

Dated 30 December 2010

CLOVERIE P.L.C.

(incorporated with limited liability in the Republic of Ireland)

SERIES PROSPECTUS

Series No: 2010-06

USD 86,500,000 Fixed Rate Notes due 2039

issued pursuant to its

Secured Note Issuance Programme

arranged by

CITIGROUP GLOBAL MARKETS LIMITED

The attention of investors is drawn to the section headed "Risk Factors" on page 4 of this Series Prospectus

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This Series Prospectus constitutes Listing Particulars for the purposes of the Global Exchange Market. This Series Prospectus, under which the Series No: 2010-06 USD 86,500,000 Fixed Rate Notes due 2039 (the “**Notes**”) are issued, incorporates by reference, and should be read in conjunction with, the Base Prospectus dated 22 July 2010 (the “**Base Prospectus**”) relating to the Secured Note Issuance Programme (the “**Programme**”) relating to the issuance by Cloverie P.L.C. (the “**Issuer**”) of secured notes under the Programme and which is deemed to be incorporated herein by reference (see “Incorporation by Reference” below). Application has been made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for the approval of this document as Listing Particulars. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list (the “**Official List**”) and to trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC (the “**Directive on Markets in Financial Instruments**”). Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The Notes are fixed rate notes. In connection with the issue of the Notes, the Issuer and Citibank, N.A., London Branch (in such capacity, the “**Swap Counterparty**”) have entered into a swap agreement (the “**Swap Agreement**”). The form of confirmation in relation to the Swap Agreement is set out in Annex 4 hereto. Capitalised terms used but not otherwise defined herein or in the Base Prospectus have the meaning given to them in the Swap Agreement.

Investors are advised to refer to the form of the confirmation relating to the Swap Agreement attached as Annex 4.

The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

Subject as set out below in relation to information about Citibank, N.A., London Branch, the Issuer accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Citibank, N.A., London Branch accepts responsibility for the information relating to itself in the section entitled “The Custodian and the Swap Counterparty” contained in Annex 2 hereto. To the best of the knowledge and belief of Citibank, N.A., London Branch (which has taken reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Citigroup Global Markets Limited (in such capacity, the “**Dealer**” or “**CGML**”).

The net proceeds of this issue will be USD 86,500,000 and will be applied by the Issuer to purchase the Collateral on the Issue Date and to pay to the Swap Counterparty the amount due under the Swap Agreement on the Issue Date.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S under the Securities Act). The Issuer has not registered and will not register under the U.S. Investment Company Act of 1940, as amended. For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see “Subscription and Sale and Transfer Restrictions” in the Base Prospectus.

This Series Prospectus does not constitute, and may not be used for the purposes of, an 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 the distribution of this Series Prospectus in any jurisdiction where such action is required.

In this Series Prospectus, references to “**USD**” are to U.S. dollars.

INCORPORATION BY REFERENCE

The provisions of the Base Prospectus, shall be deemed to be incorporated into and form part of this Series Prospectus in its entirety, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Base Prospectus is available for viewing at, and copies may be obtained free of charge from, the offices of the Issuer in Ireland specified below.

The audited financial statements of the Issuer for the financial years ended 31 December 2008 and 31 December 2009 together with the audit reports thereon have been filed with the Irish Stock Exchange and are deemed to be incorporated by reference into this Series Prospectus.

RISK FACTORS

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

The purchase of Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus.

The Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive and the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for reasons other than those described below.

General

This Series Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should, without any reliance on CGML or its affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding whether or not to make an investment in the Notes.

This Series Prospectus is not, and does not purport to be, investment advice, and neither the Issuer nor CGML nor any of their respective affiliates makes any recommendation as to the suitability of the Notes. The provision of this Series Prospectus to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of the suitability for any prospective investor of the Notes. Even if the Issuer or CGML or any of their respective affiliates possesses limited information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of the suitability for such person of the Notes. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers and not in reliance on the Issuer, CGML or any of their respective affiliates.

In particular, each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor in the Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) if relevant, the Notes can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or, if relevant, pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Factors that may affect the Issuer's ability to fulfil its obligations under the Notes

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing notes or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to have any subsidiaries or employees, consolidate or merge with any other person or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the 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 the Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not 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 the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

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

Preferred creditors under Irish law

The Issuer is an Irish company. Under Irish law, upon an insolvency of an Irish company, 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 "Examinership" below).

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.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-

tenth of the voting share capital of the 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 his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will compile 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 the 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 the 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 the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. 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 Noteholders, especially if such proposals include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the 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 the Issuer to the Noteholders.

Risks relating to the Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Interest is calculated on the Outstanding Collateral Notional Amount

The Collateral for the Notes on the Issue Date consists of a portfolio of Collateral Items. As described under "*Early Redemption due to scheduled maturity of the Collateral and optional early redemption of the Collateral*" and "*Early redemption for Collateral default*" below, the Notes may be redeemed in whole or in part in connection with a scheduled maturity or early redemption of a Collateral Item. As the interest payable to Noteholders in respect of an Interest Accrual Period is calculated based on the Outstanding Collateral Notional Amount during the relevant Interest Accrual Period, the amount of interest due to Noteholders will be affected by any reduction in the

Outstanding Collateral Notional Amount (either due to scheduled maturity or early redemption of one or more Collateral Items).

Potential investors should also note that in the case of a Collateral default, the Redemption Amount payable on a redemption or partial redemption of the Notes in connection with such circumstances will only be payable following a disposal of the relevant Collateral, while the Outstanding Collateral Notional Amount on which the interest payable to Noteholders is calculated is reduced immediately.

Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the assets charged by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. The Noteholders will have no right to take title to, or possession of, the charged assets unless the Trustee, having become bound to do so, fails or neglects to take action against the Issuer and such failure or neglect is continuing. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation or enforcement of the security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the shortfall, and, following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such shortfall and accordingly no debt will be owed by the Issuer in respect of any such shortfall. For the avoidance of doubt, the Collateral and the rights of the Issuer under the Trust Deed, the Dealer Agreement, the Agency Agreement, the Custody Agreement and the Swap Agreement shall be the sole assets of the Issuer in respect of the Notes on the Issue Date.

Further, the Trustee and the Noteholders will not be entitled at any time to institute, or join with any other person in bringing or instituting, insolvency proceedings (whether court based or otherwise) in relation to the Issuer.

No person other than the Issuer will be obliged to make payments on the Notes.

Taxation and no gross-up

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessments or charges that may be applicable to any payment to it in respect of the Notes. In the event that any withholding tax or deduction for tax is imposed on payments of interest on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax and no Event of Default shall occur as a result of any such withholding or deduction.

Modification, waivers and substitution

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

The Trustee may, in certain circumstances and without the consent of Noteholders, (i) agree to any modification of, or the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of

Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under the Notes in place of the Issuer.

Early redemption for tax or legal reasons

The Issuer may for specified tax or legal reasons, as detailed in Condition 7.3 (*Redemption for Taxation and Other Reasons*) as amended herein, upon giving notice to Noteholders, redeem or partially redeem all Notes earlier than the Scheduled Maturity Date. If the Issuer redeems or partially redeems the Notes early in such circumstances, the Issuer will, if and to the extent permitted by applicable law, redeem or partially redeem the Notes at their Early Redemption Amount as specified in the Conditions, provided that if the Notes are redeemed or partially redeemed as a result (directly or indirectly) of a Swap Counterparty Default, the Notes will be redeemed at their Outstanding Principal Amount, together with any accrued but unpaid interest.

The Early Redemption Amount is not principally protected and the amount payable to Noteholders will be calculated as described in “*Early redemption for Collateral default*” below.

Priority of claims

The claims of the Noteholders over the Mortgaged Property rank *pari passu* with the claims of the Swap Counterparty except following (i) a default of the Collateral when the claims of the Swap Counterparty rank senior to the claims of the Noteholder; and (ii) a Swap Counterparty Default (which is an event of default under the Swap Agreement in respect of which the Swap Counterparty is the defaulting party) when the claims of the Noteholders rank senior to the claims of the Swap Counterparty. The claims of the Trustee for its fees and expenses rank senior to the claims of the Noteholders.

Potential investors should be aware that the validity and enforceability of provisions such as paragraph 71(b) which purport to alter priorities of payment upon the occurrence of one or more specified trigger events (so-called “flip clauses”) have been challenged recently in the English and U.S. courts on the basis that where the trigger event is a creditor insolvency (such as the insolvency of the Swap Counterparty in paragraph 71(b)), the flip clause breaches principles of English and U.S. insolvency law.

The Court of Appeal in *Perpetual Trustee Co Ltd v BNY Corporate Trustee Services Ltd* [2009] EWCA Civ 1160 dismissed this argument and upheld the validity of a flip clause contained in an English-law governed document.

However, as the insolvent creditor in question was subject to US bankruptcy proceedings, the U.S. Bankruptcy Court for the Southern District of New York in *Lehman Brothers Special Financing Inc. v. BNY Corporate Trustee Services Limited. (In re Lehman Brothers Holdings Inc.)*, Adv. Pro. No. 09-1242-JMP (Bankr. S.D.N.Y. May 20, 2009) examined the same flip clause and held that such a provision, which seeks to modify one creditor’s position in a priority of payments when that creditor files for bankruptcy, is unenforceable under the US Bankruptcy Code. The US regime could potentially apply despite the fact that the Swap Counterparty is a UK incorporated company because it is a wholly owned subsidiary of Citibank N.A, a US entity.

The flip clause examined in the cases referred to above is similar in substance to paragraph 71(b) which provides that the position of the Swap Counterparty in the order of priorities will be *pari passu* to that of the Noteholders unless and until one or more trigger events (including the insolvency of the Swap Counterparty) occurs, at which point the position of the Swap Counterparty becomes subordinate to that of the Noteholders. If the Swap Counterparty was the subject of US bankruptcy proceedings and these provisions were held to be unenforceable under the US

Bankruptcy Code, it is possible that the Issuer would be required to pay the Swap Counterparty on a *pari passu* basis together with the Noteholders and as a result, the Issuer might not have sufficient funds to repay the Noteholders in full.

The US Bankruptcy Court has convened a status conference in order to resolve the conflicting judgements of the US and English courts, but as yet, the implications of this conflict are not known. It is also possible that the decision of the U.S. Bankruptcy Court will be appealed.

Change of law

The Conditions of the Notes are governed by English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

Provision of information

None of the Issuer, the Trustee, the Dealers nor any affiliate of such persons makes any representation as to the credit quality of the Swap Counterparty or the Custodian. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Swap Counterparty or the Custodian. None of such persons is under any obligation to make such information directly available to Noteholders or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Swap Counterparty and/or the Custodian or to conduct any investigation or due diligence into any of them.

Non-registration under the Securities Act and Restrictions on Transfer

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Notes will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Notes are subject to certain transfer restrictions as described herein under "*Subscription and Sale and Transfer Restrictions*", which may further limit the liquidity of the Notes.

The Issuer has not been registered as an investment company under the Investment Company Act, in reliance, where applicable, on the exception provided under Section 3(c)(7) thereof for companies whose outstanding securities are beneficially owned by "Qualified Purchasers" (as defined in Section 2(a)(51) of the Investment Company Act) and which do not make a public offering of their securities in the United States. No opinion or no-action position has been requested of the U.S. Securities and Exchange Commission (the "**SEC**") regarding whether the Issuer is required to be registered as an investment company. If the SEC or a court of competent jurisdiction were to find that the Issuer is required to register as an investment company, possible consequences include, but are not limited to, the SEC applying to enjoin the violation, and any contract to which the Issuer is a party made in violation or whose performance involves a violation of the Investment Company Act being unenforceable unless enforcing such contract would produce a more equitable result. Should the Issuer be subjected to any or all of the foregoing or to any (if any) other consequences, the Issuer would be materially and adversely affected.

Each transferee of a Note will be deemed to make certain representations at the time of transfer relating to compliance with Section 3(c)(7) of the Investment Company Act. See "Subscription and Sale and Transfer Restrictions" in the Base Prospectus.

Risks relating to the Collateral

The Collateral consists of bonds issued by municipalities of the United States of America. The Collateral on the Issue Date consists of the Collateral described in Annex 2. The net proceeds of the issue of the Notes will be applied to the purchase by the issuer of the Collateral in respect of the Notes on the Issue Date and the payment to the Swap Counterparty of the Initial Exchange Amount due under the Swap Agreement. After the Issue Date, the Collateral may be substituted from time to time by a Noteholder holding 100 per cent. of the Outstanding Principal Amount of the Notes in accordance with the terms of the Notes. The Collateral as at the Issue Date, any substituted Collateral and (for the period of time until such amounts are paid by the Issuer in accordance with the Swap Agreement and the Conditions) redemption proceeds thereof will be held in the Custody Account (as defined in the Supplemental Trust Deed) by the Custodian on behalf of the Issuer.

The Notes are secured on Collateral

Investors in the Notes should be familiar with investments in global capital markets and with investments in the Collateral and other assets similar to the Collateral. Before making an investment in the Notes, prospective investors should carefully consider, among other matters, the value and the price volatility of the Collateral on which the Notes are secured. The value of the Collateral may go down as well as up and the value of the Collateral on any date may not reflect its performance or return in any prior period. There can be no assurance as to the future value or the performance of the Collateral or of the continued existence of any issuer of the Collateral. Prospective investors should carefully consider whether an investment secured on the Collateral is suitable for them. In addition, in certain circumstances it may not be possible or practicable for the Calculation Agent to determine the value of the Collateral.

No investigations, credit risk of issuers of Collateral

No investigations, searches or other enquiries will be made by or on behalf of the Issuer or the Trustee in respect of the Collateral purchased on or, as part of a collateral substitution in accordance with Condition 4.10, after the Issue Date and no representations or warranties, express or implied, will be given by the Issuer, the Dealer, the Trustee, the Disposal Agent, the Custodian or any other person on their behalf in respect of any Collateral purchased, including (without limitation) as to the credit quality of the Collateral Items or the issuers thereof.

The Dealer or an Affiliate of the Dealer may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Collateral Items or the issuers thereof. There is no obligation on the Dealer or any of its Affiliates to disclose to any investor in Notes any such information.

Noteholders may be exposed to the credit risk of each issuer of Collateral and credit risk on the Custodian. Certain amounts payable on early redemption of the Notes are determined by reference to the market value of the Collateral. The market price of the Collateral 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 and the financial condition of the issuer of the Collateral.

The redemption proceeds of any Collateral will be paid into the Custody Account and, subject to the provisions set out in paragraph 40 of the Series Prospectus, such proceeds shall be used to partially redeem the Notes and to pay the Swap Counterparty any amount due on termination of the Notes (if applicable).

No claim against Collateral

The Notes are secured on specified assets (Collateral), and Noteholders have limited rights in respect of the Collateral, and do not have any right to vote as a holder in respect of the Collateral or any right to receive the Collateral, save as expressly provided herein or in the Base Prospectus. No representation, warranty or undertaking, express or implied, is given as to the performance of any Collateral.

Early redemption due to scheduled maturity of the Collateral and optional early redemption of the Collateral

If any Collateral Item (i) redeems on its stated date of maturity; or (ii) is subject to the exercise by the issuer of the Collateral of a right to redeem the relevant Collateral Item in whole or in part in accordance with its terms, the Issuer is required to partially redeem the Notes at the principal amount of the Collateral redeemed (or, in the case of (ii) above at an amount at least equal to the principal amount of the Collateral redeemed).

Such partial redemption of the Notes will reduce the interest amount payable to Noteholders as described in “*Interest is calculated on the Outstanding Collateral Notional Amount*” above.

Early redemption for Collateral default

If any of the Collateral becomes repayable or (unless the Trustee otherwise agrees) becomes capable of being declared due and repayable prior to its stated date of maturity (other than due to the exercise by the issuer of the Collateral of a right to redeem the relevant Collateral Item in whole or in part in accordance with its terms) or (unless the Trustee otherwise agrees) there is a payment default in respect of any of the Collateral, the Issuer may be required to redeem such Notes in whole or in part on the basis set out in Condition 7.2.1 (as amended by paragraph 73 of this Series Prospectus) and paragraph 40(ii) of this Series Prospectus.

The Notes are not principal protected in such circumstances and therefore Noteholders will be exposed to the credit risk of the issuers of the Collateral. The amount payable to Noteholders will be calculated in accordance with the Conditions. In such circumstances, the Collateral (or relevant portion thereof) will be liquidated and to the extent that the liquidation proceeds (after subtracting any amounts owed to or adding any amounts owed by the Swap Counterparty on the corresponding partial termination of the Swap Agreement) (the “**Net Proceeds**”) are insufficient for the Issuer to pay the required amount to the Noteholders, no other assets will be available for payment of the shortfall, and, following distribution of the Net Proceeds, the Issuer will have no further obligation to pay any amounts in respect of such shortfall and accordingly no debt will be owed by the Issuer in respect of any such shortfall.

The liquidation process for disposal of the Collateral following a payment default in respect of any of the Collateral requires the Disposal Agent to wait at least 35 Business Days before seeking quotes for the purchase of the Collateral (or portion thereof). The Redemption Amount payable in such circumstances is only due upon finalisation of the liquidation process. One component of the Redemption Amount is the termination payment due under the Swap Agreement. Under the terms of the Swap Agreement, interest is payable on any termination payment from the time such payment is due until such amount is paid. To the extent that such termination payment is due from the Issuer to the Swap Counterparty, any delay in finalisation of the liquidation process may reduce the Redemption Amount payable to Noteholders in connection with the Collateral default.

In the event that the Notes are redeemed early in such circumstances, the amount payable by the Issuer in such event may be less than the Outstanding Principal Amount and could be zero.

Limited liquidity of the municipal bonds

Some municipal bonds forming part of the Collateral may have no, or only a limited, trading market. The liquidity of municipal bonds will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends and the financial condition of the issuers thereof. The financial markets have experienced periods of volatility and reduced liquidity which may reoccur and reduce the market value of municipal bonds.

Some or all municipal bonds may also be subject to restrictions on transfer and may be considered illiquid. If an issuer of a municipal bond defaults on any of its obligations, any resulting diminution in market value of the municipal bonds could be further magnified by reason of such limited liquidity for municipal bonds generally or that municipal bond in particular.

Risks relating to the counterparties

Reliance on creditworthiness of other parties

The ability of the Issuer to meet its obligations under the Notes may depend on the receipt by it of payments under the Swap Agreement. Consequently, the Issuer is exposed to the ability of the Swap Counterparty to perform its obligations in respect of the Swap Agreement.

The receipt by the Issuer of payments under the Swap Agreement may also be dependent on the timely payment by the Issuer of its obligations under the Swap Agreement. The ability of the Issuer to make timely payment of its obligations under the Swap Agreement may depend on receipt by it of the scheduled payments under the Collateral. Consequently, the Issuer will also be exposed to the ability of the Custodian and the issuer(s) of the Collateral to perform their payment obligations.

The Collateral and (for the period of time until such amounts are paid by the Issuer in accordance with the Swap Agreement and the Conditions) redemption proceeds thereof will be held in an account of, and in the name of, the Custodian, which account is expected to be a book-entry account with Euroclear or Clearstream, Luxembourg. In turn, the Custodian will hold such Collateral and redemption proceeds thereof in an account in the name of the Issuer, namely the Custody Account. The Custodian may be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them as may be required in the context of the Notes.

Potential investors should recognise that the Noteholders will be exposed to the creditworthiness of the parties mentioned above for a significant period of time due to the long term of the Notes.

Trustee conflicts of interest

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder 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 Couponholders.

In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of the Notes, assume any duty or responsibility to the Swap Counterparty (other than to pay to the Swap Counterparty any moneys received and payable to it and to act in accordance with the provisions of Condition 4 and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the Swap Counterparty if this would in the Trustee's opinion be contrary to the interests of the Noteholders or Couponholders.

Business relationships and capacity of the Issuer, CGML and its affiliates

The Issuer, CGML and any of its affiliates may have existing or future business relationships with the Swap Counterparty or the Custodian (including, but not limited to, lending, depository, risk management, advisory and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. From time to time, CGML and its affiliates may own significant amounts of Notes.

CGML and its affiliates may act in a number of capacities in respect of the Notes including, without limitation, Dealer, Calculation Agent, Disposal Agent, Determination Agent, Custodian and Swap Counterparty. CGML and its affiliates acting in such capacities in connection with the Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. CGML and its affiliates in their various capacities in connection with the Notes may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

Legality of purchase

None of the Issuer, the Trustee, CGML nor any affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Risks related to the market generally

Set out below is a brief description of certain market risks:

Current Market Conditions

The current liquidity shortage and volatility in the credit markets has introduced a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets which, among other things, may render it unable to dispose of any Collateral and satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Noteholders.

The secondary market generally

Although application has been made to have the Notes admitted to the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market of the Irish Stock Exchange, the Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency for the Notes. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Due to the long term of the Notes, potential investors are exposed to the risk of that exchange rates may significantly change and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls for a significant period of time.

Interest rate risks

Investment in Notes may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Potential investors should consider this risk in light of the long term of the Notes and the fixed rate of interest payable on the Notes.

Credit ratings may not reflect all risks

Investors should note that any credit rating assigned by the Rating Agency to the Notes represents the opinion of the Rating Agency regarding the credit quality of the Notes but is not a guarantee of quality. Rating agencies attempt to evaluate the safety of payments and do not evaluate the risks of fluctuations in market value. Rating agencies may also fail to make timely changes in credit ratings in response to events so that the true financial condition of an entity or asset may be worse than a rating indicates. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. A suspension, change or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes.

Conflicts of Interest

The Swap Counterparty, the Dealer, the Agents or any of their affiliates may engage in trading activities related to and may acquire an exposure/interest in any part of the Collateral. These activities may present a conflict between the interests of Noteholders and the interests of the Swap Counterparty, the Dealer, the Agents, or any of their affiliates. None of the Swap Counterparty, the Dealer, the Agents, or any of their affiliates will be required to have regard to the interests of the Noteholders. Such activities may influence the price of the Collateral and may be adverse to the interests of Noteholders.

TERMS AND CONDITIONS OF THE NOTES

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus (the “**Base Conditions**”) as amended or supplemented below. References in the Base Prospectus to Final Terms shall be deemed to refer to the terms set out below.

Provisions appearing on the face of the Notes

1	Issuer:	Cloverie P.L.C.
2	Relevant Dealer/Lead Manager (including, if Syndicated Issue, Managers):	Citigroup Global Markets Limited (“ CGML ”)
3	Series No:	2010-06
4	Tranche No:	Not applicable
5	ISIN:	XS0574281639
6	Common Code:	057428163
7	CUSIP:	99422M9M7
8	PORTAL Code:	Not applicable
9	Currency (or Currencies in the case of Dual Currency Notes):	USD
10	Principal Amount:	<p>Initially USD 86,500,000, and thereafter as adjusted from time to time, including reductions following any purchase and cancellation of Notes by the Issuer pursuant to Condition 7.4, any distribution of a Surplus following a substitution of Collateral pursuant to Condition 4.10.7 (as amended by paragraph 74) and a partial or full redemption in accordance with paragraph 40 (the outstanding amount on any day being the “Outstanding Principal Amount”).</p> <p>The Irish Stock Exchange shall be notified of any reduction in the Outstanding Principal Amount of the Notes as soon as practicable after such reduction.</p> <p>“Number of Notes” means, as at the Issue Date, 173 and, following any purchase and cancellation of Notes by the Issuer pursuant to Condition 7.4, such lesser number of Notes outstanding.</p>
11	Issue Date:	30 December 2010
12	Issue Price:	100%

Provisions appearing on the back of the Notes

13	Form:	Bearer
14	Denomination(s):	USD 500,000
15	Status:	Secured and limited recourse obligations of the Issuer, secured as provided below.
16	Interest Commencement Date (if different from Issue Date):	Issue Date
17	Interest Basis:	Fixed Rate
18	Interest Rate:	5.487 per cent. per annum. Interest will be paid semi-annually in arrear on the Interest Payment Dates.
19	Interest Payment Date(s):	Two Business Days following each Interest Period Date.
20	Relevant Time (Floating Rate Notes):	Not Applicable
21	Determination Date(s) (if applicable):	Not applicable
22	Interest Determination Date (Floating Rate Notes):	Not Applicable
23	Primary Source for Floating Rate:	Not Applicable
24	Reference Banks (Floating Rate Notes):	Not Applicable
25	Relevant Financial Centre (Floating Rate Notes):	Not Applicable
26	Benchmark:	Not Applicable
27	Broken Amount (Fixed Rate Notes):	Not applicable
28	Representative Amount (Floating Rate Notes):	Not Applicable
29	Relevant Currency:	USD
30	Effective Date (Floating Rate Notes):	Not Applicable
31	Specified Duration (Floating Rate Notes):	Not Applicable
32	Margin (Floating Rate Notes):	Not Applicable
33	Rate Multiplier (if applicable):	Not applicable
34	Maximum/Minimum Interest Rate (if applicable):	Not applicable
35	Maximum/Minimum Instalment Amount (if applicable):	Not applicable

36	Maximum/Minimum Redemption Amount (if applicable):	Not applicable
37	Interest Amount (Fixed Rate Notes):	<p>Notwithstanding Condition 6.6, the amount of interest payable in respect of each Note for any Interest Accrual Period (the "Interest Amount") shall be an amount in the Relevant Currency calculated by the Calculation Agent as being equal to:</p> <ul style="list-style-type: none"> (i) the product of (a) the Interest Rate; (b) the Outstanding Collateral Notional Amount as at such Interest Period Date; and (c) the Day Count Fraction, divided by (ii) the Number of Notes as at the relevant Interest Period Date. <p>"Outstanding Collateral Notional Amount" means, in respect of each Interest Period Date, an amount calculated by the Calculation Agent as being equal to:</p> <ul style="list-style-type: none"> (i) the sum of the Daily Outstanding Collateral Notional Amounts in respect of each calendar day falling in the relevant Interest Accrual Period ending on (but excluding) such Interest Period Date, divided by (ii) the number of calendar days in such Interest Accrual Period. <p>"Daily Outstanding Collateral Notional Amount" means, in respect of a calendar day, the aggregate principal amount of the Collateral that is outstanding and held by or on behalf of the Issuer on such calendar day, provided that such amount shall exclude any Collateral Item:</p> <ul style="list-style-type: none"> (i) in respect of which a Mandatory Redemption Notice has been given in accordance with Condition 7.2; or (ii) is Relevant Collateral (as defined in paragraph 40(ii) and 40(iii) below) for the purposes of a notice designating an Early Redemption Date pursuant to Condition 7.3.
38	Day Count Fraction:	30/360
39	Interest Period Date(s) (if applicable):	21 June and 21 December in each year with the first Interest Period Date falling on 21 June 2011 and the final Interest Period Date falling on the second Business Day prior to the

40 Redemption Amount (including early redemption):

Maturity Date, such dates not subject to adjustment in accordance with the Business Day Convention.

(i) Scheduled redemption of Collateral

If a Collateral Item redeems on its stated date of maturity (such date of redemption, the “**Scheduled Collateral Redemption Date**”):

- (a) the Notes shall be partially redeemed on the day falling two Business Days after the Scheduled Collateral Redemption Date for an amount in respect of each Note on such day determined by the Determination Agent to be equal to the Collateral Notional Amount of the relevant Collateral Item, divided by the Number of Notes; and
- (b) the Outstanding Principal Amount shall be reduced by an amount equal to the Collateral Notional Amount of the relevant Collateral Item.

The Determination Agent on behalf of the Issuer will notify the Rating Agency of each redemption or partial redemption in accordance with this paragraph 40(i) if the Notes continue to be rated by such Rating Agency at the time of such redemption or partial redemption.

(ii) Early Redemption due to early redemption or default of the Collateral

If a Mandatory Redemption Notice is given pursuant to Condition 7.2.1 (as amended pursuant to paragraph 73 below) with respect to a Collateral Item (the circumstances affecting such Collateral Item which leads to the giving of such Mandatory Redemption Notice, the “**Mandatory Redemption Event**”), on the date such notice is given, such Collateral Item (or portion thereof) shall be deemed to no longer form part of the Collateral and the corresponding Principal Amount of the Notes shall be deemed to have been deducted from the Outstanding Principal Amount for the purposes of:

- (a) an Early Redemption due to taxation and other reasons pursuant to paragraph 40(iii) below;
- (b) the exercise of the Noteholders’ Option

pursuant to paragraph 49 below; and

- (c) the Noteholder substitution of Collateral pursuant to paragraph 74 below,

in each case only until such time as the relevant Collateral Item (or portion thereof) is actually removed from the Collateral and the relevant Principal Amount is actually deducted from the Outstanding Principal Amount of the Notes.

In addition, on the Mandatory Redemption Date (as defined in Condition 7.2.1 as amended pursuant to paragraph 73 below):

- (I) the Notes shall be partially redeemed for an amount in respect of each Note equal to the Early Redemption Amount (as defined in Annex 1), with "Relevant Collateral" in the definition of Early Redemption Amount being deemed to refer to the relevant Collateral Item (or, to the extent that only a portion of the Collateral Notional Amount of such Collateral Item is subject to the Mandatory Redemption Event, such portion of the Collateral Notional Amount of the relevant Collateral Item), provided that if the Mandatory Redemption Event relates to the exercise by the issuer of the relevant Collateral Item of a right to redeem the relevant Collateral Item in whole or in part in accordance with its terms, the Early Redemption Amount shall be deemed to be subject to a minimum equal to the principal amount of the Collateral Item subject to such redemption; and
- (II) the Outstanding Principal Amount shall be reduced by an amount equal to the Collateral Notional Amount of the relevant Collateral Item (or, in the case that the Mandatory Redemption Event relates to a portion of a Collateral Item, the Collateral Notional Amount of such portion of the relevant Collateral Item).

In the event that the Notes are redeemed or partially redeemed in accordance with this paragraph, the amount payable by the Issuer may be more or less than the

principal amount of the Notes and may be zero.

(iii) Early Redemption due to taxation and other reasons

Condition 7.3 shall apply, provided that if the circumstances described in Condition 7.3.2 arise in respect of less than all Collateral Items comprising the Collateral at the relevant time, the Notes shall be partially redeemed rather than redeemed in full.

If, in accordance with Condition 7.3 and this paragraph 40 (iii), the Notes are to be fully or partially redeemed on the Early Redemption Date:

- (a) if the Notes are to be partially or fully redeemed other than as a result (directly or indirectly) of a Swap Counterparty Default, the Notes shall be partially or fully redeemed (as applicable) for an amount in respect of each Note equal to the Early Redemption Amount (as defined in Annex 1), with "Relevant Collateral" in the definition of Early Redemption Amount being deemed to refer to all Collateral, provided that if Condition 7.3.2 applies and the Determination Agent determines that the relevant event relates to less than all Collateral Items, "Relevant Collateral" shall be deemed to refer to such Collateral Items to which the circumstances set out in Condition 7.3.2 apply;
- (b) if the Notes are to be fully redeemed as a result (directly or indirectly) of a Swap Counterparty Default, the Notes shall be fully redeemed for an amount in respect of each Note equal to the Outstanding Principal Amount divided by the Number of Notes, plus interest on the Notes in accordance with paragraph 37 above up to, but excluding, the Early Redemption Date; and
- (c) the Outstanding Principal Amount shall be reduced on the Early Redemption Date by an amount equal to (I) if the Notes are fully redeemed, the Collateral

Notional Amount of the Collateral; or (II) if the Notes are not fully redeemed, the relevant Collateral Item(s).

The Determination Agent on behalf of the Issuer will notify the Rating Agency of each redemption or partial redemption in accordance with this paragraph 40(iii) if the Notes continue to be rated by such Rating Agency at the time of such redemption or partial redemption.

In the event that the Notes are redeemed or partially redeemed in accordance with this paragraph, the amount payable by the Issuer may be more or less than the principal amount of the Notes and may be zero.

(iv) Optional Redemption

Following the delivery of a Noteholder Optional Redemption Notice, on the day on which the Noteholder Redemption Collateral is delivered to or to the order of the Noteholder, the Outstanding Principal Amount of the Notes shall be deemed to have been reduced by an amount equal to the Collateral Notional Amount of the Noteholder Redemption Collateral and the Notes shall be deemed to have been accordingly redeemed or partially redeemed (as applicable).

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| 41 | Maturity Date: | The Maturity Date in respect of the Notes is the date on which the Outstanding Principal Amount of the Notes is reduced to zero.

Subject to early redemption of the Notes, the Outstanding Principal Amount of the Notes is expected to be reduced to zero on the date falling two Business Days after the date on which all Collateral held in respect of the Notes is scheduled to be redeemed, which as at the date of this Series Prospectus is two Business Days after 1 December 2039. |
| 42 | Redemption for taxation reasons permitted on days other than Interest Payment Dates or Deferred Redemption Amount Payment Dates: | No |
| 43 | Index/Formula (Indexed Notes): | Not applicable |
| 44 | Calculation Agent and Determination Agent: | Citibank, N.A., London Branch shall be the Calculation Agent and Citigroup Global Markets Limited shall be the Determination Agent. |

Unless otherwise specified, whenever the Calculation Agent or Determination Agent is required to act or exercise judgment, it will do so in its sole and absolute discretion, rounding (where necessary) the relevant amount down to the nearest unit of the Relevant Currency. For these purposes, "unit" means the lowest amount of the Relevant Currency which is available as legal tender in the country or countries of such Relevant Currency.

45	Dual Currency Notes:	Not applicable
46	Partly-Paid Notes:	Not applicable
47	Amortisation Yield (Zero Coupon Notes):	Not applicable
48	Terms of redemption at the option of the Issuer or other Issuer's option (if applicable):	Not applicable
49	Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable):	<p>Applicable. Condition 7.7 shall be deleted and replaced with the following:</p> <p>"If 100 per cent. of the Notes outstanding are held by one Noteholder, the Noteholder may exercise its option to request that the Issuer wholly or partially redeem the Notes by giving a Noteholder Optional Redemption Notice to the Issuer, with a copy to the Disposal Agent, the Swap Counterparty, the Trustee and (if the Notes continue to be rated by the Rating Agency at such time) the Rating Agency during the Noteholders' Option Period.</p> <p>A "Noteholder Optional Redemption Notice" is a written notice which:</p> <ul style="list-style-type: none"> (i) specifies the principal amount(s) of the Collateral Item(s) to be delivered to the Noteholder on redemption (or partial redemption) of the Notes (which principal amount in respect of a Collateral Item must be an integral multiple of the denomination of the relevant Collateral Item) and which must relate to Collateral Items which are not the subject of a Mandatory Redemption Notice or Relevant Collateral (as defined in paragraph 40(ii) and 40(iii) above) for the purposes of a notice designating an Early Redemption Date pursuant to Condition

7.3 (the “**Noteholder Redemption Collateral**”);

- (ii) contains an agreement from the Noteholder in a form satisfactory to the Swap Counterparty to pay any Swap Termination Value due in respect of the termination or partial termination of the Swap Agreement in connection with such redemption;
- (iii) contains an agreement from the Noteholder in a form satisfactory to the Issuer and the Trustee to pay any fees or expenses of the Issuer and the Trustee incurred in connection with such redemption;
- (iv) contains direct contact details for the Noteholder;
- (v) specifies the securities account to which the Noteholder Redemption Collateral shall be delivered;
- (vi) specifies if the Notes are rated at the time of the Noteholder Optional Redemption Notice; and
- (vii) if the Notes are rated at the time of the Noteholder Optional Redemption Notice and the Notes are to be redeemed in part only, specifies whether the Notes should cease to be rated following the partial redemption of the Notes contemplated by the Noteholder Optional Redemption Notice.

Following the receipt of a valid Noteholder Optional Redemption Notice, the Issuer will, subject to the occurrence of a Settlement Disruption Event and subject to the CP Satisfaction Date occurring during the Noteholders’ Option Period, transfer or cause to be transferred the Noteholder Redemption Collateral to the securities account specified by the Noteholder within two Business Days of the Determination Agent’s determination that the following conditions precedent have been satisfied (the date of such determination, the “**CP Satisfaction Date**”):

- (a) if the Notes continue to be rated as at the date of a Noteholder Optional Redemption Notice, the Notes are to be redeemed in part only and the

Noteholder Optional Redemption Notice does not specify that the Notes should cease to be rated, confirmation from the Rating Agency that its then current rating of the Notes will not be adversely affected or withdrawn by such rating agency as a result of the transfer to the Noteholder of the Noteholder Redemption Collateral;

- (b) either (i) the Swap Counterparty having certified to the Issuer that it will not suffer a cost or loss or a reduction in the marked to market value of the Swap Agreement as a result of such optional redemption or (ii) arrangements having been made which are reasonably satisfactory to the Swap Counterparty to compensate it for any cost or loss or reduction in marked to market value which it certifies to the Issuer that it will incur in connection with such optional redemption;
- (c) payment by the Noteholder to the Issuer of any costs, fees or expenses incurred or reasonably expected to be incurred by the Issuer, Trustee or Rating Agency in connection with such redemption;
- (d) if the Notes are held in Euroclear or Clearstream, Luxembourg, an instruction from the Noteholder to Euroclear or Clearstream, Luxembourg (as applicable) to block its account in respect of the Notes until the time it receives confirmation from the Trustee that the redemption or partial redemption has been completed or is cancelled; and
- (e) if the Notes are not held in Euroclear or Clearstream, Luxembourg, the presentation and delivery of the Notes to the specified office of any Paying Agent.

The Issuer reserves all rights as to the manner of delivery of any Collateral to which the Noteholder is entitled and the Issuer shall have no responsibility for the capacity of Noteholder to take delivery of such Collateral or for any

matter which may affect the ability of the Noteholders to take delivery of such Collateral.

If the Determination Agent determines that there is a Settlement Disruption Event on the Delivery Cut-off Date, the Issuer shall have no further obligation to deliver the Collateral and the Notes shall continue to exist as if the Noteholder option specified in this Condition had not been exercised.

Following delivery of the Noteholder Redemption Collateral (provided that such Noteholder Redemption Collateral does not consist of all of the Collateral) or cancellation of such delivery following a Delivery Cut-off Date, the Trustee shall give notice to (x) Euroclear or Clearstream that the account of the Noteholder shall be unblocked; or (y) the relevant Paying Agent that the Notes shall be returned to the Noteholder (as applicable).

“Delivery Cut-off Date” means the 10th Business Day following the CP Satisfaction Date.

“Settlement Disruption Event” means an event beyond the control of the Issuer as a result of which the Determination Agent determines that:

- (I) it is or would be impossible, impracticable, illegal or in breach of any restriction (whether regulatory, fiduciary or otherwise) for the Issuer (or the Custodian on its behalf) to obtain or deliver some or all of the Noteholder Redemption Collateral to the Noteholder including, without limitation, circumstances in which it is not in the determination of the Determination Agent commercially reasonable for the Issuer to make such delivery; and/or
- (II) owing to circumstances within the control of the Noteholder, the Issuer (or the Custodian on its behalf) is unable to arrange, or conditions are not fulfilled, for the delivery of some or all of the Noteholder Redemption Collateral to the Noteholder.”

50 Issuer's Option Period:

Not applicable

51	Noteholders' Option Period:	With respect to a Collateral Item specified in a Noteholder Optional Redemption Notice, from and including the Issue Date to but excluding the 15th Business Day prior to the stated maturity date of such Collateral Item.
52	Instalment Date(s) (if applicable):	Not applicable
53	Instalment Amount(s) (if applicable):	Not applicable
54	Unmatured Coupons to become void upon early redemption:	Yes
55	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
56	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	<p>London and New York and a TARGET Business Day.</p> <p>"Business Day" and "Relevant Business Day" shall in all circumstances mean 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 London and New York and a TARGET Business Day.</p>
57	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 13.1 (if applicable):	Not applicable
58	Details of any other additions or variations to the Conditions (if applicable):	<p>Alternative Collateral Disposal Procedure</p> <p>If a Mandatory Redemption Notice relating to a payment default in respect of a Collateral Item is given pursuant to Condition 7.2, notwithstanding Clause 18.1 of the Agency Agreement (but without prejudice to the other provisions of Clause 18 of the Agency Agreement), the Disposal Agent shall, acting as the Issuer's agent, dispose of the relevant Collateral Item (or part thereof) to which the Mandatory Redemption Notice relates (the "Affected Collateral") in accordance with this paragraph 58.</p> <p>Following service of a Mandatory Redemption Notice, the Disposal Agent shall select, in its sole discretion, a Business Day falling no earlier than 35 Business Days and no later than 50 Business Days after the date of the</p>

Mandatory Redemption Notice as the **“Scheduled Valuation Date”**.

On the Scheduled Valuation Date, the Disposal Agent shall attempt to obtain Full Quotations from at least five dealers in obligations of the type of the Affected Collateral (**“Relevant Dealers”**). If fewer than five Full Quotations are available, but at least two Full Quotations are available, the Disposal Agent shall sell the Affected Collateral on behalf of the Issuer at the highest Full Quotation received.

If at least two Full Quotations are not available on the Scheduled Valuation Date, the Disposal Agent shall attempt to obtain Full Quotations from at least five Dealers on the date falling five (5) Business Days after such Scheduled Valuation Date (the **“Valuation Cut-off Date”**).

If at least two Full Quotations are not available on the Valuation Cut-off Date, the Disposal Agent shall seek to obtain Partial Quotations and, if Partial Quotations with an aggregate notional amount at least equal to the notional amount of the Affected Collateral (together, an **“Aggregated Partial Quotation”**) are available on the Valuation Cut-off Date, the Disposal Agent shall sell the relevant portions of the Affected Collateral on behalf of the Issuer at the highest Partial Quotations resulting in all of the notional amount of the Affected Collateral being sold.

If the Disposal Agent is unable to obtain an Aggregated Partial Quotation, it shall seek to obtain a single Full Quotation on such date and, if a single Full Quotation is available on the Valuation Cut-off Date, the Disposal Agent shall sell the Affected Collateral on behalf of the Issuer at such Full Quotation.

If neither an Aggregated Partial Quotation nor a single Full Quotation is available on the Valuation Cut-off Date as provided above, but one or more Partial Quotations are available on the Valuation Cut-off Date, then the Disposal Agent shall sell the relevant portion(s) of the Affected Collateral on behalf of the Issuer at the highest Partial Quotation(s) received and the Disposal Agent shall purchase any unsold Affected Collateral from the Issuer at such

value deemed by the Disposal Agent, acting in a commercially reasonable manner, to be the fair market value of such portion of the Affected Collateral.

If no Partial Quotations are available on the Valuation Cut-off Date, the Disposal Agent shall purchase all the Affected Collateral from the Issuer at such value deemed by the Disposal Agent, acting in a commercially reasonable manner, to be the fair market value of the Affected Collateral.

For the avoidance of doubt, the Disposal Agent may deem the fair market value of the Affected Collateral (or relevant portion thereof) to be zero.

In accordance with the Agency Agreement, the Disposal Agent or any affiliate thereof, may provide one of the bid quotations for the Affected Collateral. For the avoidance of doubt, the Disposal Agent or any affiliate thereof shall not provide more than one of the bid quotations for the Affected Collateral.

For the purposes of this paragraph 58:

“Full Quotation” means a firm bid quote for the purchase of the full amount of Affected Collateral;

“Partial Quotation” means a firm bid quote for the purchase of less than the full amount of Affected Collateral, provided that such quote is for a portion of the Affected Collateral divisible by the denomination of the Affected Collateral.

59 The Agents appointed in respect of the Notes are:

Citibank, N.A., London Branch, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as Issuing and Paying Agent, Calculation Agent, Account Bank and Custodian.

Citigroup Global Markets Limited, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB as Determination Agent and Disposal Agent.

Arthur Cox Listing Services Limited, Earlsfort Centre, Earlsfort Terrace, Dublin 2 as Irish Listing Agent.

60 Purchase by the Issuer of Notes:

The Issuer may purchase Notes.

61 Settlement Method and Net Price payable to Issuer: Delivery free of payment.

Provisions applicable to Global Notes and Certificates

62 How Notes will be represented on issue: Temporary Global Note

63 Applicable TEFRA exemption: D Rules

64 Whether Temporary/Permanent Global Note is exchangeable for Definitive Notes/Individual Certificates at the request of the holder: No. The Permanent Global Note shall only be exchangeable for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

Provisions relating only to the sale and listing of the Notes

65 Details of any additions or variations to the selling restrictions: Not applicable

66 (i) Listing: Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for the approval of this document as Listing Particulars. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list (the "**Official List**") and to trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange. The Global Exchange Market is not a regulated market for the purposes of Directive 2004/39/EC (the "**Directive on Markets in Financial Instruments**").

(ii) Estimate of total expenses related to admission to trading: All such expenses are being paid by the Arranger.

67 Dealer's Commission: Not applicable

68 Method of Issue: Individual Dealer

69 The following Dealer is subscribing to the Notes: Citigroup Global Markets Limited.

70 Rating: Initially rated "A1" by Moody's Investors Service, Inc. (the "**Rating Agency**").
Any communications to the Rating Agency shall be addressed to it at:
Address: Moody's Investors Service

Limited
 24/F, One Pacific Place
 Admiralty
 Hong Kong
 Telephone: +852 3758 1300
 Fax: +852 3758 1616
 Email: monitor.hongkong@
 moodys.com
 Attention: Structured Finance Surveillance

The Security Arrangements

71 Mortgaged Property:

- (a) Collateral: See Annex 2.
- (b) Security (order of priorities): The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed (the “**Proceeds**”) in accordance with *Pari Passu* Ranking, provided that if:
- (i) the security has become enforceable as a result (directly or indirectly) of any breach or default of any obligation in respect of the Collateral by the issuer thereof, the Proceeds shall be applied in accordance with Counterparty Priority A; or
 - (ii) the security has become enforceable as a result (directly or indirectly) of a Swap Counterparty Default, the Proceeds shall be applied in accordance with Noteholder Priority.
- Investors should have regard to Condition 4.2 (*Application of Security*) in the Base Prospectus for details of the application of moneys upon realisation or enforcement of the security in accordance with the above provisions.
- (c) Option Agreement (if applicable): Not applicable
- Option Counterparty(ies): Not applicable
- Option Guarantor (if applicable): Not applicable
- (d) Swap Agreements (if applicable): See Annex 3 to this Series Prospectus.
- Swap Counterparty(ies): Citibank, N.A., London Branch, whose registered office is Citigroup Centre, Canada

		Square, Canary Wharf, London E14 5LB. See Annex 3 to this Series Prospectus.
	Swap Guarantor (if applicable):	Not applicable
	Swap Guarantee:	Not applicable
(e)	Details of Credit Support Document (if applicable):	Not applicable
(f)	Credit Support Provider:	Not applicable
(g)	Details of Securities Lending Agreement (if applicable):	Not applicable
72	Priority of interests in Mortgaged Property:	As set out in paragraph 71(b) above.
73	Mandatory Redemption:	<p>Mandatory Redemption A applies, provided that Condition 7.2.1 shall be deemed to have been replaced with the following:</p> <p>“If “Mandatory Redemption A” is specified in the relevant Final Terms and if either (i) a Collateral Item becomes repayable in whole or in part or, unless the Trustee otherwise agrees, becomes capable of being declared due and repayable prior to its stated date of maturity in accordance with its terms or (ii) (unless the Trustee otherwise agrees) there is a payment default in respect of a Collateral Item, the Issuer shall give notice thereof to the Trustee, the Swap Counterparty and/or the Option Counterparty and to Noteholders in accordance with Condition 16, if the relevant Series is listed and admitted to trading on the Global Exchange Market of the Irish Stock Exchange, the Irish Stock Exchange and, if the relevant Series continues to be rated by a Rating Agency at such time, the Rating Agency (a “Mandatory Redemption Notice”).</p> <p>The Mandatory Redemption Notice shall:</p> <p>(a) if the Mandatory Redemption Notice relates to a payment default in respect of a Collateral Item, specify that the day of the relevant payment default is the start of the disposal process in respect of such Collateral Item, and that the Notes will be redeemed or partially redeemed (as applicable) on the day falling two Business Days after the sale of the full amount of the relevant Collateral Item (or part thereof, as applicable) in accordance with the</p>

Conditions; or

- (b) if the Mandatory Redemption Notice does not relate to a payment default in respect of a Collateral Item, specify a date falling not more than 30 days' after the date of notice on which the Notes will be redeemed or partially redeemed (as applicable).

The date specified in the Mandatory Redemption Notice as the date on which the Notes will be redeemed or partially redeemed is the "**Mandatory Redemption Date**" in respect of such Mandatory Redemption Notice.

On the Mandatory Redemption Date, the Issuer shall redeem or partially redeem (as applicable) a Principal Amount of the Notes equal to the Collateral Notional Amount of the relevant Collateral Item at its Redemption Amount."

74 Noteholder Substitution of Collateral:

Applicable, except that Condition 4.10 shall be deleted and replaced with the following:

"4.10 Replacement of Collateral

- 4.10.1** Any Noteholder who holds 100% of the Outstanding Principal Amount of the Notes may give a Noteholder Substitution Notice to the Issuer, with a copy to the Disposal Agent, the Swap Counterparty and the Trustee, requesting that the Issuer procures that the Collateral Items specified in such Noteholder Substitution Notice are sold and that the proceeds from such sale are applied to purchasing the securities (the "**Replacement Collateral**") specified in such Noteholder Substitution Notice.

"**Noteholder Substitution Notice**" means a notice in writing from a Noteholder to the Issuer, requesting that the Issuer procure that the specified Collateral Items be sold and that the proceeds from such sale be applied to purchase the Replacement Collateral. Such notice must:

- (i) certify that such Noteholder is not a United States resident;
- (ii) specify the Noteholder's identity, direct contact details and details of cash and securities accounts;
- (iii) specify the Collateral Item(s) to be sold (the "**Affected Collateral**");
- (iv) specify the identity and nominal amount of the Replacement Collateral (including the name of the issuer, the currency of issue, the maturity date and the ISIN);
- (v) specify that the Noteholder (A) agrees to pay any Estimated Deficiency Amount owed by it in accordance with the Conditions and (B) directs the Disposal Agent to use such amount, together with the Actual Proceeds, to purchase the Replacement Collateral;

- (vi) specify that the Noteholder agrees to pay any costs incurred or fees and expenses payable by the Issuer with respect to the substitution of Affected Collateral, including any amounts payable to the Swap Counterparty and, if the Notes are rated and will continue to be rated following the substitution of Collateral contemplated by the Noteholder Substitution Notice, the Rating Agency;
- (vii) specify that the Noteholder agrees to indemnify the Issuer and the Disposal Agent for any losses incurred in connection with the Noteholder failing to make timely payment of any amount falling due in accordance with Condition 4.10;
- (viii) nominate a proposed date for the substitution, which must be a Business Day falling at least 10 Business Days after the date of the Noteholder Substitution Notice (the “**Collateral Substitution Date**”);
- (ix) specify that the Noteholder has instructed Euroclear or Clearstream Luxembourg to block its account in respect of the Notes until the time it receives confirmation from the Trustee that the substitution has been completed, or that such substitution is not to be effected;
- (x) attach a confirmation or other evidence from Euroclear and/or Clearstream, Luxembourg of the Noteholder’s holdings of the outstanding Notes;
- (xi) specify if the Notes are rated as at the date of the Noteholder Substitution Notice; and
- (xii) if the Notes are rated at the date of the Noteholder Substitution Notice, specify whether the Notes should cease to be rated following the substitution of Collateral contemplated by the Noteholder Substitution Notice.

4.10.2 The Issuer shall accept a Noteholder Substitution Notice if the Replacement Collateral satisfies the Replacement Collateral Criteria (as defined below) at least one Business Day prior to the Collateral Substitution Date (the date of such acceptance, the “**Consent Date**”).

“**Replacement Collateral Criteria**” means:

- (a) the Replacement Collateral being denominated in the same currency as the Affected Collateral being substituted;
- (b) the Replacement Collateral having a scheduled maturity date no later than the scheduled maturity date of the Affected Collateral (or if more than one, the latest of such dates);
- (c) the Replacement Collateral having a rating of not less than “A1” by Moody’s, and Moody’s having not indicated a negative outlook in respect of the rating assigned by it;
- (d) either (i) the Swap Counterparty having certified to the Issuer that it will not suffer a cost or loss or a reduction in the marked to market value of the Swap Agreement as a result of such substitution or (ii)

arrangements having been made which are reasonably satisfactory to the Swap Counterparty to compensate it for any cost or loss or reduction in marked to market value which it certifies to the Issuer that it will incur in connection with such substitution;

- (e) the Replacement Collateral being revenue obligation bonds (bond obligations supported by the revenues of a particular project) or general obligation bonds (bond obligations supported by resources (including tax revenues) of the relevant municipality) issued by a municipality of the United States of America;
- (f) if the Notes will continue to be rated by the Rating Agency after the substitution, the Rating Agency has been notified of the proposed substitution and has confirmed that its then current rating of the Notes will not be adversely affected or withdrawn as a result of the substitution, with any costs of the Rating Agency connected with such confirmation being borne by the Noteholder; and
- (g) the aggregate principal amount of the Replacement Collateral being equal to or lower than the aggregate principal amount of the Affected Collateral.

4.10.3 At 10.00 a.m. (London time) (the “**Cut-off Time**”) on the Collateral Substitution Date, the Disposal Agent shall attempt to obtain at least five indicative bid quotations for the Affected Collateral from dealers in obligations of the type of the Affected Collateral and from the Noteholder for settlement on the fifth Business Day following the Collateral Substitution Date. On the same day, the Disposal Agent shall attempt to obtain at least five indicative offer quotations for the Replacement Collateral from dealers in obligations of the type of the Replacement Collateral and from the Noteholder for settlement on the fifth Business Day following the Collateral Substitution Date. The Swap Counterparty or an Affiliate of the Swap Counterparty (which may include the Disposal Agent) may provide not more than two of the indicative bid quotations in respect of the Affected Collateral or indicative offer quotations in respect of the Replacement Collateral. For the avoidance of doubt, neither the Swap Counterparty nor any of its Affiliates are under any obligation to give a bid quotation in respect of the Affected Collateral or an offer quotation in respect of the Replacement Collateral. If (i) no indicative bid quotation for the Affected Collateral or (ii) no indicative offer quotation for the Replacement Collateral is available at the Cut-off Time, then the Disposal Agent shall be under no duty to obtain any further quotations and the Affected Collateral shall not be replaced.

4.10.4 At the Cut-off Time, if at least one indicative bid quotation for the Affected Collateral and at least one indicative offer quotation for the Replacement Collateral are available, the Disposal Agent shall use the highest indicative bid quotation for the Affected Collateral (the “**Highest Bid**”) and the lowest indicative offer quotation for the Replacement Collateral (the “**Lowest Offer**”) to calculate (a) the estimated proceeds from a sale of the Affected Collateral to the person (the “**Highest Bidder**”) submitting the Highest Bid (the “**Estimated Proceeds**”) and (b) the Estimated Replacement Collateral Cost.

The “**Estimated Replacement Collateral Cost**” shall be the estimated amount, calculated by the Disposal Agent in its absolute discretion and acting in good faith and in a commercially reasonable manner, of the purchase price for the Replacement Collateral from the person (the “**Lowest Offeror**”) submitting the Lowest Offer and shall include such additional sum that the Disposal Agent considers reasonable to allow for any difference between (a) the indicative offer quotation of the Lowest Offeror obtained on such date and (b) the firm offer quotation of the Lowest Offeror obtained in accordance with Condition 4.10.6.

If the Estimated Proceeds are less than the Estimated Replacement Collateral Cost, the Disposal Agent shall give notice in writing to the Noteholder, by midday (London time) on the Collateral Substitution Date, in accordance with the contact details provided in the Noteholder Substitution Notice, of the difference between the Estimated Proceeds and the Estimated Replacement Collateral Cost (the “**Estimated Deficiency Amount**”). The Noteholder shall pay to the Disposal Agent the Estimated Deficiency Amount in immediately available funds for value on the second Business Day following the Collateral Substitution Date.

4.10.5 If the Disposal Agent has not received the Estimated Deficiency Amount in full by 10.00 a.m. (London time) on the second Business Day following the Collateral Substitution Date, the Disposal Agent shall not accept any bid submitted for the Affected Collateral nor any offer submitted to sell the Replacement Collateral, shall not sell the Affected Collateral or buy the Replacement Collateral. If the Notes are held in Euroclear or Clearstream, Luxembourg, the Trustee shall give notice to Euroclear and Clearstream, Luxembourg that the proposed substitution shall not be effective and the account of the Noteholder shall be unblocked.

4.10.6 If the Disposal Agent has received the Estimated Deficiency Amount in full by midday (London time) on the second Business Day following the Collateral Substitution Date, the Disposal Agent shall ask the Highest Bidder to give its firm bid quotation to buy the Affected Collateral for settlement on the fifth Business Day following the Collateral Substitution Date and shall ask the Lowest Offeror to give its firm offer quotation to sell the Replacement Collateral for settlement on the fifth Business Day following the Collateral Substitution Date. The Disposal Agent shall calculate whether the sum of (A) the proceeds from the sale of the Affected Collateral if it were to accept the firm bid quotation of the Highest Bidder (the “**Actual Proceeds**”) and (B) the Estimated Deficiency Amount is more or less than the actual purchase price of the Replacement Collateral if the Disposal Agent were to accept the firm offer quotation of the Lowest Offeror (the “**Actual Replacement Collateral Cost**”). If (i) either or both of the Highest Bidder and the Lowest Offeror fail to provide such firm quotations in accordance with this provision or (ii) the sum of the Actual Proceeds and the Estimated Deficiency Amount are less than the Actual Replacement Collateral Cost, the Disposal Agent shall not accept any bid submitted for the Affected Collateral nor any offer submitted to sell the Replacement Collateral, shall not sell the Affected Collateral or buy the Replacement

Collateral, and shall promptly return the Estimated Deficiency Amount received from the Noteholder.

- 4.10.7** If the sum of the Actual Proceeds and the Estimated Deficiency Amount is equal to or greater than the Actual Replacement Collateral Cost, the Disposal Agent shall sell the Affected Collateral to the Highest Bidder for settlement on the fifth Business Day following the Collateral Substitution Date and shall use the Actual Proceeds and the Estimated Deficiency Amount to purchase the Replacement Collateral from the Lowest Offeror for settlement on the fifth Business Day following the Collateral Substitution Date. To the extent that the sum of the Actual Proceeds and the Estimated Deficiency Amount exceed the Actual Replacement Collateral Cost (such excess being the “**Surplus**”), the Disposal Agent shall distribute the Surplus to the Noteholder for value on the fifth Business Day following the Collateral Substitution Date and if the aggregate notional amount of the Affected Collateral exceeds the aggregate notional amount of the Replacement Collateral, the Outstanding Principal Amount of the Notes shall be reduced by such excess.
- 4.10.8** Upon the Disposal Agent’s purchase of any Replacement Collateral as described in the preceding paragraphs, with effect from the date of the delivery of the Replacement Collateral, the payment obligations of the parties under the Swap Agreement shall be adjusted so that the payment obligations of the Issuer shall reflect the replacement of the Affected Collateral with the Replacement Collateral.
- 4.10.9** For the avoidance of doubt, the Replacement Collateral shall constitute Collateral for the purposes of the Notes and shall be secured as set out in Condition 4.1.
- 4.10.10** Following the Noteholder’s replacement of the Affected Collateral with the Replacement Collateral:
- (i) provided that the relevant Series is listed and admitted to trading on the Global Exchange Market of the Irish Stock Exchange and the guidelines of such exchange so require, the appropriate document will be prepared and submitted to the relevant stock exchange by the Issuer for their consent before being published in accordance with their listing guidelines; and/or
 - (ii) if the Notes are held in Euroclear or Clearstream, Luxembourg, the Trustee shall give notice to Euroclear and Clearstream, Luxembourg that the proposed substitution has been effected and the account of the Noteholder shall be unblocked.
- 4.10.11** If the Notes are rated by any rating agency or rating agencies, the Issuer undertakes to the Trustee and the Noteholders in relation to the Notes that it will forthwith notify the Trustee and such rating agency or rating agencies of any collateral to be replaced by it prior to the replacement and shall, if the Notes are to continue to be rated following the replacement, prior to the replacement of such new collateral 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 as a result of the replacement of such collateral.”

This Series Prospectus is hereby executed by or on behalf of the Issuer.

CLOVERIE P.L.C.

By:

ANNEX 1 DEFINED TERMS

“**Collateral**” has the meaning given to it in Annex 2.

“**Collateral Item**” means at any time, outstanding municipal bonds with the same CUSIP held by the Custodian as Collateral in respect of the Notes and on the Issue Date, includes Collateral Item 1, Collateral Item 2, Collateral Item 3, Collateral Item 4 and Collateral Item 5 (each as defined in Annex 2).

“**Collateral Notional Amount**” means, at any time, (i) in relation to a Collateral Item, the aggregate principal amount outstanding of such Collateral Item held by or on behalf of the Issuer as Collateral in respect of the Notes at such time; and (ii) in relation to the Collateral, the aggregate principal amount outstanding of all Collateral Items comprising the Collateral at such time.

“**Early Redemption Amount**” an amount in USD in respect of each Note determined by the Determination Agent, acting in a commercially reasonable manner, as being equal to a *pro rata* share (rounded down to the nearest whole USD 1 and subject to a minimum of zero) of (i) the net realised proceeds of the sale of the Relevant Collateral effected on behalf of the Issuer by the Disposal Agent or, to the extent the Relevant Collateral has been redeemed in full, the proceeds of redemption of the Relevant Collateral, plus (where the same is due from the Swap Counterparty to the Issuer) or, as the case may be, minus (where the same is due from the Issuer to the Swap Counterparty) (ii) the Swap Termination Value.

“**Swap Counterparty Default**” means an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party (as defined in the ISDA Master Agreement).

“**Swap Termination Value**” means the termination payment due from or, as the case may be, to the Swap Counterparty under the Swap Agreement, the calculation of which is described under “*Consequences of Early Termination*” in Annex 3. For the avoidance of doubt, the Swap Termination Value will be calculated in USD and may be zero.

ANNEX 2 SECURITY

Description of the Collateral

On the Issue Date, the Issuer will acquire the Initial Collateral. The Initial Collateral shall be held by the Custodian acting through its London office pursuant to the Custody Agreement, subject to the security interests in favour of the Trustee created by the Trust Deed. The Initial Collateral may be substituted from time to time in accordance with the Conditions and may redeem prior to the Maturity Date of the Notes.

The “**Initial Collateral**” in respect of the Notes comprises:

- (i) USD 10,000,000 in notional amount for a purchase price of 104.537 per cent. of such amount of an issue by The Commonwealth of Massachusetts of USD 756,450,000 5.456% Term Bonds due 1 December 2039 with a CUSIP Number of 57582PUE8 (“**Collateral Item 1**”);
- (ii) USD 15,000,000 in notional amount for a purchase price of 92.846 per cent. of such amount of an issue by The Commonwealth of Massachusetts of USD 358,000,000 4.5% Term Bonds due 1 August 2031 with a CUSIP Number of 57582PWH9 (“**Collateral Item 2**”);
- (iii) USD 4,000,000 in notional amount for a purchase price of 101.797 per cent. of such amount of an issue by The City of New York of USD 250,000,000 5.968% Term Bonds due 1 March 2036 with a CUSIP Number of 64966HYM6 (“**Collateral Item 3**”);
- (iv) USD 10,000,000 in notional amount for a purchase price of 103.186 per cent. of such amount of an issue by The Commonwealth of Pennsylvania of USD 262,005,000 5.45% Term Bonds due 15 February 2030 with a CUSIP Number of 70914PMJ8 (“**Collateral Item 4**”); and
- (v) USD 47,500,000 in notional amount for a purchase price of 95.807 per cent. of such amount of an issue by the City of New York of USD 345,000,000 5.517% Term Bonds due 1 October 2037 with a CUSIP Number of 64966H4K3 (“**Collateral Item 5**”).

The “**Collateral**” in respect of the Notes at any time is all of the outstanding Collateral Items held by the Custodian on behalf of the Issuer in respect of the Notes at such time, which as at the Issue Date is the Initial Collateral. A holder of 100 per cent. of the Outstanding Principal Amount of the Notes may elect (subject to the satisfaction of certain conditions) that the Issuer substitute Collateral Items for municipal bonds which, upon substitution, will form part of the Collateral as a Collateral Item. The Collateral may also be reduced from time to time in accordance with the Conditions of the Notes.

The Custodian shall at all times be a bank or financial institution and must have a rating higher than or equal to “P-1” by Moody’s, “A-1” by Standard and Poor’s and “F1+” by Fitch. In the event of the loss of any such rating for any reason whatsoever, the Custodian’s appointment shall terminate, provided that (i) such termination shall not take effect until a successor Custodian with a rating of at least “P-1” by Moody’s, “A-1” by Standard and Poor’s and “F1+” by Fitch has been appointed (which appointment the Issuer shall use all reasonable endeavours to procure within 30 days) and (ii) no such termination shall take effect if as a result of such termination there would cease to be a Custodian as required by the Conditions or by any relevant stock exchange.

The following summary of the Collateral as at the Issue Date is qualified by reference to the detailed terms and conditions of the Collateral, as set out in the relevant official statement (the “**Collateral Prospectus**”) relating to each Collateral Item.

Each Collateral Prospectus is available for viewing at the website of the Municipal Securities Rulemaking Board – Electronic Municipal Market Access at <http://emma.msrb.org>. The Issuer is not incorporating by reference this website or any material it includes into this document.

Collateral Item 1

Title:	The Commonwealth of Massachusetts USD 756,450,000 5.456% Term Bonds due 1 December 2039
Collateral Issuer:	The Commonwealth of Massachusetts, a state of the United States of America
Collateral Principal Amount:	USD 10,000,000
Collateral Denomination:	USD 5,000
Collateral Issue Date:	8 December 2009
Collateral Scheduled Maturity Date:	1 December 2039
Interest Rate:	5.456 per cent. per annum.
Interest Payment Date:	1 July and 1 January of each year.
Listing:	None
Governing law:	Massachusetts law
CUSIP:	57582PUE8
Ratings:	Aa1 by Moody's
Ranking:	General obligations of the Collateral Issuer.

Collateral Item 2

Title:	The Commonwealth of Massachusetts USD 358,000,000 4.5% Term Bonds due 1 August 2031
Collateral Issuer:	The Commonwealth of Massachusetts, a state of the United States of America
Collateral Principal Amount:	USD 15,000,000
Collateral Denomination:	USD 5,000
Collateral Issue Date:	26 August 2010
Collateral Scheduled Maturity Date:	1 August 2031
Interest Rate:	4.5 per cent. per annum.
Interest Payment Date:	1 February and 1 August of each year.

Listing: None
Governing law: Massachusetts law
CUSIP: 57582PWH9
Ratings: Aa1 by Moody's
Ranking: General obligations of the Collateral Issuer.

Collateral Item 3

Title: The City of New York USD 250,000,000 5.968% Term Bonds due 1 March 2036
Collateral Issuer: The City of New York, a municipal corporation of the State of New York, United States of America
Collateral Principal Amount: USD 4,000,000
Collateral Denomination: USD 5,000
Collateral Issue Date: 30 March 2006
Collateral Scheduled Maturity Date: 1 March 2036
Interest Rate: 5.968 per cent. per annum.
Interest Payment Date: 1 March and 1 September of each year.
Listing: None
Governing law: New York law
CUSIP: 64966HYM6
Ratings: Aa2 by Moody's
Ranking: General obligations of the Collateral Issuer.

Collateral Item 4

Title: The Commonwealth of Pennsylvania USD 262,005,000 5.45% Term Bonds due 15 February 2030
Collateral Issuer: The Commonwealth of Pennsylvania, a state of the United States of America
Collateral Principal Amount: USD 10,000,000
Collateral Denomination: USD 5,000
Collateral Issue Date: 21 January 2010
Collateral Scheduled Maturity Date: 15 February 2030

Interest Rate:	5.45 per cent. per annum.
Interest Payment Date:	15 February and 15 August of each year.
Listing:	None
Governing law:	Pennsylvania law
CUSIP:	70914PMJ8
Ratings:	Aa1 by Moody's
Ranking:	General obligations of the Collateral Issuer.

Collateral Item 5

Title:	The City of New York USD 345,000,000 5.517% Term Bonds due 1 October 2037
Collateral Issuer:	The City of New York, a municipal corporation of the State of New York, United States of America
Collateral Principal Amount:	USD 47,500,000
Collateral Denomination:	USD 5,000
Collateral Issue Date:	20 October 2010
Collateral Scheduled Maturity Date:	1 October 2037
Interest Rate:	5.517 per cent. per annum.
Interest Payment Date:	1 April and 1 August of each year.
Listing:	None
Governing law:	New York law
CUSIP:	64966H4K3
Ratings:	Aa2 by Moody's
Ranking:	General obligations of the Collateral Issuer.

The Custodian

The Custodian is Citibank, N.A. ("**Citibank**"), acting through its London Branch.

Citibank was originally organised on 16 June 1812, and now is a national banking association organised under the National Bank Act of 1864. Citibank is an indirect wholly-owned subsidiary of Citigroup Inc. ("**Citigroup**" or "**Citi**"), a Delaware holding company. The obligations of Citibank under the Swap Agreement will not be guaranteed by Citigroup. As of 30 September 2010, the total assets of Citibank and its consolidated subsidiaries represented approximately 61 per cent. of the total assets of Citigroup and its consolidated subsidiaries.

Citibank, London Branch was registered in the United Kingdom as a foreign company in 1920. The principal offices of the London Branch are located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England. Citibank is regulated by the Financial Services Authority for the conduct of regulated activities (as such term is described in the Financial Services and Markets Act 2000) from its UK offices and such activities include those of a commercial bank.

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world.

As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank's earnings may be affected by certain monetary policies of the Board of Governors of the Federal Reserve System. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "**Comptroller**"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's deposits at its U.S. branches are insured by the Federal Deposit Insurance Corporation (the "**FDIC**") and are subject to FDIC insurance assessments. The obligations of Citibank under any Swap Agreement are not insured by the FDIC or any other regulatory agency of the United States or any other jurisdiction.

Any FDIC-insured depository institution sharing common ownership with a failed FDIC-insured institution can be required to indemnify the FDIC for the FDIC's losses resulting from the insolvency of the failed FDIC-insured institution, even if such indemnification causes the affiliated institution also to become insolvent. As a result, Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions. Citibank's FDIC-insured depository affiliates are: Citibank (South Dakota), National Association; Citicorp Trust Bank, fsb; Citibank (Banamex USA); and Department Stores National Bank.

The Comptroller has issued guidelines that impose upon national banks risk-based capital and leverage standards. The guidelines establish a systematic analytical framework that makes regulatory capital requirements more sensitive to differences in credit risk profiles among banking organisations, takes off balance sheet exposures into explicit account in assessing capital adequacy and minimises disincentives to holding liquid, low risk assets. The risk-based ratio is determined by assigning assets and certain off balance sheet exposures, such as foreign exchange and derivative products and letters of credit, into one of five risk weight categories, with higher levels of capital being required for the categories perceived as representing greater credit risk. The risk-based capital guidelines also incorporate a measure for market risk in foreign exchange and commodity activities and in the trading of debt and equity investments.

Under these guidelines, a national bank's capital is divided into two tiers. The first tier ("**Tier 1**") includes common stockholder's equity (excluding net unrealised gains or losses on available-for-sale debt securities and net unrealised gains on available-for-sale equity securities, net gains or losses on cash flow hedges, pension liability adjustment and cumulative effect included in fair value of financial liabilities attributable to the change in own creditworthiness), qualifying perpetual preferred stock and any related surplus, mandatorily redeemable securities of subsidiary trusts, and minority interests that are held by others in a bank's consolidated subsidiaries, less net unrealised losses on available-for-sale equity securities, certain intangible assets, disallowed deferred tax assets, and a capital charge for nonfinancial equity investments. The second tier ("**Tier 2**") includes, among other items, perpetual preferred stock to the extent it does not qualify for Tier 1, qualifying subordinated debt and subordinated capital notes, limited life preferred stock

and any related surplus, a portion of net unrealised gains on available-for-sale equity securities and the allowance for credit losses, subject to certain limitations.

Pursuant to provisions of the Federal Deposit Insurance Corporation Improvement Act of 1991 (the "FDICIA"), regulatory agencies have adopted regulations creating and defining five capital tiers. Under these regulations, a "well capitalised" institution must have a Tier 1 capital ratio of at least 6 per cent., a combined Tier 1 and Tier 2 capital ratio of at least 10 per cent., and a leverage ratio of at least 5 per cent., and not be subject to a directive, order or written agreement to meet and maintain specific capital levels. An "adequately capitalised" institution generally must have a Tier 1 capital ratio of at least 4 per cent., a combined Tier 1 and Tier 2 capital ratio of at least 8 per cent., and a leverage ratio of at least 4 per cent. Under the regulations, the regulators can downgrade the capital status of a depository institution under certain circumstances. Among other things, FDICIA requires the U.S. federal regulatory agencies to take specific prompt actions with respect to institutions that do not meet minimum capital standards. As of 30 September 2010, Citigroup's U.S. subsidiary depository institutions, including Citibank, were "well capitalised".

National banks are required to maintain a minimum risk-based capital ratio (Tier 1 plus Tier 2 capital) of 8 per cent., of which at least half must be Tier 1 capital. The Comptroller may, however, set higher minimum capital requirements when a bank's particular circumstances warrant. Citibank has not been advised by the Comptroller to maintain a specific minimum risk-based capital ratio. As of 30 September 2010, Citibank's total risk-based capital ratio was 16.52 per cent., including a Tier 1 capital ratio of 14.64 per cent.

The Comptroller has also established a separate leverage ratio standard. For this purpose, the leverage ratio is defined as Tier 1 capital, computed under the risk-based capital guidelines, divided by adjusted quarterly average total assets. The Comptroller established a 3 per cent. minimum leverage ratio applicable only to the highest rated banking organisations, depending on their particular growth plans and condition. Other banking organisations are expected to have leverage ratios of at least 4 per cent. As of 30 September 2010, Citibank's leverage ratio was 9.04 per cent.

Failure to meet applicable capital guidelines could subject a national bank to a variety of enforcement remedies available to the federal regulatory authorities, including limitations on the ability to pay dividends, the issuance by the Comptroller of a directive to increase capital and, in severe cases, the termination of deposit insurance by the FDIC or the appointment of a receiver or conservator.

Under U.S. law, deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the "liquidation or other resolution" of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a "liquidation or other resolution" of such institution. A bank generally is not required to repay a deposit at a non-U.S. branch if the branch cannot repay the deposit due to an act of war, civil strife or action taken by the government in the host country.

As conservator or receiver for an insured depository institution, the FDIC also may disaffirm or repudiate any burdensome contract to which such institution is a party. The FDIC has not taken

the position that such repudiation would impair the right of a holder of an unsecured obligation, such as a Swap Agreement, to claim principal and interest accrued through the date of appointment of a conservator or receiver. (The amount paid on such a claim would depend on the amount of assets in the receivership and the relative priority of the claim.) Disaffirmance or repudiation could, at a minimum, expose holders of an obligation under any Swap Agreement to reinvestment risk.

As conservator or receiver, the FDIC is also empowered to enforce most types of contracts, including a Swap Agreement, pursuant to their terms notwithstanding any acceleration provisions therein, and may transfer to a new obligor any of Citibank's assets or liabilities, including the Swap Agreement, without the approval or consent of Citibank's creditors.

The FDIC is authorised to settle all uninsured and unsecured claims in the insolvency of an insured bank by making a final settlement payment at a percentage rate reflecting an average of the FDIC's receivership recovery experience and constituting full payment and disposition of the FDIC's obligation to uninsured and unsecured creditors.

The prospective regulatory capital standards for financial institutions are currently subject to significant debate, rulemaking activity and uncertainty, both in the U.S. as well as internationally. Citibank continues to monitor these developments closely.

In late 2005, the Basel Committee on Banking Supervision (Basel Committee) published a new set of risk-based capital standards ("**Basel II**") which would permit banks, including Citibank, to leverage internal risk models used to measure credit, operational, and market risk exposures to drive regulatory capital calculations. In late 2007, the U.S. banking regulators adopted these standards for large banks, including Citibank. As adopted, the standards require Citibank, as a large and internationally active bank, to comply with the most advanced Basel II approaches for calculating credit and operational risk capital requirements, which could result in a need for Citibank to hold additional regulatory capital. The U.S. implementation timetable consists of a parallel calculation period under the current regulatory capital regime (Basel I) and Basel II followed by a three-year transitional period.

Citibank began parallel reporting on 1 April 2010. There will be at least four quarters of parallel reporting before Citibank enters the three-year transitional period. U.S. regulators have reserved the right to change how Basel II is applied in the U.S. following a review at the end of the second year of the transitional period, and to retain the existing prompt corrective action and leverage capital requirements applicable to banking organisations in the U.S. Citibank intends to implement Basel II within the timeframe required by the U.S. regulators.

Apart from the Basel II rules regarding credit and operational risks, in June 2010 the Basel Committee proposed revisions to the market risk capital framework which could also result in additional capital requirements.

Further, as an outgrowth of the financial crisis, the Basel Committee undertook to establish global financial reforms designed to strengthen existing capital requirements as well as set forth new liquidity risk measures ("**Basel III**"). The Basel III effort, which began with the issuance of capital and liquidity proposals in December 2009, and which were subsequently partially amended, culminated with the announcement by the Basel Committee in September 2010 as to agreement with respect to the calibration of the risk-based capital ratios and newly introduced Leverage ratio,

the planned approach for the proposed liquidity ratios, and transitional arrangements for implementing all of the new requirements.

Under these standards, when fully phased-in on 1 January 2019, Citibank would be required to maintain risk-based capital ratios as follows:

	Tier 1 Common	Tier 1 Capital	Total Capital
Stated Minimum Ratio	4.5 per cent.	6.0 per cent.	8.0 per cent.
Plus: Capital Conservation Buffer Requirement	2.5 per cent.	2.5 per cent.	2.5 per cent.
Effective Minimum Ratio	7.0 per cent.	8.5 per cent.	10.5 per cent.

While banking organisations may draw on the 2.5 per cent. capital conservation buffer to absorb losses during periods of financial or economic stress, restrictions on earnings distributions (e.g., dividends, equity repurchases, and discretionary compensation) would ensue, with the degree of such restrictions greater based upon the extent to which the buffer is utilised. Moreover, subject to national discretion by the respective bank supervisory or regulatory authorities, a countercyclical capital buffer ranging from 0 per cent. - 2.5 per cent., consisting of common equity or other fully loss absorbing capital, would also be invoked on banking organisations when it is deemed that excess aggregate credit growth is resulting in a build-up of systemic risk in a given country. This countercyclical capital buffer, when in effect, would serve as an additional buffer supplementing the capital conservation buffer.

The Basel Committee's objective of strengthening the quality, consistency and transparency of banking organizations' regulatory capital base is not only evidenced by formalising the desired predominance of Tier 1 Common capital through a substantial effective minimum ratio requirement, but is also demonstrated by requiring that Tier 1 Common capital be measured after applying generally all regulatory adjustments (including applicable deductions). The impact of these regulatory adjustments on Tier 1 Common capital would be phased-in incrementally at 20 per cent. annually beginning on 1 January 2014, with full implementation by 1 January 2018. During the transition period, the portion of the regulatory adjustments (including applicable deductions) not applied against Tier 1 Common capital would continue to be subject to existing national treatments.

Although U.S. banking organisations, such as Citibank, are currently subject to a supplementary, non-risk-based measure of leverage for capital adequacy purposes, Basel III would establish a more constrained Leverage ratio requirement. Initially, during a four-year parallel run beginning on 1 January 2013, banking organisations will be required to maintain a minimum 3 per cent. Tier 1 Capital Leverage ratio. Disclosure of such ratio, and its components, would start on 1 January 2015. Depending upon the results of the parallel run test period, there could be subsequent adjustments to the Leverage ratio, which is targeted to be finalized in 2017 and a formal requirement by 1 January 2018.

The Basel Committee also proposed the establishment of two formal measures intended to strengthen liquidity risk management and supervision, a short-term Liquidity Coverage Ratio ("**LCR**") as well as a long-term, structural, Net Stable Funding Ratio ("**NSFR**"). The LCR, which would become a minimum standard on 1 January 2015 (after an observation period beginning in 2011), has been designed to ensure banking organisations maintain an adequate level of unencumbered cash and high quality unencumbered assets that can be converted into cash to

meet liquidity needs. The NSFR would be introduced as a minimum requirement by 1 January 2018 (after an observation period beginning in 2012), and is designed to promote the medium and long-term funding of assets and activities over a one-year time horizon. Both ratios must be at least 100 per cent..

Certain of the Basel III rules are currently expected to be published by January 2011. The U.S. banking agencies will then be required to finalise, within two years, the rules to be applied by U.S. banking organisations commencing on 1 January 2013.

Citibank continues to monitor, analyse and comment on the developing capital standards in the U.S. and in countries where Citibank has a significant presence, in order to assess their collective impact and allocate project management and funding resources accordingly.

Citibank does not publish audited financial statements. However, Citigroup publishes audited financial statements which include certain data relevant to Citibank and its consolidated subsidiaries, including an audited balance sheet of Citibank and its consolidated subsidiaries. A balance sheet for Citibank and its consolidated subsidiaries at 30 September 2010 and 31 December 2009 is set forth below. The total assets of Citibank and its consolidated subsidiaries represented approximately 61 per cent. of the total assets of Citigroup and its consolidated subsidiaries at 30 September 2010. Citibank's earnings may differ significantly from those of Citigroup. The activities carried on by subsidiaries of Citigroup other than Citibank and its subsidiaries generally include certain consumer lending activities in the United States (including the credit card business, some residential mortgage lending, and secured and unsecured personal loans) and certain overseas banking operations, as well as investment banking services and securities brokerage activities around the world. As described above, under U.S. banking law, Citibank may become obligated for liabilities of its affiliates that are FDIC-insured depository institutions.

The following table, sets out in summary form selected financial information for Citibank and its consolidated subsidiaries such information as derived from the Citigroup Inc. September 2010 Form 10-Q.

**CITIBANK, N.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET**

	<i>Citibank, N.A. and Subsidiaries</i>	
	30 September 2010	31 December 2009
<i>In millions of dollars, except shares</i>	<i>(Unaudited)</i>	
Assets		
Cash and due from banks	U.S.\$21,533	U.S.\$20,246
Deposits with banks	137,194	154,372
Federal funds sold and securities borrowed or purchased under agreements to resell	40,526	31,434
Trading account assets (including U.S.\$504 and U.S.\$914 pledged to creditors at 30 September 2010 and December 31, 2009, respectively)	164,408	156,380
Investments (including U.S.\$3,625 and U.S.\$3,849 pledged to creditors at 30 September 2010 and December 31, 2009, respectively)	272,081	233,086
Loans, net of unearned income	446,325	477,974
Allowance for loan losses	(19,951)	(22,685)
Total loans, net	U.S.\$426,374	U.S.\$455,289

Goodwill	10,212	10,200
Intangible assets, including MSRs	5,310	8,243
Premises and equipment, net	4,580	4,832
Interest and fees receivable	6,510	6,840
Other assets	89,084	80,439
Assets of discontinued operations held for sale	31,409	–
Total assets	U.S.\$1,209,221	U.S.\$1,161,361

The following table presents certain assets of consolidated variable interest entities (“VIEs”), which are included in the Consolidated Balance Sheet above. The assets in the table below include only those assets that can be used to settle obligations of consolidated VIEs on the following page, and are in excess of those obligations.

	30 September 2010
Assets of consolidated VIEs that can only be used to settle obligations of consolidated VIEs	
Cash and due from banks (including segregated cash and other deposits)	U.S.\$ 1,828
Trading account assets	96
Investments	8,695
Loans, net of unearned income	
Consumer (including U.S.\$2,372 at fair value)	9,891
Corporate (including U.S.\$362 at fair value)	22,977
Loans, net of unearned income	U.S.\$32,868
Allowance for loan losses	(86)
Total loans, net	U.S.\$32,782
Other assets ⁽¹⁾	32,004
Total assets of consolidated VIEs that can only be used to settle obligations of consolidated VIEs	U.S.\$75,405

(1) Other assets includes Assets of discontinued operations held for sale of U.S.\$31.4 billion relating to the announced sale of The Student Loan Corporation.

CONSOLIDATED BALANCE SHEET

Citibank, N.A. and Subsidiaries
30 September 2010 31 December, 2009
(Unaudited)

(Continued)

In millions of dollars, except shares

	U.S.\$72,577	U.S.\$76,729
Liabilities		
Non-interest-bearing deposits in U.S. offices	U.S.\$72,577	U.S.\$76,729
Interest-bearing deposits in U.S. offices	183,823	176,149
Non-interest-bearing deposits in offices outside the U.S.	47,550	39,414
Interest-bearing deposits in offices outside the U.S.	493,401	479,350
Total deposits	U.S.\$797,351	U.S.\$771,642
Trading account liabilities	66,922	52,010
Purchased funds and other borrowings	72,984	89,503
Accrued taxes and other expenses	8,942	9,046
Long-term debt and subordinated notes	60,596	82,086
Other liabilities	45,224	39,181
Liabilities of discontinued operations held for sale	29,874	–
Total liabilities	U.S.\$1,081,893	U.S.\$1,043,468

Citibank stockholder's equity		
Capital stock (U.S.\$20 par value) outstanding shares: 37,534,553 in each period	U.S.\$751	U.S.\$751
Surplus	109,166	107,923
Retained earnings	25,597	19,457
Accumulated other comprehensive income (loss) ⁽¹⁾	(9,255)	(11,532)
Total Citibank stockholder's equity	U.S.\$126,259	U.S.\$116,599
Noncontrolling interest	1,069	1,294
Total equity	U.S.\$127,328	U.S.\$117,893
Total liabilities and equity	U.S.\$1,209,221	U.S.\$1,161,361

(1) Amounts at September 30, 2010 and December 31, 2009 include the after-tax amounts for net unrealized gains (losses) on investment securities of U.S.\$(2.498) billion and U.S.\$(4.735) billion, respectively, for foreign currency translation of U.S.\$(3.389) billion and U.S.\$(3.255) billion, respectively, for cash flow hedges of U.S.\$(2.224) billion and U.S.\$(2.367) billion, respectively, and for pension liability adjustments of U.S.\$(1.144) billion and U.S.\$(1.175) billion, respectively.

The following table presents certain liabilities of consolidated VIEs, which are included in the Consolidated Balance Sheet above. The liabilities in the table below include third-party liabilities of consolidated VIEs only, and exclude intercompany balances that eliminate in consolidation. The liabilities also exclude amounts where creditors or beneficial interest holders have recourse to the general credit of Citigroup.

**30 September
2010**

Liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup:

Short-term borrowings	U.S.\$29,313
Long-term debt (including U.S.\$2,557 at fair value)	5,901
Other liabilities ⁽¹⁾	31,148

Total liabilities of consolidated VIEs for which creditors or beneficial interest holders do not have recourse to the general credit of Citigroup U.S.\$66,362

(1) Other liabilities includes Liabilities of discontinued operations held for sale of \$31.4 billion relating to the announced sale of The Student Loan Corporation.

The Consolidated Balance Sheets of Citibank as of 31 December 2009 and as of 31 December 2008 are set forth on page 125 of the 2009 Form 10-K of Citigroup and its subsidiaries for the year ended 31 December 2009 and as of 30 September 2010 and 31 December 2009 are set forth on pages 103 and 104 of the September 2010 Form 10-Q. Consolidated Balance Sheets of Citibank subsequent to 30 September 2010 will be included in the Form 10-Q's (quarterly) and Form 10-K's (annually) subsequently filed by Citigroup with the SEC, which will be filed not later than 40 days after the end of the calendar quarter or 60 days after the end of the calendar year to which the report relates, or on Form 8-K with respect to certain interim events. For further information regarding Citibank, reference is made to the Q2 Form 10-Q and to any subsequent reports on Forms 10-K, 10-Q or 8-K filed by Citigroup with the SEC. Copies of such material may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the operation of the public reference rooms. In addition, such reports are available at the SEC's website (<http://www.sec.gov>).

In addition, Citibank submits quarterly to the Comptroller certain reports called "Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices" ("**Call Reports**"). The Call Reports are on file with, and publicly available at, the Comptroller's offices at 250 E Street, S.W., Washington, D.C. 20219 and are also available on the website of the FDIC

(<http://www.fdic.gov>). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about Citibank, the reports nevertheless provide important information concerning the financial condition and results of operations of Citibank.

Directors

The directors of Citibank are:

Board of Directors	Title	Main duties outside Citibank
Timothy C. Collins		Chief Executive Officer and Senior Managing Director, Ripplewood Holdings L.L.C.
Jerry A. Grundhofer	Chairman	Chairman Emeritus, U.S. Bancorp
Robert L. Joss, Ph.D.		Professor of Finance and Former Dean, Stanford University Graduate School of Business
Eugene M. McQuade	CEO	
Michael E. O'Neill		Former Chairman and CEO, Bank of Hawaii Corporation
Lawrence R. Ricciardi		Senior Advisor, IBM Corporation; Jones Day; and Lazard Ltd.
Robert L. Ryan		Chief Financial Officer, Retired, Medtronic Inc.
Anthony M. Santomero		Former President, Federal Reserve Bank of Philadelphia
Ernesto Zedillo		Director, Center for the Study of Globalization and Professor in the Field of International Economics and Politics, Yale University

The business address of each director and executive officer of Citibank in such capacities is 399 Park Avenue, New York, New York 10043.

Security Arrangements

Subject as set out below, the obligations of the Issuer under the Notes and the Swap Agreement are secured pursuant to the Trust Deed, *inter alia*, by a first fixed charge over the Collateral. The Collateral will be held by the Custodian pursuant to the Custody Agreement.

Subject as set out below, the obligations of the Issuer under the Notes are secured pursuant to the Trust Deed by (i) a first fixed charge over the Collateral purchased from time to time in favour of the Trustee; (ii) a first fixed charge of all its present and future rights, title and interest to the Custody Account and all sums or assets standing from time to time to the credit or such accounts or derived therefrom, or the debts represented thereby, including without limitation any interest

received thereon; (iii) an assignment by way of security in favour of the Trustee of all its rights, title and interest attaching to or relating to the Collateral and all sums derived therefrom including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary; (iv) an assignment by way of security in favour of the Trustee of all its rights, title and interest against the Custodian and the Disposal Agent, to the extent that they relate to the Collateral; (v) an assignment by way of security in favour of the Trustee of all its rights, title and interest under and in respect of the Agency Agreement and all sums derived therefrom to the extent that they relate to the Notes; (vi) an assignment by way of security in favour of the Trustee of all its rights, title and interest under and in respect of the Custody Agreement to the extent that they relate to the Notes; (vii) an assignment by way of security in favour of the Trustee of all its rights, title and interest under the Swap Agreement and in respect of any sums received thereunder; and (viii) a first fixed charge in favour of the Trustee of (a) all sums held by the Issuing and Paying Agent, the Custodian and/or the Paying Agent(s) to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Notes, the Dealer Agreement, the Agency Agreement, the Custody Agreement and the Swap Agreement, (b) all sums held by the Disposal Agent under the Agency Agreement; and (c) any sums received by the Issuing and Paying Agent under the Swap Agreement (the Collateral, together with the rights, title, interests and assets of the Issuer referred to in this paragraph, the **"Mortgaged Property"**).

In circumstances where the Collateral is held by or through the Custodian in a clearing system, the security will take the form of an assignment of the Issuer's contractual rights against the Custodian rather than a charge over the Collateral.

Investors should note that a charge, although expressed in words which would suffice to create a fixed charge, may be treated as a floating charge, particularly if it appears that it was intended that the chargor should have licence to dispose of the assets charged in the course of its business without the consent of the chargee.

In the event that the Mortgaged Property described above is realised by the Trustee on behalf of the Noteholders, there can be no assurance that the proceeds of realisation thereof will be sufficient to repay the relevant redemption amount due under the Notes and any other amount in respect thereof that is due.

ANNEX 3 THE SWAP AGREEMENT

The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement and is qualified by reference to the detailed provisions of the Swap Agreement.

Payments under the Swap Agreements

Under a 2002 ISDA Master Agreement dated as of the Issue Date deemed entered into between the Issuer and the Swap Counterparty in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of the ISDA Schedule Terms dated 22 July 2010 as amended and restated from time to time (together, the “**ISDA Master Agreement**”), the Issuer and the Swap Counterparty have entered into a confirmation with an effective date of the Issue Date confirming the terms of the Swap Agreement.

Under the Swap Agreement, the Issuer will pay to the Swap Counterparty (i) the Initial Exchange Amount on the Issue Date; and (ii) any interest, principal and/or other redemption distributions (if any) on the Collateral received by the Issuer and the Swap Counterparty will pay to the Issuer sums equal to the interest payable to the Noteholders under the Notes and the Redemption Amounts payable in accordance with paragraph 40 of the terms and conditions of the Notes as set out in the Series Prospectus.

Termination of the Swap Agreements

Except as stated in the following paragraphs, the Swap Agreement shall terminate on the Maturity Date of the Notes.

The Swap Agreement may be terminated (either in whole or in part only), among other circumstances:

- (a) if at any time any of the Notes becomes payable (in whole or in part) in accordance with the Conditions prior to the Maturity Date;
- (b) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or (in the case of the Swap Counterparty) perform any obligation, under any Swap Agreement;
- (c) if withholding taxes are imposed on payments made either by the Issuer or by the Swap Counterparty under any Swap Agreement or it becomes illegal for either party to perform its obligations under any Swap Agreement (see “Transfer to avoid Termination Event” below); and
- (d) upon the occurrence of certain other events with respect to either party to the Swap Agreement, including insolvency, or, in respect of the Swap Counterparty, a merger without an assumption of the obligations in respect of the Swap Agreement.

Consequences of Early Termination

Upon any early termination of the Swap Agreement in the circumstances set out above, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination).

In all cases of early termination occurring (including termination in part), other than by reason of a Swap Counterparty Default (in which case the termination payment is to be calculated as set out below), other default by the Swap Counterparty (in which case the determination will be made by the Issuer) or illegality (in which case the party which is not the Affected Party (as defined in the

Swap Agreement) will make the determination (or, if there are two Affected Parties, each party will make a determination which will be averaged)), such termination payments will be determined by the Swap Counterparty based on the amount of the losses or costs that would be incurred or gains that would be realised in replacing or in providing to the party making the determination the economic equivalent of the material terms of the Swap Agreement (or, if applicable, such part of the Swap Agreement subject to the termination).

Where an early termination occurs in connection with (i) a Collateral Item becoming repayable or capable of being declared due and repayable prior to its stated maturity or (ii) the occurrence of certain tax events, any termination payment payable by the Issuer to the Swap Counterparty determined in accordance with the above paragraph shall be subject to a maximum of the funds available to the Issuer, being the net realised proceeds of the sale of the Collateral Item(s) relating to such early termination, provided that if such early termination occurs due to an exercise by the issuer of a Collateral Item of a right to redeem the relevant Collateral Item in whole or in part in accordance with its terms, any such termination payment payable by the Issuer to the Swap Counterparty shall be instead subject to a maximum of the amount by which the net realised proceeds of the redemption of the relevant Collateral Item (or part thereof) exceeds the principal amount of the portion of the Collateral Item that was redeemed.

Notwithstanding the above, if an early termination occurs as a result (directly or indirectly) of a Swap Counterparty Default, the termination payment under the Swap Agreement shall be determined to be an amount such that (a) if the Issuer has insufficient funds (from liquidation or redemption of the Collateral) to pay Noteholders the Outstanding Principal Amount and any accrued interest on redemption, a termination payment equal to any shortfall would be payable by the Swap Counterparty to the Issuer; or (b) if the Issuer has sufficient funds (from liquidation or redemption of the Collateral) to pay Noteholders the Outstanding Principal Amount and any accrued interest on redemption, a termination payment equal to any excess would be payable by the Issuer to the Swap Counterparty.

General

Except as stated under "Transfer to avoid Termination Event" below, neither the Issuer nor the Swap Counterparty are, save for the assignment by way of security in favour of the Trustee under the Trust Deed and certain limited circumstances set out in section 7 of the ISDA Master Agreement, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement.

Taxation

The Issuer is not obliged under the Swap Agreement to gross up if withholding taxes are imposed on payments made by it under the Swap Agreement.

Transfer to avoid Termination Event

If withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreement, then the Swap Counterparty shall, at its sole option, have the right to require the Issuer:

- (i) to transfer all of its interest and obligations under the Swap Agreement together with its interests and obligations under the Notes, the Trust Deed, the Agency Agreement and the Custody Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, as would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such deduction or withholding) or to which the Swap Counterparty would be entitled to make payments free from the relevant deduction or withholding (if the Swap Counterparty is or would otherwise be required to make such withholding or deduction),

subject to obtaining the prior written consent of the Trustee and subject to obtaining the confirmation of the Rating Agency that the rating of any series of notes issued by the Issuer and then outstanding will not be adversely affected (if such Notes continue to be rated by such Rating Agency); or

- (ii) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee and subject to obtaining the confirmation of the Rating Agency (if such Notes continue to be rated by such Rating Agency) that the rating of any series of notes issued by the Issuer and then outstanding will not be adversely affected.

If the Issuer is unable to transfer its interests to another party or to transfer its tax residence in accordance with the preceding provisions prior to the 30th calendar day following the date of imposition of such withholding taxes or, if earlier, the 10th calendar day prior to the first date on which it or the Swap Counterparty would otherwise be required to make a payment net of withholding taxes, the Swap Counterparty may elect to terminate the swap transaction under the relevant Swap Agreement.

The Swap Counterparty

The Swap Counterparty is Citibank, N.A., London Branch, which is also the Custodian. Consequently, the description of the Custodian in Annex 2 to the Series Prospectus also applies to the Swap Counterparty.

ANNEX 4 FORM OF SWAP CONFIRMATION

Set out below is the form of the Swap Confirmation

Date: 30 December 2010
To: Cloverie P.L.C.
From: Citibank, N.A., London Branch
Re: Swap relating to Cloverie P.L.C. Series No: 2010-06 USD 86,500,000 Fixed Rate Notes due 2039 (the “**Notes**”).

Dear Sirs,

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**2006 Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated as of the Effective Date (the “**Agreement**”) deemed entered into between Citibank N.A., London Branch (“**Party A**”) and Cloverie P.L.C. (“**Party B**”) in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of the ISDA Schedule Terms dated 22 July 2010. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A represents and warrants that it has the capacity and power to enter into the Agreement and that the entry into the Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not otherwise defined herein have the meanings given to such terms in the Series Prospectus dated 30 December 2010, as amended and/or supplemented from time to time, relating to the issue of the Notes (the “**Series Prospectus**”).

In this Confirmation, references to the “**Conditions**” are to the terms and conditions of the Notes as set out in the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Conditions, the terms as defined in the Conditions shall govern.

The terms of the Transaction to which this Confirmation relates are as follows:

1 General Terms

Trade Date:	30 November 2010
Effective Date:	30 December 2010
Termination Date:	Maturity Date of the Notes

Calculation Agent:	Party A
Calculation Agent City:	London
Business Days:	London, New York and TARGET Settlement Days
Business Day Convention:	Modified Following

2 Initial Exchange

Initial Exchange Date	The Effective Date
Party A Initial Exchange Amount:	Not Applicable
Party B Initial Exchange Amount:	USD 2,220,717.42

3 Fixed Amounts

Party A Fixed Amounts

Party A Fixed Amount Payment Dates: Each Interest Payment Date and each day on which a Redemption Amount is payable pursuant to paragraph 40(i) (*Scheduled redemption of Collateral*) of the terms and conditions of the Notes as set out in the Series Prospectus.

- Party A Fixed Amounts:
- (i) In respect of an Interest Payment Date, an amount equal to the aggregate of the Interest Amounts payable by Party B in respect of the outstanding Notes on such day.
 - (ii) In respect of a day on which a Redemption Amount under paragraph 40(i) of the terms and conditions of the Notes as set out in the Series Prospectus is payable, an amount equal to the aggregate of the Redemption Amounts payable by Party B in respect of the outstanding Notes on such day.

Party B Fixed Amounts

Party B Fixed Amount Payment Dates: Each date on which a payment of interest, principal and/or other redemption distribution is due and paid on the Collateral and received by Party B.

Party B Fixed Amounts: Any interest, principal and/or other redemption distributions (if any) received by Party B in respect of the Collateral but excluding any amounts received by Party B on the sale of Collateral or from the Noteholder in payment of the Estimated Replacement Collateral Cost, in both cases in connection with a Noteholder Substitution of Collateral in accordance with Condition 4.10 of the Notes, as modified by Paragraph 74 (*Noteholder Substitution of Collateral*) of the terms and

conditions of the Notes as set out in the Series Prospectus.

4 Other Provisions

- (a) Notwithstanding Part 1, paragraph 12 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for the Transaction (USD) shall be the Relevant Currency.
- (b) Section 5(a)(vii)(6) of the Agreement shall be amended by the deletion of the words “seeks or”, “trustee” and “custodian”.
- (c) Section 5(a)(vii)(7) of the Agreement shall be amended with respect to Party B by adding the words “(other than the Trustee or the Custodian)” after the words “has a secured party”.
- (d) Section 5(a)(vii)(8) of the Agreement shall be amended by adding the words “as such clauses may be amended by the Confirmation” after the words “above (inclusive)”.
- (e) Notwithstanding Part 4, paragraph 4 of the Schedule to the Agreement, Party A shall not be a Multibranch Party.
- (f) New paragraph 14 to Part 5 of the Schedule to the Agreement shall be deemed to have been added as follows:

“14 Reinstatement of Conditional Obligations

If a party does not perform any obligation that, but for Section 2(a)(iii), would have been due to be performed by such party, the obligation of such party to perform such obligation shall be deemed only to be suspended (and shall not be extinguished), and such obligation shall become due at such time, if ever, as all applicable conditions precedent to such obligation under Section 2(a)(iii) are satisfied.”

5 Early Termination

- (a) **Additional Termination Event:** Notwithstanding Part 1, paragraph 12 of the Schedule to the Agreement:
 - (i) an Early Redemption Event shall be deemed not to occur with respect to any Redemption Amount payable in respect of the Notes pursuant to a scheduled redemption of a Collateral Item in accordance with paragraph 40(i) of the terms and conditions of the Notes as set out in the Series Prospectus; and
 - (ii) an Early Redemption Event shall be deemed to occur upon service of a Mandatory Redemption Notice in accordance with Condition 7.2 (as amended pursuant to paragraph 73 of the terms and conditions of the Notes as set out in the Series Prospectus.

For the avoidance of doubt, an Early Redemption Event shall occur in the circumstances in which the Notes are redeemed or partially redeemed pursuant to paragraphs 40(iii) and 40(iv) of the terms and conditions of the Notes as set out in the Series Prospectus.

- (b) **Partial Early Redemption:** Paragraph 8.2 of Part 5 of the Schedule to the Agreement shall be replaced by the following:

“**8.2** Notwithstanding any other provision of this Agreement, if the Early Termination Date with respect to the Transaction is designated by reason of an Early Redemption Event with respect to the Transaction and less than all the outstanding Notes are to be redeemed or purchased or less than all of the Outstanding Principal Amount of the Notes are to be redeemed:

- (i) the Transaction shall continue in effect, and in accordance with the terms of the Transaction, the obligations of the Parties will be automatically adjusted by reference to the revised payment obligations of Party B under the terms of the Notes following such Early Redemption Event and the revised Collateral held in respect of the Notes; and
- (ii) the Close-out Amount in respect of the Early Termination Date shall be calculated in accordance with the terms of this Agreement by reference to a swap transaction in all respects similar to the Transaction entered into hereunder except that the payment obligations of Party B under the terms of the Notes shall be deemed to be limited to obligations with respect to the Principal Amount of the Notes subject to the Early Redemption Event; and the Collateral held by Party B shall be deemed to be limited to such portion of the Collateral relating to such Early Redemption Event and the rights of the parties under Section 2(a) with respect to such amounts shall cease.

For the avoidance of doubt, the Transaction will be deemed to have been partially terminated notwithstanding that the Transaction continues in effect following the Early Redemption Date.”

- (c) **Early Termination Payments following redemption under paragraphs 40(ii) and 40(iii) of the terms and conditions of the Notes as set out in the Series Prospectus:** Where this Transaction (or part of this transaction) is terminated early following an Early Redemption Event in connection with a redemption or partial redemption of the Notes pursuant to paragraphs 40(ii) or 40(iii) of the terms and conditions of the Notes as set out in the Series Prospectus, if the related termination payment calculated in accordance with Section 6 of this Agreement is payable by Party B to Party A, such termination payment shall be deemed to be subject to a maximum of (i) if the relevant Mandatory Redemption Event relates to the exercise by the issuer of the relevant Collateral Item of a right to redeem the relevant Collateral Item in whole or in part in accordance with its terms, the amount by which the net realised proceeds of the redemption of the relevant Collateral Item (or part thereof) exceeds the principal amount of the portion of the Collateral Item that was redeemed or (ii) otherwise, the net realised proceeds of the sale of the Relevant Collateral (as defined in the Series Prospectus with respect to paragraphs 40(ii) and 40(iii) of the terms and conditions of the Notes as set out in the Series Prospectus) effected on behalf of the Issuer by the Disposal Agent or, to the extent the Relevant Collateral has been redeemed in full, the proceeds of redemption of the Relevant Collateral.
- (d) **Early Termination Payments following redemption under paragraph 40(iv) of the terms and conditions of the Notes as set out in the Series Prospectus:** Where this Transaction (or part of this transaction) is terminated early following an

Early Redemption Event in connection with a redemption or partial redemption of the Notes pursuant to paragraph 40(iv) of the terms and conditions of the Notes as set out in the Series Prospectus, no termination payment shall be payable by Party A or Party B. For the avoidance of doubt, this paragraph will not affect any agreement between Party A and the Noteholder holding 100% of the Outstanding Principal Amount of the Notes regarding payment of such termination payment.

- (e) **Early Termination Payments following the default of Party A:** Where this Transaction is terminated following an Event of Default where Party A is the Defaulting Party and the aggregate amount of any interest or principal payable by Party B in respect of the Notes on the Early Redemption Date (the “**Notes Payment**”) exceeds the funds available to Party B on such date (the “**Available Funds**”) and the amount of such excess, the “**Notes Excess**”), then a swap termination payment shall be payable by Party A on the Early Redemption Date in an amount equal to such Notes Excess and no swap termination payment shall be payable by Party B.

Where this Transaction is terminated following an Event of Default where Party A is the Defaulting Party and the Available Funds exceed the Notes Payment (the amount of such excess being the “**Collateral Excess**”), then a swap termination payment shall be payable by Party B on the Early Redemption Date in an amount equal to the Collateral Excess and no swap termination payment shall be payable by Party A.

- (f) **Termination Amounts:** Where a termination amount is to be calculated in respect of this Transaction in accordance with Section 6 of the Agreement, notwithstanding any other provision of the Agreement, such calculation shall not take into account any related early redemption of the Notes.

6 Tax Event

Notwithstanding Part 5, paragraph 7.1 of the Schedule to the Agreement, the "Tax Event" provisions (Section 5(b)(iii)) will apply to Party A and Party B amended as follows:

Due to a Change in Tax Law, a party would (but for the provisions of Part 5(6) of the Schedule) or there is a substantial likelihood that a party would (but for the provisions of Part 5(6) of the Schedule), on the next succeeding Scheduled Settlement Date (A) (but for the provisions of Part 5(6) of the Schedule) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 9(h)) or (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 9(h)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B)).

7 Tax Event Upon Merger

Notwithstanding Part 5, paragraph 7.2 of the Schedule to the Agreement, the "Tax Event Upon Merger" provision (Section 5(b)(iv)) will apply to Party A, as amended by inserting in place of the word "will" in the second line thereof the words "would (but for the provisions of Part 5(6) of the Schedule)", provided that Party A shall not be entitled to designate an Early Termination Date or effect a transfer pursuant to Section 6(b)(ii) by reason of a Tax Event Upon Merger in respect of which it is the Affected Party. The "Tax Event Upon Merger" provisions (Section 5(b)(iv)) will not apply to Party B.

8 Indemnifiable Tax

Notwithstanding the definition of "Indemnifiable Tax" in Section 14 of the Agreement, in relation to payments by Party A, any Tax shall be an Indemnifiable Tax.

9 Disbursements

If Citigroup Global Markets Limited fails to promptly pay any amount due in relation to the Notes under the Amended and Restated Disbursements Agreement dated 11 October 2010 between, *inter alios*, Cloverie PLC and Citigroup Global Markets Limited, Party A agrees to pay such amount.

10 Third Party Rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

11 Account Details

Account details of Party A: Citibank, N.A., New York Branch
Swift: CITIUS33
A/C of: Citibank NA, London
Swift: CITIGB2L
A/C Number: 10990765

Account details of Party B: Citibank, N.A., New York Branch
Swift: CITIUS33
A/C of: Citibank, N.A., London Branch
Swift: CITIGB2L

A/C Number: 10990765
Ref: Attn: Cloverie P.L.C. 2010-06
ISIN: XS0574281639

This Confirmation and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised and regulated by the Financial Services Authority. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIBANK, N.A., LONDON BRANCH

By:

Name:

Title:

Confirmed on the date first above written:

CLOVERIE P.L.C.

By:

Name:

Title:

GENERAL INFORMATION

- 1** From the date of this Series Prospectus and for so long as the Notes remain outstanding, the following documents will be available for inspection in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Issuing and Paying Agent and the Issuer. Copies of the documents referred to below may be obtained free of charge from the specified office of the Issuer:

 - (a) this Series Prospectus;
 - (b) the Supplemental Trust Deed in relation to the Notes; and
 - (c) audited financial statements of the Issuer for the financial years ended 31 December 2008 and 31 December 2009.
- 2** The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on 20 December 2010.
- 3** The Issuer is required to deliver notices on the occurrence of certain events, as specified in this Series Prospectus.
- 4** Apart from the circumstances described above, the Issuer does not intend to provide any post-issuance transactional information on either the Notes or the Collateral.
- 5** Save as described herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2009 (such date being the date of the Issuer's last audited financial statements) which is material or significant.
- 6** The Issuer has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of the Series Prospectus) which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- 7** Arthur Cox Listing Services Limited is acting solely in its capacity as Listing Agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or trading on the Global Exchange Market of the Irish Stock Exchange.
- 8** Websites referred to herein do not form part of this Series Prospectus.

REGISTERED OFFICE OF THE ISSUER

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International Financial Services Centre
Dublin 1
Ireland

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DEALER, DETERMINATION AGENT AND DISPOSAL AGENT

Citigroup Global Markets Limited

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United Kingdom

IRISH LISTING AGENT

Arthur Cox Listing Services Limited

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Earlsfort Terrace
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