directors and Company Secretary

The Directors of Magnolia Finance XV DAC are:

- Ross Burns
- Aisling McNicholas

The business address of Ross Burns is Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland and the business address of Aisling McNicholas is Taney Hall, Eglinton Terrace, Dundrum, Dublin 14, Ireland.. The Company Secretary is Deutsche International Corporate Services (Ireland) Limited. Deutsche International Corporate Services (Ireland) Limited is the administrator of Magnolia Finance XV DAC. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between Magnolia Finance XV DAC and the administrator, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The financial year of Magnolia Finance XV DAC ends on 30 April in each year.

Magnolia Finance XV DAC commenced operations on its date of incorporation but has not prepared financial statements as of the date of this Programme Memorandum.

## DESCRIPTION OF MAGNOLIA FINANCE XVI LIMITED

### General

Magnolia Finance XVI Limited was incorporated in the Cayman Islands as an exempted company with limited liability on 17 June 2015, with registration number MC-300916 under the name Magnolia Finance XVI Limited, under the Companies Law (2013 Revision) of the Cayman Islands.

The registered office of Magnolia Finance XVI Limited is at PO Box 1093, Queensgate House, Grand Cayman, KY1-1102, Cayman Islands. The telephone number of Magnolia Finance XVI Limited is +1 345 945 7099. The authorised share capital of Magnolia Finance XVI Limited is US\$50,000 divided into 50,000 Ordinary Shares of US\$1.00 each ("**Shares**"). Magnolia Finance XVI Limited has issued 250 Shares all of which are fully paid. The issued Shares are held by MaplesFS Limited (the "**Share Trustee**") on trust for charitable purposes.

Magnolia Finance XVI Limited has been established as a special purpose company. The principal activities of Magnolia Finance XVI Limited are the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

The financial year end of Magnolia Finance XVI Limited is 31 December in each year.

### Directors and Company Secretary

The Directors of Magnolia Finance XVI Limited are as follows:

Andrew Dean

Edmund King

The business address of both Andrew Dean and Edmund King is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Company Secretary is Maples Secretaries (Cayman) Limited.

MaplesFS Limited is the administrator of Magnolia Finance XVI Limited. Its duties include the provision of certain administrative and related services. The appointment of the administrator may be terminated forthwith if the administrator (i) commits a breach of the administration agreement between Magnolia Finance XVI Limited and the administrator and such breach is not capable of remedy or where such breach is capable of remedy the administrator fails, within thirty days of receipt of notice served by Magnolia Finance XVI Limited requiring it so to do, to make good such breach or (ii) upon the giving of notice of termination by Magnolia Finance XVI Limited if the administrator enters into liquidation or is dissolved (except as a voluntary liquidation or dissolution for the purposes of reconstruction or amalgamation upon terms previously approved in writing by Magnolia Finance XVI Limited) or commits any other act of bankruptcy under applicable laws. The administrator may retire upon three months' written notice. The business address of the administrator is MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

Andrew Dean and Edmund King are employees of the administrator.

### *Financial Statements*

Magnolia Finance XVI Limited commenced operations on its date of incorporation but it is not required to prepare financial statements under Cayman Law.

## DESCRIPTION OF CREDIT SUISSE EUROPEAN MORTGAGE CAPITAL LIMITED

### General

Credit Suisse European Mortgage Capital Limited was incorporated in Ireland as a private limited company on 10 May 2012, with registration number 512992 under the name Credit Suisse European Mortgage Capital Limited, under the Companies Acts 1963-2009.

The registered office of Credit Suisse European Mortgage Capital Limited is at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland. The telephone number of Credit Suisse European Mortgage Capital Limited is +353 1 680 6000. The authorised share capital of Credit Suisse European Mortgage Capital Limited is EUR 100,000,000 divided into 100,000,000 Ordinary Shares of EUR 1 each ("**Shares**"). Credit Suisse European Mortgage Capital Limited has issued three Shares all of which are fully paid. The issued Shares are held by three Irish companies limited by guarantee, Badb Charitable Trust Limited, Medb Charitable Trust Limited and Eurydice Charitable Trust Limited (each a "**Share Trustee**", and together, the "**Share Trustee**"), on trust for charitable purposes. Each Share Trustee has, inter alia, undertaken not to exercise its voting rights to wind up Credit Suisse European Mortgage Capital Limited unless and until it has received written confirmation from the Directors of Credit Suisse European Mortgage Capital Limited that Credit Suisse European Mortgage Capital Limited does not intend to carry on further business. No other measures are in place to ensure that the control by the Share Trustee over Credit Suisse European Mortgage Capital Limited is not abused. The Share Trustee has no beneficial interest in and derives no benefit (other than any fees for acting as Share Trustee) from the holding of the Shares. The Share Trustee will apply any income derived from Credit Suisse European Mortgage Capital Limited solely for charitable purposes.

Credit Suisse European Mortgage Capital Limited has been established as a special purpose company. The principal activities of Credit Suisse European Mortgage Capital Limited will be the issuance of financial instruments, the acquisition of financial assets and the entering into of other legally binding arrangements.

### Directors and Company Secretary

The Directors of Credit Suisse European Mortgage Capital Limited are as follows: David McGuinness

Lynda Ellis

The business address of David McGuinness is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland and the business address of Lynda Ellis 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

The Company Secretary is Deutsche International Corporate Services (Ireland) Limited.

Deutsche International Corporate Services (Ireland) Limited is the administrator of Credit Suisse European Mortgage Capital Limited. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated forthwith if the administrator commits any material breach of the corporate service agreement between Credit Suisse European Mortgage Capital Limited and the administrator, is unable to pay its debts as they fall due or becomes subject to insolvency or other related proceedings. The administrator may retire upon 90 days' written notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The business address of the administrator is 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

David McGuinness and Lynda Ellis are employees of a company which is affiliated to the administrator.

### Auditors and accounts

The auditors of Credit Suisse European Mortgage Capital Limited are KPMG of 1 Harbourmaster Place, IFSC, Dublin 1. The auditors are chartered accountants and are members of the Institute of Chartered Accountants in Ireland (ICAI) and are qualified to practise as auditors in Ireland.

Credit Suisse European Mortgage Capital Limited commenced operations on its date of incorporation and has prepared financial statements in respect of the financial periods ended 31 December 2013 and 31 December 2014.

## IRISH TAX INFORMATION

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Notes. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes. The summary relates only to the position of persons who are the absolute beneficial owners of the Notes and may not apply to certain other classes of persons such as dealers in securities. The summary does not apply to Alternative Investments.*

*The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Programme Memorandum, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Notes including, in particular, the effect of any state or local tax laws.*

### 1. Irish Issuers

References herein to an "Irish Issuer" shall mean any of the following: (i) Magnolia Finance V plc, (ii) Magnolia Finance X Limited, (iii) Magnolia Finance XI Limited, (iv) Magnolia Finance XV DAC and (v) Credit Suisse European Mortgage Capital Limited.

### 2. Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Note issued by an Irish Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a bearer security is deemed to be situate where it is physically located or a debt is deemed to be situate where the debtor resides. However, the interest earned on such Notes is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) ("**TCA 1997**") is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on [www.revenue.ie](http://www.revenue.ie).

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Notes.

If the above exemptions do not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that this practice will continue to apply.

### 3. Withholding Taxes

In general, withholding tax (currently at the rate of 20 per cent.) must be deducted from interest payments made by an Irish company such as an Irish Issuer. However, Section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, inter alia, interest payments made by an Irish Issuer to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "Quoted Eurobond" without deduction of tax in certain circumstances. A Quoted Eurobond is defined in Section 64 as a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established such as the Irish Stock Exchange); and
- (c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
  - (i) the Quoted Eurobond is held in a recognised clearing system (Euroclear and Clearstream Luxembourg have, amongst others, been designated as recognised clearing systems); or
  - (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently at the rate of 20 per cent.) from interest on any Note, where such interest is collected by a person in Ireland on behalf of any holder of Notes.

#### 4. **Capital Gains Tax**

A Noteholder will not be subject to Irish taxes on capital gains provided that such Noteholder is neither resident nor ordinarily resident in Ireland and such Noteholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Notes are attributable.

#### 5. **Capital Acquisitions Tax**

If the Notes are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponent or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital acquisitions tax, even though neither the disponent nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

#### 6. **Stamp duty**

For as long as an Irish Issuer is a qualifying company within the meaning of Section 110 TCA 1997, no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of such Irish Issuer's business.

**THE ABOVE SUMMARIES ARE NOT EXTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF NOTES, PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISERS CONCERNING THE CONSEQUENCES OF THEIR PARTICULAR SITUATION.**

## CAYMAN ISLANDS TAX INFORMATION

*The following is an overview based on present law of certain Cayman Islands tax considerations and certain considerations for prospective purchasers of the Notes. It addresses only purchasers that buy in the original offering at the original offering price and hold the Notes as capital assets. The discussion is a general overview. It is not a substitute for tax advice and does not cover all tax matters that may be of important to a particular investor. The discussion does not consider the circumstances of particular purchasers, some of which (such as banks, insurance companies, dealers, tax exempt organisations or persons holding the Notes as part of a hedge, straddle, conversion, integrated or constructive sale transaction) are subject to special tax regimes. It also does not address a purchaser that buys Notes after the Issue Date.*

*All prospective investors may be subject to withholding if they fail to comply with identification requests from the relevant Issuer or an Agent thereof or an intermediary through which they hold their Notes.*

### 1. Cayman Islands Taxation

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

#### *Cayman Islands Taxation*

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

#### *Under Existing Cayman Islands Laws:*

Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands.

#### *Magnolia Finance XII Limited*

Magnolia Finance XII Limited has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

### **The Tax Concessions Law**

#### **2011 Revision**

#### **Undertaking as to Tax Concessions**

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Magnolia Finance XII Limited ("the Company").

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - 2.1 On or in respect of the shares, debentures or other obligations of the Company; or
  - 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).
- 3 These concessions shall be for a period of twenty years from the 12th day of May 2015.

#### *Magnolia Finance XIII Limited*

Magnolia Finance XIII Limited has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**The Tax Concessions Law**

**2011 Revision**

**Undertaking as to Tax Concessions**

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Magnolia Finance XIII Limited ("the Company").

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - 2.1 On or in respect of the shares, debentures or other obligations of the Company; or
  - 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).
- 3 These concessions shall be for a period of twenty years from the 12th day of May 2015.

*Magnolia Finance XIV Limited*

Magnolia Finance XIV Limited has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**The Tax Concessions Law**

**2011 Revision**

**Undertaking as to Tax Concessions**

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Magnolia Finance XIV Limited ("the Company").

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - 2.1 On or in respect of the shares, debentures or other obligations of the Company; or
  - 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).
- 3 These concessions shall be for a period of twenty years from the 12th day of May 2015.

*Magnolia Finance XVI Limited*

Magnolia Finance XVI Limited has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**The Tax Concessions Law**

**2011 Revision**

**Undertaking as to Tax Concessions**

In accordance with the provision of section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with Magnolia Finance XVI Limited ("the Company").

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - 2.1 On or in respect of the shares, debentures or other obligations of the Company; or
  - 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).
- 3 These concessions shall be for a period of twenty years from the 30th day of June 2015.

## EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**EU Savings Directive**"), each Member State is required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Austria is instead required (unless during that period it elects otherwise) to operate a withholding system subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld. The end of the transitional period is dependent upon the conclusion of other arrangements relating to the information exchange with certain other countries. Since 1 January 2015, Luxembourg applies the automatic exchange of information under the EU Savings Directive.

A number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within their jurisdictions to, or collected by such a person for, an individual resident in a Member State or certain limited types of entities established in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependant or associated territories in relation to payments made by a person in a Member State to an individual or certain other residual entities resident in one of those territories.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above (the "**Amending Directive**"). Member States are required to apply these new requirements from 1 January 2016. The changes will expand the range of payments covered by the EU Savings Directive, in particular to include additional types of income payable on securities. The Amending Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. 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.

On 9 December 2014, the Council of the European Union adopted the Directive 2014/107/EU amending the Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation. The adoption of the aforementioned directive implements the Organisation for Economic Co-operation and Development (the "**OECD**") Common Reporting Standard and generalises the automatic exchange of information within the European Union as of 1 January 2016.

Finally, the replacement of the Amending Directive as from 1 January 2017 by an automatic exchange of information in compliance with the OECD standard is currently being discussed at the level of the European Union.



## FATCA

**The discussion of U.S. tax matters set out in this document was written in connection with the promotion or marketing of any Notes issued or proposed to be issued hereunder and was not intended or written to be used, and may not be able to be used, by any person for the purpose of avoiding tax-related penalties under U.S. federal, state or local law. Each taxpayer should seek advice based on its particular circumstances from an independent tax adviser.**

Sections 1471 through 1474 of the US Internal Revenue Code (the "**Code**"), any current or future regulations or official interpretation thereof, an agreement entered into with the US Internal Revenue Service pursuant to such sections of the Code, or an intergovernmental agreement (an "**IGA**") between the United States and another jurisdiction in furtherance of such sections of the Code (including any non-US laws, regulations, rules, guidance notes or practices adopted pursuant to any such intergovernmental agreement entered into in connection with the implementation of such sections of the U.S. Internal Revenue Code), or any analogous provisions of non-U.S. law (collectively referred to as "**FATCA**") impose an information reporting regime and potentially a 30 per cent withholding tax with respect to certain payments to (i) any non-US 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 IRS to provide the IRS with certain information in respect of its account holders and investors, unless otherwise exempt from or deemed to be in compliance with FATCA or, where applicable, the FFI complies with any local laws enacted in respect of an IGA and (ii) any investor that (unless otherwise exempted) does not provide certain tax certifications or ownership information (and, if applicable, a waiver of any laws prohibiting disclosure of such information to a taxing authority).

### *Cayman Islands*

The Cayman Islands have entered into a Model 1 intergovernmental agreement (the "**Cayman IGA**") with the United States. The Issuer is required to comply with the Cayman Islands Tax Information Authority Law (2013 Revision)(as amended) together with regulations and guidance notes made pursuant to such Law (the "**Cayman FATCA Legislation**") that give effect to the Cayman IGA. To the extent the Issuer cannot be treated as a Non-Reporting Cayman Islands Financial Institution (as defined in the Cayman IGA) by taking advantage of one of the categories set out in Annex II to the Cayman IGA (for example by being a Sponsored Investment Entity (as defined in the Cayman IGA)), the Issuer will be a "**Reporting Cayman Islands Financial Institution**" (as defined in the Cayman IGA). As such, the Issuer is required to register with the IRS to obtain a Global Intermediary Identification Number and to report to the Cayman Islands Tax Information Authority (the "**Cayman TIA**") any payments made to Specified US Persons with respect to US Reportable Accounts and, for each of 2015 and 2016, certain non-US financial institutions (each such term as defined in the Cayman IGA). The Cayman TIA will exchange such information with the IRS under the terms of the Cayman IGA. Under the terms of the Cayman IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution as a result of "significant non-compliance", or on payments made by the Issuer to the Noteholders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law. Guidance has not yet been issued on what constitutes significant non-compliance.

### *United Kingdom and Cayman Islands Intergovernmental Agreement*

Holders of Notes who are resident in the United Kingdom for tax purposes should be aware that the Cayman Islands have also entered into a Model 1 intergovernmental agreement (the "**UK-Cayman IGA**") with United Kingdom. The UK-Cayman IGA is also given effect by the Cayman FATCA Legislation and it imposes similar requirements as the Cayman IGA. The Issuer, subject to the applicable exemptions described above, is required to report to the Cayman TIA any payments made to Specified UK Persons with respect to UK Reportable Accounts (each such term as defined in the UK-Cayman IGA). The Cayman TIA will exchange such information with the United Kingdom tax authorities under the terms of the UK-Cayman IGA. A holder of Notes that is resident in the United Kingdom for tax purposes or is an entity that is identified as having one or more controlling persons that is resident in the United Kingdom for tax purposes will generally be required to provide to the Issuer information which identifies such United Kingdom tax resident persons and the extent of their respective interests in the Issuer. Holders who may be affected should consult their own tax advisers regarding the possible implications of these rules.

The Cayman Islands has also committed, along with around 50 other countries, to the implementation of the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**"). It is anticipated that the Cayman Islands will pass legislation in 2015 to give effect to the CRS, which will require "Financial Institutions" such as the Issuer to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS. As the OECD initiative develops, further inter-governmental agreements may be entered into by the Cayman Islands.

### *Ireland*

Ireland has an intergovernmental agreement with the United States of America (the "Irish/US IGA") in relation to FATCA, of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the Irish/US IGA into Irish law. The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the Irish/US IGA. Unless an exemption applies, the Issuer shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and will report information to the Irish Revenue Commissioners relating to holders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. The Issuer is currently registered with the US Internal Revenue Service. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the Irish/US IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

#### *General*

No Issuer should generally be subject to FATCA withholding tax in respect of payments to it unless it fails to comply with its FATCA obligations (i.e., if the relevant Issuer did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the relevant Issuer as being a 'non-participating financial institution' for FATCA purposes). Further, in some cases, the relevant Issuer's ability to comply and avoid FATCA withholding tax could depend on factors outside of its control. For example, the relevant Issuer may not be considered to comply with FATCA if more than 50 per cent of the Notes are owned by a person that is, or is affiliated with, a foreign financial institution that is not itself compliant with FATCA.

Further, future guidance under FATCA may subject payments on the Notes to withholding tax if each foreign financial institution that holds any such Note, or through which any such Note is held, has not entered into an information reporting agreement with the IRS or, where applicable, fails to comply with the terms of an applicable intergovernmental agreement entered into in connection with FATCA by the United States and the country in which such foreign financial institution is a resident or if a beneficial owner of a Note fails to provide the Issuer or its agents with the Holder FATCA Information. Holders and beneficial owners that do not supply the required information, or whose ownership of Notes may otherwise prevent the Issuer from being FATCA compliant (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to withholding or the forced transfer of their Notes. There can be no assurance the Issuer and holders of the Notes will not be subject to withholding taxes under FATCA and the Cayman FATCA Legislation. The imposition of such taxes could materially affect the Issuer's ability to make payments on the Notes or could reduce such payments.

Each potential purchaser of Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such investor in its particular circumstance.

## THE CHARGED ASSETS SALE AGREEMENT

By executing the Constituting Instrument, the relevant Issuer may enter into a charged assets sale agreement in respect of a Series (the "**Charged Assets Sale Agreement**") with the charged assets seller (the "**Seller**") named as such in the Constituting Instrument on the terms set out in the master charged asset sale terms as specified in the relevant Constituting Instrument (the "**Master Charged Assets Sale Terms**"), as amended, modified and/or supplemented by the relevant Constituting Instrument, which Constituting Instrument shall incorporate by reference the provisions of the Master Charged Assets Sale Terms. Pursuant to the Charged Assets Sale Agreement, the Charged Assets relating to each Series of Notes or Alternative Investments will be purchased or acquired by the relevant Issuer for delivery (subject as provided below) on the Issue Date of the Notes or Alternative Investments.

Unless otherwise specified in the applicable Series Memorandum or, pursuant to the Charged Assets Sale Agreement in selling the Charged Assets, the Seller makes no representation or warranty as to the creditworthiness of any obligor in respect thereof, or as to whether the obligations of any obligor in respect thereof are valid, binding or enforceable or as to whether any event of default or potential event of default has or may have occurred with respect thereto.

*Copies of the Master Charged Assets Sale Terms and the Constituting Instrument which will constitute the relevant Charged Assets Sale Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at and collection of copies from the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.*

## CUSTODY ARRANGEMENTS

Unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument, the party to the Constituting Instrument named as "**Custodian**" will act as the custodian of the relevant Issuer with respect to the Charged Assets relating to the relevant Series or Tranche of Notes on the terms set out in the master custody terms set out in the Master Terms Document (the "**Master Custody Terms**") as amended, modified and/or supplemented by the Constituting Instrument (the "**Custody Agreement**").

The Custody Agreement will provide that (unless otherwise directed by the Trustee in accordance with the provisions of the Constituting Instrument and/or, if applicable, any relevant Additional Charging Instrument) the Charged Assets will be held in safe custody, on behalf of the relevant Issuer, subject to the security constituted by or pursuant to such Constituting Instrument and/or, if applicable, the relevant Additional Charging Instrument and to the provisions of the relevant Custody Agreement relating to release of the Charged Assets from the security constituted by such Constituting Instrument and/or, if applicable, the relevant Additional Charging Instrument.

*Copies of the Master Custody Terms and the Constituting Instrument which will constitute the Custody Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at and collection of copies from the registered office of the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.*

## DESCRIPTION OF THE CHARGED AGREEMENT

Unless otherwise specified in the applicable Series Memorandum, the relevant Issuer will, on the Issue Date of the Notes of a Series, enter into one or more agreements with the party or parties to the Constituting Instrument named as a "**Counterparty**" on the terms set out in the master charged agreement terms as specified in the Constituting Instrument (the "**Master Charged Agreement Terms**"), as amended, modified and/or supplemented by the Constituting Instrument (each a "**Charged Agreement**"). A Charged Agreement may comprise an interest rate and/or cross-currency swap transaction, total return swap, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap, equity or equity index option, equity default swap, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, currency option, forward purchase or sale agreement, credit default swap or credit default option or any other similar transaction providing for the payment of money and/or the delivery of securities or other assets (present or future, actual or contingent) (including any option with respect to any of the foregoing transactions) and any combination of any of the foregoing transactions, under which the relevant Counterparty may make certain payments and/or deliveries of cash, securities or other assets to the relevant Issuer in respect of amounts due or deliveries to be made in respect of the Notes, Receipts and Coupons (if any) and such Issuer may make certain payments and/or deliveries of securities or other assets to the Counterparty corresponding to sums or other deliveries receivable by the relevant Issuer in respect of the Charged Assets, all as more particularly described in the applicable Series Memorandum and/or the applicable Constituting Instrument. A Charged Agreement may contain provisions requiring the relevant Counterparty or the relevant Issuer to deposit security, collateral or margin in certain circumstances all as may be more particularly described in the applicable Series Memorandum and/or the applicable Constituting Instrument.

A Charged Agreement for a Series will, unless otherwise specified in the applicable Series Memorandum terminate on the Maturity Date of the Notes of the relevant Series, unless terminated earlier in accordance with the terms thereof.

The Charged Agreement (if any) for a Series will (unless otherwise specified in the applicable Series Memorandum) incorporate the Master Charged Agreement Terms which comprise an agreement incorporating the International Swaps and Derivatives Association, Inc. form of Master Agreement (1992 Edition) (Multicurrency Cross Border) or Master Agreement (2002 Edition) and a Schedule thereto and be supplemented by one or more letters of confirmation created by the Constituting Instrument for such Series.

### **Early Termination of the Charged Agreement**

The Charged Agreement may, unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument, be terminated early on the occurrence of one of the Events of Default or Termination Events (each as defined in the Charged Agreement) specified in the Charged Agreement.

In particular, the Charged Agreement may, unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument or in the confirmation(s) of the relevant Transaction(s), be terminated early if the Notes become repayable in full prior to their maturity date in accordance with the Conditions, if any event specified in Condition 7.3(a)(i) occurs, if the Notes are to be redeemed pursuant to Condition 7.6, if the Notes are to be exchanged for Notes of a New Series pursuant to Condition 7.8, or for certain tax reasons (including any withholding or deduction in respect of the Charged Assets which is not required to be grossed up and by reason of the relevant Issuer being subject to certain increased tax costs). If, pursuant to Condition 7.6, the Notes are to be redeemed in part only or some only of the Notes are to be redeemed, the Charged Agreement may be terminated in part only such that, unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument or in the confirmation(s) of the relevant Transaction(s) the liability of the relevant Issuer to make payment to the Counterparty shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been received by such Issuer on the Charged Assets to be released from the security in connection therewith and the liability of the Counterparty to make payment to the relevant Issuer shall be terminated to the extent and in the amounts that are equivalent to the amounts which would have been payable on the Notes so redeemed.

Unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument or in the confirmation(s) of the relevant Transaction(s), on the occurrence of a termination of the Charged Agreement, a termination payment may be due to be paid to the relevant Issuer by the relevant Counterparty or to the relevant Counterparty by such Issuer, which amount will be determined by the relevant Counterparty except where the relevant Counterparty is in default, in which case it will be made by the relevant Issuer.

In addition, unless otherwise specified in the applicable Series Memorandum and/or the applicable Constituting Instrument or in the confirmation(s) of the relevant Transaction(s), the Counterparty has the option to terminate each Transaction without payment in proportion with the proportion of any Notes which may have been acquired by the Counterparty or an Affiliate (as defined in the Charged Agreement), upon which the Counterparty shall be required to deliver such Notes to the relevant Issuer and such Issuer shall be required to deliver to the Counterparty a proportionate amount of the Charged Assets, as selected by the Counterparty in its sole and absolute discretion.

*If a Charged Agreement is terminated in accordance with its terms then, save as otherwise provided in the relevant Charged Agreement, the security constituted by the relevant Constituting Instrument and/or any Additional Charging Instrument may become enforceable.*

*Copies of the Master Charged Agreement Terms and the Constituting Instrument which will constitute the Charged Agreement in relation to each Series will be available during business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at, and collection of copies from, the specified offices of the Paying Agents and the Registrar (if any) with respect to the Notes of the relevant Series.*

## SUBSCRIPTION AND SALE

In relation to any Series or Tranche of Notes, by executing the Constituting Instrument, the relevant Issuer will enter into a Placing Agreement (the "**Placing Agreement**") with the Arranger and each Dealer specified in the Constituting Instrument relating to such Series of Notes, on the terms set out or incorporated by reference in, the applicable Constituting Instrument. Pursuant to the Placing Agreement, the Arranger will subscribe or procure subscribers for the Notes of each Series, subject to the satisfaction of certain conditions precedent including, without limitation if the Notes are intended to be Listed Notes, such Notes being admitted to listing and trading on or by the relevant exchange and/or competent authority.

### *Transfer Restrictions Applicable to the Notes*

#### 1. **Ireland**

The Arranger represents, warrants and agrees that and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered, sold, place or underwritten and will not offer, sell, place or underwrite any Notes or Alternative Investments, or do anything in Ireland in respect of any Notes or Alternative Investments, otherwise than in conformity with the provisions of:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any Central Bank rules issued and / or in force pursuant to Section 1363 of the Companies Act 2014;
- (b) the Companies Act 2014;
- (c) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (d) the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any Central Bank rules issued and / or in force pursuant to Section 1370 of the Companies Act 2014; and
- (e) the Central Bank Acts 1942 to 2014 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

#### 2. **Cayman Islands**

Each of the Arranger and the Dealer have represented and agreed that it has not offered and will not offer any Notes to members of the public in the Cayman Islands.

#### 3. **United Kingdom**

The Arranger and each Dealer has represented and agreed that:

- (a) in relation to any Notes which have 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 whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA and Sections 89-91 (inclusive) of the Financial Services Act 2012 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

#### 4. **Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and accordingly, no Notes may be offered, sold or delivered, nor may copies of this Programme Memorandum, any Series Memorandum or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) ("**Qualified Investors**"), as defined under Article 34-ter, paragraph 1, letter b) of Regulation No. 11971 issued by CONSOB (the Italian Securities Exchange Commission) on 14 May 1999, as amended (the "**Regulation 11971/1999**"); or
- (b) in circumstances which are exempted from the rules on offers of securities to be made to the public pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, of Regulation 11971/1999.

Any offer, sale or delivery of the Notes or distribution of copies of this Programme Memorandum, any Series Memorandum or any other document relating to the Notes in the Republic of Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 27 October 2007 and Legislative Decree No. 385 of 1 September 1993, as amended; and
- (ii) in compliance with any other applicable laws and regulations.

Please note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption under (b) above applies, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the rules on offers of securities to be made to the public provided under the Financial Services Act and the Regulation 11971/1999. Failure to comply with such rules may result, inter alia, in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the Notes for any damages suffered by the investors.

## 5. Spain

Neither the Notes nor the Programme Memorandum have been approved or registered with the Spanish Securities Markets Commission (*Comisión Nacional del Mercado de Valores*). Accordingly, the Notes may not be offered or sold in Spain except in circumstances which do not constitute a public offering of securities in Spain within the meaning of article 30-bis of the Spanish Securities Market Law of 28 July 1988 (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and supplemental rules enacted thereunder.

## 6. Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "**Financial Instruments and Exchange Law**"). The Notes may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and guidelines of Japan promulgated by the relevant Japanese governmental and regulatory authorities and which are in effect at the relevant time.

## 7. United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any State of the United States and may not be offered, sold or otherwise transferred 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) except in certain transactions exempt from the registration requirements of the Securities Act. The Issuer has not been and does not intend to be registered as an investment company under the 1940 Act.

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

Except as provided in the relevant Series Memorandum, the Arranger has represented and agreed that it will not offer, sell or deliver Notes of a Non-U.S. Series or Non-U.S. Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the Arranger or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. The Arranger has further agreed that it will send to each dealer to which it sells any Notes during the distribution compliance period 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.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such 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.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the Arranger may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Series Memorandum, as the case may be.

**Persons considering the purchase of Notes should consult their own legal advisers concerning the application of U.S. securities laws to their particular situations as well as any consequences of the purchase, ownership and disposition of Notes arising under the laws of any other relevant jurisdictions.**

In the case of Notes placed under Rule 144A, so long as any of such Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the Exchange Act or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.

*U.S. Transfer Restrictions in the Event that the Alternative Procedures Apply*

Beneficial interests in the Global Registered Certificate representing any Notes of a U.S. Series or U.S. Tranche to which the Alternative Procedures apply are being initially offered and sold by the Arranger only to non-U.S. Persons outside the United States in reliance on Regulation S under the Securities Act and to persons reasonably believed by the Arranger to be QIBs under Rule 144A under the Securities Act that are also QPs under the 1940 Act, in each case, in a transaction exempt from, or not subject to, the registration requirements of the Securities Act. Offers, sales and resales of such Notes, other than to non-U.S. Persons acquiring such Notes in offshore transactions in compliance with Regulation S, may only be made in the applicable minimum denomination specified in the applicable Series Memorandum to QIBs that are also QPs within the meaning of Section 2(a)(51) of the 1940 Act.

Each purchaser of Notes of a U.S. Series or U.S. Tranche to which the Alternative Procedures apply, both in the initial offering of such Notes and thereafter in secondary market transactions, will be deemed to have acknowledged, represented and agreed with the Issuer and the Arranger and each Dealer as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

1. Either (a) such person is not a U.S. Person and is acquiring this security in an offshore transaction in compliance with Regulation S under the Securities Act or (b) such person (i) is a QIB who is also a QP (a "QIB/QP"); (ii) is not a broker-dealer which owns or invests on a discretionary basis less than \$25 million in securities of unaffiliated issuers; (iii) is not a participant-directed employee plan, such as a 401(k) plan; (iv) is acting solely for its own account and/or for the accounts of one or more other persons each of which it reasonably believes satisfies the requirements of clause (a) or items (i) through (vi) of this clause (b); (v) is not formed for the purpose of investing in the Issuer; (vi) will, and each account for which it is purchasing will, hold and transfer Notes in the applicable minimum denomination and (vii) will provide notice of the transfer restrictions set forth herein to any subsequent transferees.
2. Such person understands that the Issuer has not been and will not be registered under the 1940 Act and the Notes have not been and will not be registered under the Securities Act, and unless such person is not a U.S. Person and is acquiring the Notes in an offshore transaction in compliance with Regulation S under the Securities Act, such person acknowledges that the sale to it may be made in reliance on Rule 144A.
3. If such person is being sold the Notes in reliance on Rule 144A, for so long as the Notes are outstanding, such person will not offer, resell, pledge or otherwise transfer the Notes other than (a) to a non-U.S. Person in an offshore transaction in compliance with Regulation S under the Securities Act or (b) to a person that it reasonably believes satisfies each of the items set forth in clause (b) of paragraph 1 (such a person, a "Qualifying QIB/QP") in a transaction meeting the requirements of Rule 144A.
4. The Conditions permit the Issuer to (a) require any holder of Notes represented by a Global Registered Certificate that is a U.S. Person who is determined not to be a Qualifying QIB/QP to sell the Notes in a transaction complying with paragraph 3 above or (b) redeem any Notes represented by a Global Registered Certificate that are held by a U.S. Person who is determined not to be a Qualifying QIB/QP at par plus accrued interest to the payment date. In addition, the Issuer has the right to refuse to register or otherwise honour a transfer of Notes to a proposed transferee that is a U.S. Person who is not a Qualifying QIB/QP.

5. Such person understands that the Global Registered Certificate will bear a legend with respect to, among other things, such transfer restrictions and the powers of the Issuer described in paragraph 4 above.
6. Its purchase, holding and disposition of such Notes does not, and will not, constitute or result in a "prohibited transaction" under Section 406 of ERISA or Section 4975 of the Code, unless an exemption is available with respect to such transactions and the conditions of such exemption have been satisfied.
7. It acknowledges that the Issuer, the Arranger, each Dealer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations and agreements deemed to have been made by its purchase of Notes are no longer accurate, it shall promptly notify the Issuer and the Arranger. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, the Arranger and each Dealer will represent in the relevant Placing Agreement that (a) it is a QIB/QP and (b) within the United States, it has only sold and will only sell to U.S. Persons (including any other underwriter, manager or dealer) that are or that it reasonably believes are Qualifying QIB/QPs. The Issuer will represent in the relevant Placing Agreement that, based on discussions with the Arranger and other factors the Issuer or its counsel may deem necessary or appropriate, the Issuer has a reasonable belief that initial sales and subsequent transfers of the Notes held through DTC to U.S. Persons will be limited to QIB/QPs and has agreed that it will not offer the Notes in its own or any affiliated participant-directed employee plan.

#### *Certain additional United States law considerations*

If the assets of the Issuer were deemed to be assets of a "benefit plan investor" within the meaning of Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), certain transactions that the Issuer may enter into in the ordinary course of business might constitute non-exempt prohibited transactions thereunder and might be subject to excise taxes and have to be rescinded. However, in relation to each Series of Notes, each purchaser or holder of a Note (or any interest therein) shall be deemed to have represented by such purchase and/or holding that it is not acquiring such Note (or any interest therein), directly or indirectly, with assets of a benefit plan investor. For these purposes, a benefit plan investor is (i) an employee benefit plan subject to part 4, Title I of ERISA, (ii) any plan to which section 4975 of the U.S. Internal Revenue Code of 1986, as amended, applies or (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in such entity.

Additional information relating to United States law considerations may be included in each Series Memorandum relating to Notes of a U.S. Series or U.S. Tranche.

#### 1. *European Economic Area*

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Arranger and each Dealer has represented and agreed 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 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 Notes to the public in that Relevant Member State:

- (a) if the Series Memorandum in relation to the Notes specifies that an offer of such Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Series Memorandum contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Series Memorandum, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 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 the Issuer for any such offer; or
- (d) 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 (b) to (d) above shall require the Issuer, the Arranger 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 includes any relevant implementing measure in the Relevant Member State, and any amendment thereto, including the 2010 PD Amending Directive (Directive 2010/73/EU).

2. *General*

Selling restrictions in respect of each Series of Notes may be modified or supplemented by the agreement of the Issuer, each relevant Dealer and the relevant Arranger. Any such modification and any other or additional restrictions which may be agreed between the Issuer, each relevant Dealer and the relevant Arranger in respect of a Series will be set out in the Constituting Instrument and the Series Memorandum in respect of that Series of Notes.

## GENERAL INFORMATION

1. There are no governmental, legal, litigation or arbitration proceedings (including any such proceedings which are pending or threatened of which the relevant Issuer is aware) which may have or have had significant effects on such Issuer's financial position or profitability since the later date to occur of (i) its date of incorporation and (ii) the date of its most recent financial statements, as may be applicable.
2. For so long as the Programme remains in effect or any Notes or Alternative Investments issued or entered into by an Issuer remain outstanding, the following documents will be available from the date hereof during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for physical inspection at and collection of copies free of charge from the registered office of the Issuer and the specified offices of the Paying Agents:
  - 2.1 this Programme Memorandum;
  - 2.2 any Master Trust Terms, Master Agency Terms, Custody Terms, Master Charged Assets Sale Agreement Terms, Master Placing Terms, Master Charged Agreement Terms, the Master Definitions and any other master document (together the "**Master Terms Documents**" and each a "**Master Terms Document**") which contains provisions which are incorporated by reference into any Constituting Instrument (in relation to a Series of Notes or any Alternative Investments which is or are outstanding) so as to constitute any Trust Deed, Agency Agreement, Custody Agreement, Placing Agreement, Charged Assets Sale Agreement, Charged Agreement or other deed or agreement with respect to a Series of Notes or any Alternative Investments (as amended, modified and/or supplemented by the relevant Constituting Instrument);
  - 2.3 any deed or agreement (other than the Constituting Instrument for each Series of Notes or Alternative Investments) supplemental to any of the documents referred to in 2.2 above;
  - 2.4 the Memorandum and Articles of Association of each Issuer;
  - 2.5 in respect of each Issuer, the historical financial information of such Issuer for each of the two financial years preceding the publication of this Programme Memorandum (if published), or the most recent financial statements of such Issuer (if any);
  - 2.6 the Constituting Instrument and, if applicable, each Additional Charging Instrument relating to each Series of Notes or Alternative Investments; and
  - 2.7 the Series Memorandum or Alternative Memorandum relating to each Series of Notes or Alternative Investments.
3. Pursuant to the Master Trust Terms, the Trustee may retire at any time upon giving not less than 3 calendar months' notice in writing to the relevant Issuer, and the Noteholders and/or any Counterparty (but subject to the consent of the Noteholders) shall have power (exercisable in the case of Noteholders by Extraordinary Resolution) to remove the Trustee provided that the retirement or removal of any sole Trustee or sole trust corporation shall not become effective until a trust corporation is appointed as successor Trustee.
4. In relation to any issue of Notes, each Bearer Note, Permanent Global Note representing a D Note, Receipt, Coupon and Talon (if any) will, if such Note (or the Note to which any such Receipt, Coupon or Talon is attached, as the case may be) represents D Notes or is a D Note, bear a legend to the effect that any U.S. person holding the same will be subject to limitations under the United States income tax laws including those under Sections 165(j) and 1287(a) of the United States Internal Revenue Code of 1986, as amended.
5. Each Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Ireland at the date of this Programme Memorandum in connection with the establishment and update of its Programme. The establishment of the relevant Programme and the issue of this Programme Memorandum were authorised by:
  - (a) resolutions of the Board of Directors of Magnolia Finance V plc passed on 14 September 2015 respectively;
  - (b) resolutions of the Board of Directors of Magnolia Finance X Limited passed on 14 September 2015;
  - (c) resolutions of the Board of Directors of Magnolia Finance XI Limited passed on 14 September 2015;

- (d) resolutions of the Board of Directors of Magnolia Finance XII Limited passed on 14 September 2015;
  - (e) resolutions of the Board of Directors of Magnolia Finance XIII Limited passed on 14 September 2015;
  - (f) resolutions of the Board of Directors of Magnolia Finance XIV Limited passed on 14 September 2015;
  - (g) resolutions of the Board of Directors of Magnolia Finance XV DAC passed on 14 September 2015 respectively;
  - (h) resolutions of the Board of Directors of Magnolia Finance XVI Limited passed on 14 September 2015; and
  - (i) resolutions of the Board of Directors of Credit Suisse European Mortgage Capital Limited passed on 14 September 2015 respectively.
6. In respect of each Issuer that has prepared or is required to prepare financial statements, there has been no significant change in the financial or trading position of such Issuer, and no material adverse change in the financial position or prospects of such Issuer in each case, since the later date to occur of (i) its date of incorporation and (ii) the date of its most recent financial statements, as may be applicable.
  7. Each Dealer shall be entitled to charge, and be paid, a commission on subscription for or acquisition of the Notes of a Series or on a sale or transfer of the Notes of a Series as may be more particularly specified in the relevant Constituting Instrument. Any such commission may be deducted from the subscription proceeds or, as the case may be, from the proceeds of sale of the Notes prior to the Arranger accounting for the same to the relevant Issuer. In addition, the Arranger, any Dealer or an affiliate of the Arranger or any Dealer may be any Counterparty under which it may make substantial profits.
  8. In relation to an issue of Notes, the Notes will be accepted for clearance through Euroclear and Clearstream Luxembourg (unless otherwise specified in the relevant Constituting Instrument) or through any other clearing system (including, if the Alternative Procedures apply to such Notes, DTC) specified in the applicable Series Memorandum, as an alternative or in addition to clearance through Euroclear and Clearstream Luxembourg. The appropriate code or codes for each Series allocated by Euroclear and Clearstream Luxembourg (and/or any such other clearing system, including DTC) will be contained in the relevant Constituting Instrument.
  9. So long as any of the Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), or becomes exempt from such reporting requirements pursuant to, and complies with, Rule 12g3-2(b) under the Exchange Act, provide to each holder of such restricted securities and to each prospective purchaser (as designated by such holder) of such restricted securities, upon the request of such holder or prospective purchaser, any information required to be provided by Rule 144A(d)(4) under the Securities Act.
  10. The relevant Issuer will not provide post-issuance transaction information with regard to the Notes of any Series which are admitted to trading or with regard to any underlying collateral in respect of such Notes.
  11. Any website referred to in this Programme Memorandum does not form part of this Programme Memorandum and will not be incorporated by reference.

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**REGISTERED OFFICES OF THE ISSUERS**

**Magnolia Finance V plc**  
Pinnacle 2  
Eastpoint Business Park  
Dublin 3  
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**Magnolia Finance X Limited**  
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