

**ODER CAPITAL LIMITED**  
(Incorporated with limited liability in Jersey)  
**US\$10,000,000,000**  
**Certificate programme**

*This Base Prospectus describes the US\$10,000,000,000 certificate programme (the “**Programme**”) of Oder Capital Limited (the “**Issuer**”). This Base Prospectus is valid for one year from 12 February 2014.*

Under the Programme, the Issuer, subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured certificates (“**Secured Certificates**”) and unsecured certificates (the “**Unsecured Certificates**”) and, together with the Secured Certificates, the “**Certificates**”) on the terms set out herein, as further detailed in final terms (each, “**Final Terms**”). This Base Prospectus should be read in conjunction with the applicable Final Terms prepared in connection therewith. The aggregate principal amount of Certificates outstanding will not at any time exceed US\$10,000,000,000 (or the equivalent in other currencies).

The Certificates will offer exposure on a 1:1 basis to shares or interests in certain companies (each a “**Company**”) as specified from time to time by way of a supplement to this Base Prospectus (each a “**Supplement**”) and confirmed in the Final Terms relating to each particular Series.

Each Certificate of a Series will be linked to one share of the Company applicable to such Series (the “**Shares**”). The Issuer at its discretion, in respect of a Series, may either purchase the Shares and/or enter into a total return swap (a “**Swap**”) with Morgan Stanley & Co. International plc (the “**Swap Counterparty**”) which references the Shares of the Company and whereby the Issuer obtains exposure to the Shares. The Swap Counterparty need not purchase the Shares referenced by the Swaps. The number of Shares referenced in the Swap, in respect of a Series, from time to time, will be determined by the Issuer on the basis that it is required to fully hedge its obligations to make payments under the Certificates.

Certificates will be issued in Series (as defined in “*Overview of the Programme*”) and each Series will either consist of Secured Certificates and Secured Series Custodian Certificates only (each, a “**Secured Series**”) or Unsecured Certificates and Unsecured Series Custodian Certificates only (each, an “**Unsecured Series**”) and, together with the Secured Series, the “**Series**”). Each Secured Series (other than the Secured Series Custodian Certificates) will be secured by a charge on and/or assignment of and/or other security over or in respect of (i) Shares owned by or held on behalf of the Issuer or a Swap or Swaps entered into by the Issuer in respect of such Secured Series (the “**Collateral**”) and all proceeds of, income from and sums arising from such Collateral, (ii) all sums held by the Paying Agent (as defined in “*Terms and Conditions of the Certificates*”) to meet payments due under the Secured Certificates or by the Issuer in relation to the Collateral of such Secured Series; and (iii) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Collateral in respect of the relevant Secured Series and the Agency Agreement (as defined in “*Terms and Conditions of the Certificates*”), together with security over such additional property as may be described in the relevant Final Terms (together, the “**Mortgaged Property**”). The Secured Series Custodian Certificates of a Secured Series will not be secured by or have recourse to the Mortgaged Property for that Series or any other asset.

Each Unsecured Series will not be secured and the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) will rely for their payment on, *inter alia*, and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of (i) Shares owned by or held on behalf of the Issuer or a Swap or Swaps entered into by the Issuer in respect of such Unsecured Series (the “**Underlying Assets**”), and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by the Paying Agent to meet payments due under the Unsecured Certificates or by the Issuer in relation to the Underlying Assets of such Unsecured Series; and (iii) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of the relevant Unsecured Series and the Agency Agreement as may be described in the relevant Final Terms and (iv) the rights of the Issuer under other Series of Certificates which limit the recourse of holders of Certificates of such other Series (together, the “**Unsecured Series Property**”) and, together with the Mortgaged Property, the “**Series Assets**”). The Unsecured Series Custodian Certificates of an Unsecured Series will not have recourse to the Unsecured Series Property for that Series or any other asset. All present and future creditors of specific Series Assets of a Series (including service providers for such particular Series) will have their recourse limited to the Series Assets of such Series. The Unsecured Series Property of an Unsecured Series will not be ring

fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against the Unsecured Series Property, and that any Unsecured Series Property will be available to meet the claims of the holders of Unsecured Certificates (the “**Unsecured Certificateholders**”) at any time.

Claims against the Issuer by holders of the Certificates (the “**Certificateholders**”) of a particular Series will be limited to the Series Assets applicable to that Series. If the net proceeds of the enforcement or liquidation of the Series Assets for any Series are not sufficient for the Issuer to make all payments due in respect of the Certificates of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by Certificateholders of each Series as specified in the relevant Final Terms. The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of any such shortfall remaining after either (i) in the case of Secured Certificates realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Certificates, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee (if applicable) or any Certificateholder may take any further action to recover such shortfall.

The Base Prospectus has been approved by the Central Bank of Ireland, (the “**Central Bank**”) as competent authority under Directive 2003/71/EC and any amendments, including Directive 2010/73/EU (the “**Prospectus Directive**”). The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Certificates which are to be admitted to trading on a regulated market for the purposes of Directive 2004/39/EC and/or which are to be offered to the public in any Member State of the European Economic Area. Application will be made to the Irish Stock Exchange (the “**Irish Stock Exchange**”) for Certificates issued under the Programme within 12 months of the date of this Base Prospectus to be admitted to the Official List (the “**Official List**”) and trading on its regulated market (the “**Main Securities Market**”). References in this Base Prospectus to Certificates being “listed” (and all related references) shall mean that such Certificates have been admitted to trading on the Main Securities Market and have been admitted to the Official List. The Main Securities Market is a regulated market (the “**Regulated Market**”) for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

However, unlisted Certificates may be issued pursuant to the Programme and the Programme provides that Certificates may be listed on such other stock exchange(s) outside the EU or markets as may be specified in the relevant Final Terms. The relevant Final Terms in respect of the issue of any Certificates, will specify whether or not application has been made for such Certificates to be listed on the Irish Stock Exchange (or any other stock exchange) and to be admitted to trading on the Market or other regulated market for the purposes of Directive 2004/39/EC.

Payments in respect of the Certificates comprising each Series will be made without withholding or deduction for or on account of any taxes unless required by law. The Issuer will not be obliged to gross up payments in respect of the Certificates and any imposition of withholding taxes on payments in respect thereof may lead to redemption of Certificates. See “*Terms and Conditions of the Certificates – Redemption*”.

The Certificates of a Series will be held through a clearing system and represented by a Global Certificate, the Global Certificate will be held by a common depository appointed by Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”).

The Certificates will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

## **MORGAN STANLEY & CO. INTERNATIONAL PLC**

This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer and the Certificates which, according to the particular nature of the Issuer and the Certificates, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer, the information contained in this Base Prospectus as at the date hereof is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and in the relevant Final Terms in connection with the issue or sale of a Series of Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer (each as defined in “*Overview of the Programme*”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the case of any Certificates which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the subscription price of the Certificates subscribed for shall be in a minimum amount in US\$ (or the equivalent in other currencies) such that the equivalent amount in Euros as at the date of issue of the Certificates shall be €100,000.

The distribution of this Base Prospectus and the offering or sale of Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restriction. The Certificates have not been and will not be registered under the US Securities Act of 1933 (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States. The Issuer has not registered and will not register under the US Investment Company Act of 1940, as amended (the “**Investment Company Act**”). Consequently, the Certificates may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)), except in accordance with the Securities Act or an exemption therefrom or in a transaction not subject to the registration requirements of the Securities Act and under circumstances designed to preclude the Issuer from having to register under the Investment Company Act. The Certificates may be offered for sale only outside the United States to non-U.S. persons in reliance on, and in accordance with, Regulation S in compliance with applicable laws, regulations and directives. See “*Subscription and Sale and Selling Restrictions*”.

For a description of certain restrictions on offers and sales of Certificates and on distribution of this Base Prospectus, see “*Subscription and Sale and Selling Restrictions*”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer and the Dealer to subscribe for, or purchase, any Certificates.

Purchasers of Certificates should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Certificates as they consider appropriate to evaluate the merits and risks of an investment in the Certificates. The Dealer does not make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Certificates and none of them accepts any responsibility or liability therefor. The Dealer does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of any Dealer.

The Issuer having made all reasonable enquiries confirms that this document contains all information with respect to the Issuer and the Certificates that is material in the context of the issue and offering of the Certificates, the statements contained in it relating to the Issuer are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Base Prospectus with regard to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Certificates the omission of which would, in the context of the issue and offering of the Certificates, make any statement in this Base Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Certificates. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer or the Dealer that any recipient of this Base Prospectus or any other financial statements should purchase the Certificates. Prospective purchasers of Certificates should conduct such independent investigation and analysis regarding the Issuer, the security arrangements (if any), the Certificates, the Company (applicable to their Series) and the Shares (applicable to their Series) as they deem appropriate to evaluate the merits and risks of an investment in the Certificates. Prospective purchasers of Certificates should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus, each Supplement and the applicable Final Terms (if any) and the merits and risks of investing in the Certificates in the context of their financial position and circumstances. The Dealer does not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Certificates of any information coming to the attention of the Dealer. The risk factors identified in this Base Prospectus are provided as general information only and the Dealer disclaims any responsibility to advise purchasers of Certificates of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

A copy of this document has been delivered to the registrar of companies in Jersey (the "**Jersey Registrar**") in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, as amended, and the Jersey Registrar has given, and has not withdrawn, his consent to its circulation. The Jersey Financial Services Commission (the "**Commission**") has given, and has not withdrawn, or will have given prior to the issue of the Certificates and not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Certificates. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law. It must be distinctly understood that, in giving

these consents, neither the Jersey Registrar nor the Commission takes any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to it.

If you are in any doubt about the contents of this document you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

The directors of the Issuer have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in the document, whether of facts or of opinion. All the directors accept responsibility accordingly.

**The investments described in this document do not constitute a collective investment fund for the purpose of the Collective Investment Funds (Jersey) Law 1988, as amended, on the basis that they are investment products designed for financially sophisticated investors with specialist knowledge of, and experience of investing in, such investments, who are capable of fully evaluating the risks involved in making such investments and who have an asset base sufficiently substantial as to enable them to sustain any loss that they might suffer as a result of making such investments. These investments are not regarded by the Commission as suitable investments for any other type of investor.**

**Any individual intending to invest in any investment described in this document should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.**

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “US\$” and “US dollars” are to United States dollars references to “Euro” or “€” are to the lawful currency of the Member States of the European Union that have adopted a single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty of European Union.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

THE CERTIFICATES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES NOR HAS THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY OF THE UNITED STATES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

THE CERTIFICATES 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 ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE INVESTMENT COMPANY ACT. THE CERTIFICATES MAY NOT BE OFFERED OR SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OF, US PERSONS (AS DEFINED IN REGULATION S). THIS BASE PROSPECTUS HAS BEEN PREPARED BY THE ISSUER

FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE CERTIFICATES OUTSIDE THE UNITED STATES TO NON-US PERSONS PURSUANT TO REGULATION S, FOR THE LISTING OF THE CERTIFICATES ON THE IRISH STOCK EXCHANGE AND TRADING ON THE MAIN SECURITIES MARKET. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE CERTIFICATES AND DISTRIBUTION OF THIS BASE PROSPECTUS, SEE “*SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS*”.

### **Forward-Looking Statements**

Certain matters contained within this Base Prospectus are forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Base Prospectus. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which such statement is based.

## SUPPLEMENTARY INFORMATION

The Issuer shall prepare a supplement to this Base Prospectus (a “**Supplement**”) in the circumstances required by, and in compliance with, Article 16.1 of the Prospectus Directive and relevant implementing measures in Ireland. In addition, the Issuer shall file with the Central Bank a Supplement in respect of each Company (provided that details of such company have not been previously specified in a Supplement) in which the Issuer will invest the proceeds of a particular Series.

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus and the Final Terms relating to the Series of which any Certificate is a part:*

<b>Issuer</b>	Oder Capital Limited. The registered office of the Issuer is at 47 Esplanade, St Helier, Jersey JE1 0BD. The share capital of the Issuer is £10,000 divided into 10,000 shares of £1.00 each of which two shares have been issued and are fully paid up.
<b>Description</b>	US\$10,000,000,000 certificate programme.
<b>Size</b>	Up to US\$10,000,000,000 (or the equivalent in other currencies at the trade date of the relevant Certificates) aggregate principal amount of Certificates outstanding at any one time.
<b>Dealer and Certificate Custodian</b>	Morgan Stanley & Co. International plc
<b>Calculation Agent</b>	Crestbridge Fund Administrators Limited
<b>Paying Agent</b>	The Bank of New York Mellon, London Branch
<b>Registrar</b>	The Bank of New York Mellon (Luxembourg) S.A.
<b>Note Trustee</b>	BNY Mellon Corporate Trustee Services Limited
<b>Security Trustee</b>	BNY Mellon Corporate Trustee Services Limited
<b>Swap Counterparty</b>	Morgan Stanley & Co. International plc
<b>Corporate Administrator</b>	Crestbridge Corporate Services Limited. The registered office of the corporate administrator is at 47 Esplanade, St Helier, Jersey JE1 0BD
<b>Status of Certificates</b>	<p>The Certificates of a Series will be issued either as Secured Certificates and Secured Series Custodian Certificates only or Unsecured Certificates and Unsecured Series Custodian Certificates only.</p> <p>The Secured Certificates of each Secured Series (other than Secured Series Custodian Certificates) will be secured limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves and secured in the manner described in “<i>Terms and Conditions of the Certificates – Status, Security and Assets of the Issuer – Mortgaged Property</i>”.</p> <p>The Unsecured Certificates of each Unsecured Series (other than the Unsecured Series Custodian Certificates) will be limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves, will not be secured and will have the rights described in “<i>Terms and Conditions of the Certificates – Status, Security and Assets of the Issuer – Unsecured Series Property</i>”. Recourse in respect of any Unsecured Series will be limited to the Unsecured Series Property in respect of that Unsecured Series.</p> <p>Recourse in respect of any Series will be limited to the Series Assets in respect of that Series. If the net proceeds of such Series Assets are not sufficient for the Issuer to make all payments due in respect of the Certificates of that Series, the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by the Certificateholders of such Series as specified in</p>

the relevant Final Terms. The Issuer will not be obliged to make any further payment in excess of such net proceeds and accordingly no debt shall be owed by the Issuer in respect of such shortfall remaining after either (i) in respect of Secured Certificates, realisation of the Mortgaged Property and application of the proceeds in accordance with the Trust Deed or (ii) in respect of Unsecured Certificates, liquidation of the Unsecured Series Property and application of the proceeds in accordance with the Trust Deed. None of the Note Trustee, the Security Trustee, if applicable, or any Certificateholder may take any further action to recover such shortfall. In particular, none of the Note Trustee, the Security Trustee, if applicable, or any holder of Certificates, shall be entitled to institute or join with any other person in bringing, instituting or joining insolvency, winding up or bankruptcy proceedings (whether court based or otherwise) in relation to the Issuer or any of its assets.

#### **Series Assets**

Details relating to the particular Companies and Shares that can form the Series Assets will be set out in various supplements to this Base Prospectus and the specific Series Assets that relate to a particular Series will be confirmed in the relevant Final Terms. The Series Assets in respect of a Secured Series will include any Collateral. The Series Assets in respect of an Unsecured Series will include any Underlying Assets. Series Assets of Secured Certificates are referred to as Mortgaged Property. Series Assets of Unsecured Certificates are referred to as Unsecured Series Property.

#### **Company**

Each respective entity as specified from time to time by way of a supplement to this Base Prospectus and in respect of which Certificates linked to the instruments or interests issued by such entity have been issued by the Issuer.

#### **Shares**

The respective shares issued by a Company as applicable to the relevant Certificates relating to each particular Series.

#### **Mortgaged Property**

The Secured Certificates of each Secured Series (other than Secured Series Custodian Certificates) will be secured in the manner set out in the relevant Final Terms and Supplemental Trust Deed, which will include a charge on and/or assignment of and/or other security over or in respect of (i) certain Collateral and all proceeds of, income from and sums arising from such Collateral; (ii) all sums held by the Paying Agent to meet payments due under the Certificates or by the Issuer in relation to the Collateral of such Series; and (iii) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Collateral in respect of such Secured Series and the Agency Agreement, together with security over such additional property as may be described in the Supplemental Trust Deed in respect of such Secured Series and/or the relevant Final Terms.

#### **Unsecured Series Property**

The Unsecured Certificates of each Unsecured Series will not be secured. Instead the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) of an Unsecured Series will rely for their payment on, *inter alia*, and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of (i) certain Underlying Assets and all proceeds of, income from and sums arising from such Underlying Assets; (ii) all sums held by the Paying Agent to meet payments due under the Unsecured Certificates or by

the Issuer in relation to the Underlying Assets of such Unsecured Series; (iii) the Issuer's right, title and interest under any agreement under which the Issuer enters into the Swap or Swaps and/or by which the Issuer purchases the Underlying Assets in respect of such Unsecured Series and the Agency Agreement as may be described in the Trust Deed in respect of such Unsecured Series and/or the relevant Final Terms; and (iv) the rights of the Issuer under other Series of Certificates which limit the recourse of Certificateholders of such other Series.

**Method of issue of Certificates** The Certificates will be issued in series (each a “**Series**”) on one or more issue dates. Certificates of a Series shall be issued on identical terms (or identical other than in respect of the issue date), the Certificates of each Series being intended to be interchangeable with all other Certificates of that Series (other than the Custodian Certificates).

Certificates (whether Secured Certificates or Unsecured Certificates) in a Series will be constituted by a Supplemental Trust Deed for such Series. Secured Certificates in a Secured Series will also be secured pursuant to such Supplemental Trust Deed for such Secured Series. Each Supplemental Trust Deed will be supplemental to the Principal Trust Deed, which contains the provisions common to all Series of Certificates. The Supplemental Trust Deed for a single Series together with the Principal Trust Deed (together, the “**Trust Deed**” for a Series) will contain all the provisions for the issuance of the Certificates of such Series.

**Issuance of a Series**

On the first Issue Date of a Series:

1. the Issuer will issue the maximum number of Certificates available in such Series (as set out in the Final Terms) at a price per certificate as set out in the Final Terms for such Certificates;
2. the Dealer will pay to the Issuer the amount set out in the Final Terms (such amount being the product of (i) the maximum amount of Certificates of such Series and (ii) the price per Certificate therefor);
3. the Issuer will repurchase from the Dealer such amount of Certificates that are not being sold by the Dealer to investors on the first Issue Date of such Series at a price per Certificate as set out in the Final Terms (such price being the same as the price that the Issuer issues the issue of Certificates under 1. above); and
4. the Issuer will pay to the Dealer the amount set out in the Final Terms (such amount being the product of (i) the amount of Certificates that are not being sold by the Dealer to investors on the first Issue Date and (ii) the price per Certificate therefor).

The payments due from the Dealer to the Issuer and from the Issuer to the Dealer will be netted. The Certificates of such Series so repurchased will be held by the Certificate Custodian on behalf of the Issuer.

**Price of Certificates**

All Certificates of a Series will be issued with each having a nominal amount of US\$1.00 (or its equivalent in other currencies rounded upwards as agreed between the Issuer and the Dealer). The price per Certificate will equal the share

price of the Shares. The minimum value of Certificates of a Series that can be subscribed for by an investor or transferred by a Certificateholder (other than for transfers to the Certificate Custodian) shall be an amount in US\$ (or the equivalent in other currencies) such that the equivalent amount in Euros as at the date of such subscription or transfer shall be €100,000.

An existing Certificateholder may subsequently subscribe for any number of additional Certificates. If a new subscriber were to purchase Certificates on a date other than the issue date for such certificates from the Issuer or through the secondary market, then such subscriber will have to subscribe for a sufficient number of Certificates so that the purchase price payable therefor will be the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 or more.

#### **Currencies**

Subject to compliance with all relevant laws, regulations and directives, Certificates may be issued in any currency as the Issuer and the Dealer may agree.

#### **Maturity**

The Certificates of a Series are expected to mature on the Maturity Date of such Series but will be subject to mandatory redemption in full in the circumstances described below and in Condition 7. The Certificates of a Series may also be repurchased by the Issuer as described below.

The Maturity Date for a Series will be specified in the Final Terms for such Series. No payments will be due on the Certificates other than upon the occurrence of a Mandatory Redemption Event, a voluntary repurchase of the Certificates by the Issuer from the Dealer or an Event of Default prior to the Maturity Date.

Upon the occurrence of a Mandatory Redemption Event or an Event of Default and on the Maturity Date, all outstanding Certificates are expected to be redeemed in an amount per Certificate equal to the Certificate Redemption Amount on such date.

With respect to the Maturity Date the Issuer will request the realisation of the Shares and/or request payments under the Swap or Swaps, if applicable, in sufficient time to allow the Company to redeem or realise the underlying assets by the Maturity Date so that the only amount payable in respect of the Certificates on the Maturity Date shall be the Certificate Redemption Amount. If any amounts are received by the Issuer after the Maturity Date then such amounts shall be retained by the Issuer and available to be distributed to its shareholders for the benefit of The Oder Capital Charitable Trust.

#### **Custodian Certificates**

All Certificates of a Series repurchased by the Issuer on the Issue Date of such Series shall be Custodian Certificates for so long as they are held by the Certificate Custodian on behalf of the Issuer and either (a) for so long as the Certificates of such Series are held through a clearing system, shall be held in the Certificate Custodian's client account at the applicable clearing system or (b) if the Certificates of such Series are no longer held through a clearing system due to an Exchange Event (see "*Summary of Provisions Relating to the Certificates while Represented by the Global Certificate – Exchange of Global Certificates for Definitive Certificates*"),

shall be represented by a global certificate (the “**Custodian Global Certificate**”) held by the Certificate Custodian. While held through a clearing system, the Custodian Certificates will be included in the total number of Certificates issued through such clearing system, will be classed as Certificates by the applicable clearing system, but the Certificate Custodian will renounce all rights that Certificates have and will notify the clearing system accordingly. Such clearing system will treat the Certificates held in the Certificate Custodian’s client account as not having any rights while they are held in the Certificate Custodian’s client account and will only have the same rights as other Certificates upon transfer to a new investor.

Custodian Certificates in respect of Secured Certificates are referred to as “**Secured Series Custodian Certificates**”. Custodian Certificates in respect of Unsecured Certificates are referred to as “**Unsecured Series Custodian Certificates**”.

Custodian Certificates carry no voting rights, do not bear interest and no amount of principal or interest is payable thereon and are not secured by any property. Custodian Certificates are held by the Certificate Custodian on behalf of the Issuer either (a) for so long as an Exchange Event has not occurred, through the Certificate Custodian’s client account at a clearing system or (b) following an Exchange Event, through the Custodian Global Certificate.

On each date on which Custodian Certificates are sold by the Issuer to the Dealer:

- (a) in the case of Certificates that continue to be held through a clearing system, the Certificate Custodian shall transfer, in accordance with the applicable clearing system’s transfer procedures, such number of Certificates being sold that are held in the Certificate Custodian’s client account to the Dealer’s trading account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book entries will be effected within such clearing system, such that the total number of Certificates held by the Certificate Custodian in the Certificate Custodian’s client account will have been reduced by the number of Certificates by which the number of Certificates held by the Dealer in the Dealer’s trading account (and then ultimately by the applicable participants, in the clearing system, for the new investors) have been increased. Such Certificates transferred by the Certificate Custodian through the clearing system will, upon transfer, cease to be treated as ‘Custodian Certificates’ and the clearing system shall note in its book entries that such transferred Certificates then have all the rights that other Certificates have. Morgan Stanley, as both Dealer and as the Certificate Custodian shall note in its records (outside of the clearing system) the number of Custodian Certificates transferred and the total number of Custodian Certificates remaining; or
- (b) in the case of Certificates that are no longer held through a clearing system due to the occurrence of an Exchange Event, the Custodian Global Certificate

shall be written down and the number of Certificates registered in the Register shall be increased by the same number (and the names of the new Certificateholders shall be included on the Register or the number of Certificates held by an existing Certificateholder will be increased accordingly) such that, after such write-down and increase have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Certificates will have been reduced by the total number of Certificates by which the number of Certificates registered in the Register have been increased. The Custodian Certificates resold to the Dealer will upon resale cease to be Custodian Certificates and will be registered in the Register in the name of the Certificateholders or the number of Certificates held by an existing Certificateholder will be increased accordingly. Such Certificates will carry all of the rights which the existing Certificates carry.

Custodian Certificates shall be issued at the price set out in the relevant Final Terms.

**Fungible Increases:**

On any Business Day after the Issue Date of a Series, the Issuer may sell, via the Dealer, to existing or new Certificateholders further Certificates in such Series on the next Company Investment Subscription Date subject to the following conditions, provided that for such Series:

- (a) the company that the proceeds of such Series are invested in (the “**Company**”) continues to accept new subscription requests for the amount of Shares which may be purchased using the proceeds of sale of such Custodian Certificates;
- (b) the Calculation Agent has confirmed that the Issuer is expected, on the next Company Investment Subscription Date, to have a sufficient number of Custodian Certificates available for purchase to meet such request;
- (c) the Subscription Conditions Precedent have been satisfied; and
- (d) the Requested Fungible Notional is equal to or greater than the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 (or such other greater amount as may be agreed between the Calculation Agent and the Dealer).

On any Business Day on which the Dealer has requested the sale of Custodian Certificates, the Issuer will direct the Certificate Custodian to sell to the Dealer for on-sale to the existing or new Certificateholders and the Dealer will agree to purchase on the next Company Investment Subscription Date such number of Custodian Certificates as the Calculation Agent may in its sole discretion determine following publication of the Share NAV on the relevant Company Investment Subscription Date and the Dealer will pay to the Certificate Custodian no later than 2pm two Company Business Days prior to such Company Investment Subscription Date an amount equal to the Requested Fungible Notional and the Certificate Custodian will remit such

amount promptly to the Company and/or the Swap Counterparty, if applicable, on behalf of the Issuer.

The Custodian Certificates being sold will be sold to the Dealer at the Certificate Price as of the relevant Company Investment Subscription Date and will cease to be Custodian Certificates as of such date.

#### **Mandatory Early Redemption**

If:

- (a) at any time prior to the Maturity Date, if it is specified in the relevant Final Terms that the Issuer may determine in its sole discretion to redeem all Certificates and the Issuer so determines;
- (b) at any time prior to the Maturity Date, the Calculation Agent determines that an Early Termination Event (as defined in "Terms and Conditions of the Certificates") has occurred which it does not waive; or
- (c) at any time prior to the Maturity Date, an additional Early Termination Event as set out in the relevant Final Terms for such Certificates occurs

(each a "**Mandatory Redemption Event**") then all of the Certificates which are in issue at such time will be redeemed and the remaining Custodian Certificates will be cancelled in accordance with the process described below.

If, at the time of such Mandatory Redemption Event, there were purchasers who were to purchase new Certificates on a date after the occurrence of the Mandatory Redemption Event and consequently the Dealer was to request a transfer of Custodian Certificates, then such transfer of Custodian Certificates shall be cancelled and the subscription for new Certificates shall not take place.

Upon mandatory redemption, the Certificates will be redeemed in an amount per Certificate equal to the Net Realised Share NAV for each Share realised to effect the redemption of such Certificate (the "**Certificate Redemption Amount**").

Upon the occurrence of a Mandatory Redemption Event, the Issuer shall give not more than two Company Business Days' prior notice (or such other notice period as indicated in the Trust Deed for such Certificates) of the date of such mandatory redemption (the "**Redemption Date**") to the Note Trustee, the Certificateholders and the Paying Agent (which notice shall be irrevocable). The Issuer will pay any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, and then redeem the Certificates in an amount per Certificate equal to the Certificate Redemption Amount on the date falling two Company Business Days after the Redemption Date (or such other number of days specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares and/or payments under the applicable Swap, if applicable, one Company Business Day after such Redemption Date. If receipt of the proceeds of realisation of the Shares and/or payments under the Swap, if applicable, is delayed the redemption of the Certificates will be effected within two Company Business Days of receipt thereof. For the avoidance of doubt, the redemption of the Certificates is contingent on the Issuer receiving proceeds of

realisation of the Shares and/or payments under the applicable Swap. If the Issuer subsequently receives, within 60 days of the Redemption Date, further amounts from the Company from the realisation of Shares and/or the Swap Counterparty under the Swap, if applicable, in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Such a situation could occur if the Company has invested in assets with limited liquidity.

#### **Early redemption**

Certificateholders do not have any right to request an early redemption of the Certificates other than as a result of an Event of Default or a Mandatory Redemption Event in accordance with the Terms and Conditions of such Certificates.

#### **Early repurchase**

If a Certificateholder or Certificateholders request repurchase by the Dealer and the Dealer requests the Issuer to repurchase on no less than one Company Business Day's notice, the Issuer may agree in its sole discretion to repurchase one or more Certificates on a Company Business Day (each, a "**Purchase Date**").

To effect such repurchase, on the date on which the Issuer receives notice of such repurchase request, the Calculation Agent will request the Company to redeem a number of Shares and/or the Swap Counterparty to make a payment under the Swap in respect of a number of Shares, if applicable, equal to the number of Certificates being repurchased by the Issuer.

The Certificates repurchased on such Purchase Date shall be repurchased in an amount per Certificate equal to the Certificate Buy-back Amount.

Payment will be made to the Certificateholders two Company Business Days after the Purchase Date (or such other number of days as specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares and/or payments under the Swap, if applicable, one Company Business Day after such Purchase Date. If receipt of the proceeds of realisation of the Shares and/or payments under the Swap, if applicable, is delayed the repurchase of the Certificates will be effected within two Company Business Days of receipt thereof by the Issuer.

If, in respect of any Certificates repurchased prior to the Maturity Date, the Issuer subsequently receives, within 60 days of the Purchase Date of such Certificates, further amounts from the Company from the realisation of Shares and/or the Swap Counterparty under the Swap, if applicable, in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Any amounts received by the Issuer from the Company or the Swap Counterparty after such 60 days will be retained by the Issuer. Such a situation could occur if the Company has invested in assets with limited liquidity.

All Certificates repurchased by the Issuer may at the option of the Issuer be cancelled, in which case the obligations of the Issuer in respect of such Certificates shall be discharged. Absent such cancellation and notwithstanding any other provision of the Conditions, the Certificates repurchased by the Issuer shall be held by the Certificate Custodian on the



Issuer's behalf and become Custodian Certificates.

On each date on which Certificates are repurchased by the Issuer from the Dealer:

- (a) in the case of Certificates that are not cancelled as referred to above and continue to be held through a clearing system, the Dealer shall transfer, in accordance with the applicable clearing system's transfer procedures, such number of Certificates being repurchased that are held in the Dealer's trading account to the Certificate Custodian's client account at the applicable clearing system. The applicable clearing system will carry out such transfer in accordance with its standard transfer procedures and book-entries will be affected within such clearing system, such that the total number of Certificates held by the Certificate Custodian in the Certificate Custodian's client account will have been increased by the total number of certificates by which the number of Certificates held by the Dealer in the Dealer's trading account (which had previously been transferred to the Dealer by the applicable participants, in the clearing system, for the investors that are requesting such repurchase) have been increased. Such Certificates transferred to the Certificate Custodian through the clearing system will, upon transfer, be treated as 'Custodian Certificates' and the clearing system shall note in its book-entries that such transferred Certificates no longer have the rights that other Certificates have. Morgan Stanley, as both Dealer and as the Certificate Custodian shall note in its records (outside of the clearing system) the number of Custodian Certificates transferred to it and the new total number of Custodian Certificates; or
- (b) in the case of Certificates that are not cancelled as referred to above and are no longer held through a clearing system due to the occurrence of an Exchange Event, the number of Certificates registered in the Register shall be decreased (and the names of the applicable Certificateholders removed from the Register or the size of their holdings decreased) and the Custodian Global Certificate marked up by the same number such that, after such decrease and mark-up have taken place in accordance with the provisions of the Agency Agreement and the applicable Trust Deed, the total number of Custodian Certificates will have been increased by the total number of Certificates by which the number of Certificates registered in the Register has decreased.

#### **Interest on Certificates**

The Certificates will not bear interest.

<b>Restrictions and covenants</b>	<p>So long as any of the Certificates remains outstanding, the Issuer will not declare any dividends (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares (other than such shares as were in issue on 29 May 2012).</p> <p>The Issuer may from time to time (without the consent of the Certificateholders) issue further certificates, subject to the conditions precedent set out in Conditions 18(a) and (b).</p>
<b>Cross default</b>	None.
<b>Withholding tax</b>	In the event a withholding or deduction is required by law, the Issuer shall pay net of the relevant taxes. A Certificateholder must pay all Certificateholder Expenses relating to a Certificate held by or being exercised by it as a condition precedent to receiving any amount in respect of the Certificates and the Issuer is entitled to deduct all relevant Certificateholder Expenses from any such payment to be made by it under the Certificates.
<b>Initial delivery of Certificates</b>	<p>The Certificates of each Series will be issued in registered form, serially numbered for such Series and initially, and for so long as an Exchange Event has not occurred, will be held through a clearing system and represented by a Global Certificate.</p> <p>The Certificates of a Series will initially be represented by interests in a global certificate (a “<b>Global Certificate</b>”), registered in the Register in the name of a nominee for the common depositary of Euroclear and Clearstream, Luxembourg (the “<b>Common Depositary</b>”) and the Global Certificate shall be deposited with the Common Depositary).</p> <p>Global Certificates may also be deposited with any other clearing system. Certificates will be registered in the name of nominees or a common nominee for such clearing systems.</p>
<b>Limited Recourse and Non-Petition</b>	<p>The Secured Certificates (other than the Secured Series Custodian Certificates) comprise secured, limited recourse obligations of the Issuer. The Unsecured Certificates (other than the Unsecured Series Custodian Certificates) comprise limited recourse obligations of the Issuer.</p> <p>In respect of a Series, the Certificateholders shall have recourse only to the Series Assets of such Series, (subject, solely in the case of Secured Certificates, always to the Security), and not to any other assets of the Issuer. Claims by Certificateholders of a particular Secured Series (the “<b>Secured Certificateholders</b>”) and any other secured creditor will be limited to the Mortgaged Property of such Secured Series. Claims by Unsecured Certificateholders of a particular Unsecured Series and any other unsecured creditors will be limited to the Unsecured Series Property of such Unsecured Series.</p> <p>If, after the Series Assets for a Series has been exhausted (in the case of Secured Certificates, pursuant to enforcement of the Security and in the case of Unsecured Certificates,</p>

following all necessary processes) and following the application of the available cash sums derived therefrom in accordance with Condition 4(h) of the Certificates and the Trust Deed, any outstanding claim against the Issuer in respect of the Certificates of such Series remains unpaid, then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.

Following such extinguishment, none of the Note Trustee, the Security Trustee (if applicable), the Certificateholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Series.

None of the Note Trustee, the Security Trustee (if applicable), the Certificateholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other certificates issued by the Issuer (save for any further certificates which form a single series with the Certificates).

Such limited recourse and non-petition provisions shall survive maturity of the Certificates and the expiration or termination of the Trust Deed.

**Clearing Systems**

Clearstream, Luxembourg, Euroclear and, in relation to any Series, such other clearing system as may be agreed between the Issuer and the Dealer.

**Governing law**

English.

**Listing of Certificates**

Application will be made for certain Series of Certificates to be listed on the Irish Stock Exchange.

**Selling restrictions**

United States, United Kingdom, European Economic Area, Germany, Jersey, Ireland and any other restrictions relevant to any Series. See "*Subscription and Sale and Selling Restrictions*".

**Transfer restrictions**

There are restrictions on the transfer of Certificates. See Condition 3(a) below.

**Use of proceeds**

The net proceeds of sale of the Certificates of a Series and of any other Custodian Certificates will be used by the Issuer to acquire shares or interests in a company or fund (the "**Shares**") at their prevailing net asset value pursuant to the subscription booklet for such Company and/or enter into a Swap or Swaps with the Swap Counterparty. The assets of the Company relating to the Shares will be invested by such Company.

**Members**

Means a party that has acquired Shares in a Company or a party that is entitled to exercise the rights of such party in relation to those Shares, as applicable.

## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Certificates issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.*

*Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Certificates issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Certificates issued under the Programme, but the inability of the Issuer to pay principal or other amounts on or in connection with any Certificates may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Certificates are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **General**

#### **The Certificates**

The Certificates are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Certificates in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Certificates, and the extent of their exposure as a result of such investment in the Certificates and, before making their investment decision, should consider carefully all of the information set forth in this Base Prospectus, each supplement relating to each particular Company and Shares that are linked to the particular Series of Certificates in which they have invested and the applicable Final Terms and, in particular, the considerations set forth below. Owing to the structured nature of the Certificates, their price may be more volatile than that of unstructured securities.

#### **Investors**

Each prospective investor in Certificates should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where principal may reduce or be lost in its entirety as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal payments is different from the prospective investor's currency.

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 professional advisers to determine whether and to what extent (i) the Certificates are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Certificates. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

The redemption amounts payable under the Certificates of a Series are determined by reference to the amount of redemption proceeds which would be received in respect of a series of Shares of the relevant Company. Potential investors should be aware that:

- (a) the market price of the Certificates may be volatile;
- (b) payment of principal may occur at a different time than expected;
- (c) they may lose all or a substantial portion of their principal;
- (d) the Shares may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or indices;
- (e) the timing of changes in the value of Shares may affect the actual yield to investors.

Each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in the Certificates and the suitability of such Certificates in light of its particular circumstances.

### **No fiduciary role**

None of the Issuer, the Dealer or any of the other parties to the Relevant Agreements (the “**Series Transaction Parties**”) or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Note Trustee under the applicable Trust Deed in respect of the Certificateholders only) assumes any fiduciary obligation to any purchaser of Certificates or any other party, including the Issuer.

None of the Issuer, the Dealer or any of the other Series Transaction Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms of any Collateral.

Investors may not rely on the views or advice of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series for any information in relation to any person other than the entity giving the views or advice.

### **No reliance**

A prospective purchaser may not rely on the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Certificates or as to the other matters referred to above.

### **No representations**

None of the Issuer, the Dealer or any of the other Series Transaction Parties in respect of any Series makes any representation or warranty, express or implied, in respect of any Collateral or Underlying Assets, as applicable, or any issuer or obligor of any Collateral or Underlying Assets, as applicable, or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or such Underlying Assets, as applicable, with any exchange, governmental, supervisory or self regulatory authority or any other person.

None of the Issuer, the Dealer or any of the other Series Transaction Parties makes any representation or warranty in respect of the Collateral or Underlying Assets, as applicable.

## **Certificates obligations of the Issuer only**

The Certificates will be obligations solely of the Issuer and will not be the responsibility of, or guaranteed by, any of Morgan Stanley & Co. International plc, its affiliates or any other party named in this Base Prospectus and no person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Certificates.

## **Change of law**

The Conditions, the issue of the Certificates and the ratings which may be assigned (if applicable) to the Certificates are based on English law in effect as at the date of issue of the Certificates. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the Certificates.

## **Risks relating to the Issuer**

### **The Issuer is a special purpose vehicle**

The Issuer's sole business is the raising of money by issuing Certificates for the purposes of purchasing assets and entering into related contracts and the Swaps. The Issuer has covenanted (amongst other things) not to, as long as any Certificate remains outstanding, without the consent of the Note Trustee engage in any activity or business except as provided or contemplated by the Certificates, the Custodian Certificates, the Relevant Agreements and the Alternative Programme Agreements and to perform any acts incidental to or necessary in connection therewith, or any act required by law, regulation or order of any court to be performed. In addition, the Issuer will be subject to certain other restrictions (as set out in Condition 4) including, but not limited to, that it will not, without the consent of the Note Trustee declare or pay any dividend (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer) (or make any other distribution to the holders of any of its shares or have formed or cause to be formed by subsidiaries or have any employees purchase, own, lease or otherwise acquire any real property, consolidate or merge with or into any other person, or convey or transfer its properties or assets substantially in their entirety to any other person, or use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with any of its property or any interests therein or create or permit to edict upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed or floating or otherwise upon the whole or any part of its property or assets (other than as contemplated by the Conditions and/or the Trust Deeds), issue any further shares or issue any warrants or options in respect of shares or securities convertible units or exchangeable for shares. 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 Certificates from time to time, any Series Assets, any other assets on which Secured Certificates are secured and any other assets contemplated by the Alternative Programme Agreements. There is no day-to-day management of the business of the Issuer.

### **Regulation of the Issuer by any regulatory authority**

Other than consent to the circulation of this Base Prospectus given by the Jersey Registrar and consent to the issuance of the Certificates given by the Commission, and unless otherwise specified for a Series of Certificates, the Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take

a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Certificates.

### **Registration of the Issuer under the Investment Company Act**

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act. If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required but, in violation of the Investment Company Act, had failed to register as an investment company, possible consequences include, but are not limited to the following: (i) the U.S. Securities and Exchange Commission could apply to a district court to enjoin the violation; (ii) investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and (iii) any contract to which the Issuer is party that is made in, or whose performance involves a, violation of the Investment Company Act would be unenforceable by any party to the contract unless a court were to find that under the circumstances enforcement would produce a more equitable result than non-enforcement and would not be inconsistent with the purposes of the Investment Company Act. Should the Issuer be subjected to any or all of the foregoing, the Issuer would be materially and adversely affected.

### **Anti-money laundering**

The Issuer may be subject to anti-money laundering legislation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Certificateholder in respect of the Issuer's Certificates.

### **European Union Savings Directive**

Under EC Council Directive 2003/48/EC (the "**Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented amend or broaden the scope of the requirements described above.

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

Pursuant to the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 ("**FATCA**"), the Issuer and other non-U.S. financial

institutions through which payments on the Certificates are made ("**paying agents**") may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Certificates issued or materially modified on or after the later of (a) 30 June 2014 and (b) the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (ii) any Certificates which are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be triggered on payments on the Certificates if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (making the Issuer a "**Participating FFI**"), (ii) the Issuer is required to withhold on "foreign passthru payments", and (iii) either (a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether that investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such Certificates is made is not a Participating FFI or otherwise exempt from FATCA withholding.

The application of FATCA to interest, principal or other amounts paid with respect to the Certificates is not clear. In particular, the United Kingdom and Jersey have each entered into "Model 1" intergovernmental agreements (each an "**IGA**") with the United States, to help implement FATCA for certain entities in the United Kingdom and Jersey respectively. The full impact of such agreements on the Issuer and the Issuer's reporting and withholding responsibilities under FATCA, and on UK paying agents and their reporting and withholding responsibilities under FATCA, is unclear, however, pursuant to FATCA and the "Model 1" IGAs released by the United States, an FFI in an IGA signatory country is expected to be treated as a "**Reporting FI**" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction generally would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments it makes. The Issuer may still be required to report certain information on its U.S. account holders (if any) to the government of Jersey, and any UK paying agents may still be required to report certain information on their U.S. account holders (if any) to the government of the United Kingdom, in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable law of Jersey and the United Kingdom respectively. It is also not yet certain how the United States and the United Kingdom and the United States and Jersey will address withholding on "foreign passthru payments" (which may include payments on the Certificates) or if such withholding will be required at all.

If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Certificates as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the terms and conditions of the Certificates, be required to pay additional amounts as a result of the deduction or withholding. As a result, if FATCA withholding were to apply to payments on the Certificates, investors may receive less interest or principal than they would otherwise receive.

The application of FATCA to Certificates issued or materially modified on or after the later of (a) 30 June 2014 and (b) the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register (or whenever issued, in the case of Certificates treated as equity for U.S. federal tax purposes) may be addressed in a supplement to this Prospectus, as applicable.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE CERTIFICATES AND THE HOLDERS OF CERTIFICATES IS UNCERTAIN AT THIS TIME. EACH HOLDER OF CERTIFICATES SHOULD CONSULT ITS OWN TAX



ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND ADVICE ON HOW FATCA MIGHT AFFECT IT IN ITS PARTICULAR CIRCUMSTANCES.

**The application of FATCA to Certificates issued after 30 June 2014 (or whenever issued, in the case of Certificates treated as equity for U.S. federal tax purposes) may be addressed, in the relevant Final Terms or a Supplement to the Base Prospectus, as applicable.**

## **Risks relating to the Certificates**

### **Limited recourse obligations**

In respect of a Secured Series, the Secured Certificates (other than the Secured Series Custodian Certificates) are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property over which security is given by the Issuer in favour of the Security Trustee on behalf of the Secured Certificateholders and other secured creditors. In respect of an Unsecured Series, the Unsecured Certificates (other than the Unsecured Series Custodian Certificates) are direct, limited recourse obligations for the Issuer payable solely out of the Unsecured Series Property. For the avoidance of doubt, the Series Assets of a Series of Certificates shall not be used to secure any other Secured Series of Secured Certificates issued by the Issuer. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Certificates. No assurance can be made that the proceeds available for the payment of the amounts due to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and the proceeds available for and allocated to the repayment of the Certificates at any particular time will be sufficient to cover all amounts that would otherwise be due and payable to the Note Trustee, the Security Trustee and the Agents (to the extent not paid pursuant to the Expenses Agreement) and under the Certificates. If, in the case of Secured Certificates, the proceeds of the realisation of the Security received by the Security Trustee or, in the case of Unsecured Certificates, the proceeds of liquidation of the Unsecured Series Property for the benefit of the Certificateholders prove insufficient to make payments on the Certificates, in respect of which payment is due, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation or liquidation, any outstanding claim against the Issuer in relation to the Certificates shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Further, only the Note Trustee may pursue remedies available under the Trust Deed as it may think fit to enforce the rights of the creditors under the Trust Deed and the Conditions and in the case of Secured Certificates, only the Security Trustee may enforce the Security, and none of the Certificateholders, any creditor or any Series Transaction Party shall be entitled to proceed directly against the Issuer unless the Note Trustee or the Security Trustee, as applicable, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing.

The Unsecured Series Property of an Unsecured Series will not be ring fenced against the claims of other creditors by virtue of having the benefit of any security. There can be no guarantee that unspecified third parties will not make any claims against any Unsecured Series Property and that any Unsecured Series Property will be available to meet the claims of the Unsecured Certificateholders of the Unsecured Series at any time.

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

## **Note Trustee and Security Trustee indemnity**

In certain circumstances, the Certificateholders of a Series may be dependent on the Note Trustee or (solely in the case of Secured Certificates) the Security Trustee to take certain actions in respect of a Series of Certificates, in particular if the Security (if applicable) in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, the Note Trustee and/or the Security Trustee (if applicable) is entitled to require to be indemnified and/or secured and/or prefunded to its satisfaction. If the Note Trustee or the Security Trustee is not indemnified and/or secured and/or prefunded to its satisfaction it may not be bound to take such action and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Certificateholders may have to either arrange for such indemnity and/or security or accept the consequences of such inaction by the Note Trustee or the Security Trustee. Certificateholders should be prepared to bear the costs associated with any such indemnity and/or security and/or prefunding and/or the consequences of any such inaction by the Note Trustee or the Security Trustee. Such inaction by the Note Trustee or the Security Trustee will not entitle Certificateholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed or the Certificates (although the events giving rise to the need for Note Trustee or Security Trustee action might also permit the Certificateholders to exercise certain rights directly under the Conditions).

## **Priority of Claims**

During the term of the Certificates and in the case of Secured Certificates on an enforcement of the Security, the rights of the Certificateholders to be paid amounts due under the Certificates will be subordinated to (i) payment or satisfaction of, or provision for, the fees, costs, charges, expenses and liabilities incurred by the Note Trustee, and in the case of Secured Certificates only, the Security Trustee or any receiver in preparing and executing the trusts under the Trust Deed in relation to the Certificates and in carrying out their functions under the Trust Deed (including any taxes required to be paid, (solely in the case of Secured Certificates) the cost of realising any Security, and the Note Trustee's and/or the Security Trustee's remuneration) to the extent not paid pursuant to the Expenses Agreement, and (ii) payment of the fees, costs, charges, expenses and liabilities incurred by the Agents in carrying out their functions under the Agency Agreement to the extent not paid pursuant to the Expenses Agreement, and (iii) any other claims as specified in the Conditions as may be amended by the Trust Deed relating to the relevant Series that rank in priority to the Certificates.

## **No gross-up**

In the event that any withholding tax or deduction for tax is imposed (including, without limitation, through any law or regulation implementing a system of financial transaction tax in any jurisdiction, including the European Union, relating to any tax payable in respect of the transfer of, or issue or modification or redemption of, any financial instruments) on payments on the Certificates, the Certificateholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall.

## **Meetings of Certificateholders, Modification and waivers and substitution**

The Trust Deed and Conditions contain provisions for convening meetings of Certificateholders to consider matters affecting their interests generally (including amendments to the Conditions and/or the Trust Deed). Such provisions include, among other things, (i) quorum requirements for the holding of Certificateholders'

meetings and (ii) voting thresholds required to pass Extraordinary Resolutions at such meetings (or through written resolutions). The quorum required for a meeting of Certificateholders convened to vote on an Extraordinary Resolution (other than regarding a modification of the details of the Security (if applicable) and the Series Assets, certain terms concerning the amount, currency and postponement of the due dates for payment of the Certificates, the provisions concerning the quorum required at any meeting of Certificateholders and the provisions concerning the majority required to pass an Extraordinary Resolution (a “**Basic Terms Modification**”)) is two or more person(s) holding or representing a clear majority in principal amount of the Certificates for the time being outstanding. The quorum at an adjourned meeting is two or more persons holding Certificates or representing Certificateholders. The quorum required for a meeting of Certificateholders convened to vote on an Extraordinary Resolution relating to a Basic Terms Modification will be two or more person(s) holding or representing at least two-thirds in nominal amount of the Certificates for the time being outstanding. The quorum at an adjourned meeting to vote on an Extraordinary Resolution relating to a Basic Terms Modification is two or more person(s) holding or representing at least one-third in nominal amount of the Certificates for the time being outstanding. It should, however, be noted that Extraordinary Resolutions (including to amend the Conditions and/or the Trust Deed) may still be effected in circumstances where not all Certificateholders agree with the terms thereof and an Extraordinary Resolution in respect of any such amendments or waivers once passed in accordance with the provisions of the Conditions will be binding on all such dissenting Certificateholders.

The Trust Deed and Conditions also provide that the Note Trustee may, without the consent of any of the Certificateholders, agree to and, in the case of Secured Certificates, may direct the Security Trustee to agree to (i) any modification of any of the provisions of the Trust Deed or the Relevant Agreements which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest error or (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or any of the Relevant Agreements which, in any such case, is in the opinion of the Note Trustee not materially prejudicial to the interest of all of the Certificateholders.

Secured Certificateholders and Unsecured Certificateholders shall have no right of action against the Note Trustee if the Note Trustee agrees to any such modifications to the Relevant Agreements that affect either the Secured Certificateholders or the Unsecured Certificateholders.

### **Early redemption for Events of Default, tax or other reasons**

The Certificates may be redeemed on a date other than on the Maturity Date upon the occurrence of certain tax events with respect to the Certificates or the Collateral in the case of the Secured Certificates or the Underlying Assets in the case of Unsecured Certificates, upon any of the Collateral or the Underlying Assets, as applicable, being called for redemption or repayment prior to its scheduled Maturity Date. In addition, the Issuer, the Certificateholders and/or the Note Trustee (depending on the relevant event and as specified in the Conditions) may have the right to direct a redemption of the Certificates upon the occurrence of an Event of Default with respect to the Certificates, or the occurrence of certain default events relating to the Collateral or the Underlying Assets as applicable. The amount payable per Certificate to Certificateholders in such circumstances will be, unless otherwise specified in the applicable Final Terms, an amount equal to the outstanding principal amount of such Certificate, subject to the payment of all prior ranking amounts as provided in the Conditions. The Issuer will fund such payments

under a Series of Certificates from payment(s) due to it under the Collateral or the Underlying Assets as the case may be (if applicable). This will expose Certificateholders to the market value of the Collateral or the Underlying Assets, as applicable (for a consideration of factors that may impact such values see “*Risk Factors – Market Value of Certificates*” below).

If, following the realisation in full of the Mortgaged Property in the case of Secured Certificates or the Unsecured Series Property in the case of Unsecured Certificates relating to the relevant Series of Certificates (in the case of Secured Certificates by way of enforcement of the Security) and application of available cash sums as provided in the Conditions, there are any outstanding claims against the Issuer in respect of such Series of Certificates which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances, the investors in the Certificates may not receive back their investment and may receive zero.

### **Market Value of Certificates**

The market value of the Certificates may be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral or the Underlying Assets, as applicable, if any and the creditworthiness of the issuers and obligors of any Collateral or the Underlying Assets, (ii) the value and volatility of any index, securities, commodities or property to which payments on the Certificates may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Certificates may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates and (iv) the time remaining to the Maturity Date. Any price at which Certificates may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Certificates were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Certificates in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by the Dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by the Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by the Dealer concerning, a mark-to-market value of the Certificates. The price (if any) provided by the Dealer is at the absolute discretion of the Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by the Dealer with a third party in respect of the Certificates and that Dealer shall have no obligation to any Certificateholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

### **Risks relating to the assets**

#### **No investigations**

No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer or the Note Trustee in respect of the Collateral or the Underlying Assets, as applicable (if any) relating to any Series of Certificates. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Note Trustee, the Security Trustee or any other person on their behalf in respect of the Collateral or the Underlying Assets, as applicable (if any) relating to any Series of Certificates and Underlying Assets.

## **Collateral**

The Collateral or the Underlying Assets, as applicable, relating to any Certificates will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Collateral or Underlying Assets or the Swap Counterparty, various insolvency and related laws applicable to such issuer or obligor or the Swap Counterparty may (directly or indirectly) limit the amount the Issuer, the Note Trustee or the Security Trustee (if applicable) may recover in respect such Collateral or Underlying Assets.

If Certificates redeem other than on their Maturity Date, the Collateral or the Underlying Assets, as applicable, relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral or Underlying Assets at that time since the market value of such Collateral or Underlying Assets will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Collateral or Underlying Assets and the Swap Counterparty, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral or Underlying Assets and (iv) the liquidity of the Collateral or Underlying Assets. Accordingly, the price at which such Collateral or Underlying Assets is sold or liquidated may be at a discount, which could be substantial, to the market value of the Collateral or Underlying Assets on the issue date and the proceeds of any such sale or liquidation and any other assets available to the Issuer that relate to the relevant Series of Certificates may not be sufficient, following deduction of amounts to be paid to prior ranking claimants in accordance with the Conditions, to repay the full amount of principal of and interest on the relevant Certificates that the holders of such Certificates would expect to receive in the event that the Certificates were redeemed in accordance with their terms on their Maturity Date.

The Dealer may have acquired, or during the terms of the Certificates may acquire, confidential information or enter into transactions with respect to any Collateral or Underlying Assets, as applicable, and they shall not be under any duty to disclose such confidential information to any Certificateholder or the Issuer.

## **Risks relating to the Paying Agent**

Any payments made to Certificateholders in accordance with the terms and conditions of the Certificates will be made by the Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Paying Agent such amount as may be due under the Certificates, on or before each date on which such payment in respect of the Certificates becomes due.

If the Paying Agent, while holding funds for payment to Certificateholders in respect of the Certificates, is declared insolvent, the Certificateholders may not receive all (or any part) of any amounts due to them in respect of the Certificates from the Paying Agent. The Issuer will still be liable to Certificateholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Certificateholders may not receive all, or any part, of any amounts due to them. Consequently, the Certificateholders are relying not only on the creditworthiness of the Collateral or the Underlying Assets, if applicable, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make or facilitate payments to Certificateholders.

## **Conflicts of Interest**

### **General**

Any Series Transaction Party and any of its affiliates may act in a number of capacities in connection with any issue of Certificates. Any Series Transaction Party or any such affiliate, as the case may be, when acting in such capacities in connection with the transactions described herein in respect of any Series of Certificates shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of its or any affiliate 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 the relevant capacity. Any Series Transaction Party and any of its affiliates in its various capacities may enter into business dealings relating to the Certificates or the Collateral or Underlying Assets, as applicable, or any asset to which the Certificates or Collateral or Underlying Assets are exposed, including the acquisition and/or sale of the Certificates, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

Any Series Transaction Party and any of its affiliates may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the issuer or obligor of any Collateral or Underlying Assets which information and/or opinions might, if known by a Certificateholder, affect decisions made by it with respect to its investment in the Certificates. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to notify the Certificateholder or the Issuer or any other Series Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

Any Series Transaction Party and any of its affiliates may deal in any obligation of the issuer or obligor of any Collateral or Underlying Assets and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Collateral or Underlying Assets and may act with respect to such transactions in the same manner as if the Certificates of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the issuer or obligor of any Collateral or Underlying Assets, the Issuer or the Certificateholders of the relevant Series.

Any Series Transaction Party and any of its affiliates may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by any Series Transaction Party and any of its affiliates may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Certificates or any Collateral or Underlying Assets. Notwithstanding this, none of the Series Transaction Parties or any of their affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Certificates when effecting transactions in such markets.

One or more of the Series Transaction Parties and their affiliates may:

- (a) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to the Collateral or Underlying Assets;

- (b) act as trustee, paying agent and in other capacities in connection with certain of the Collateral or Underlying Assets or other classes of securities issued by an issuer of, or obligor with respect to, the Collateral or Underlying Assets or an affiliate thereof;
- (c) be a counterparty to issuers of, or obligors with respect to, certain of the Collateral or Underlying Assets under a swap or other derivative agreements;
- (d) lend to certain of the issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates or receive guarantees from such issuers, obligors or their respective affiliates;
- (e) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates; or
- (f) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Collateral or Underlying Assets or their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to the Collateral or Underlying Assets, the Series Transaction Parties are entitled to fees and expenses (if not otherwise paid) senior in priority to payments on such Collateral or Underlying Assets. When acting as a trustee for other classes of securities issued by the issuer or obligor of any Collateral or Underlying Assets or an affiliate thereof, a Series Transaction Party may owe fiduciary duties to the holders of such other classes of securities, which classes of securities may have differing interests from the holders of the class of securities of which the relevant Collateral is a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities of which the relevant Collateral or Underlying Assets are a part. As a counterparty under swaps and other derivative agreements, a Series Transaction Party may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Series Transaction Party may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Collateral or Underlying Assets in bankruptcy and/or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of the Collateral or Underlying Assets may enhance the profitability or value of investments made by a Series Transaction Party in the issuers thereof or obligors in respect thereof. As a result of all such transactions or arrangements between a Series Transaction Party and the issuers of, and obligors with respect to, the Collateral or Underlying Assets or their respective affiliates, a Series Transaction Party may have interests that are contrary to the interests of the Issuer and the Certificateholders.

### **The Note Trustee**

In connection with the exercise of its functions in respect of a Series, the Note Trustee shall have regard to the interests of the Certificateholders of that Series as a class and shall not have regard to the consequences of such exercise for individual Certificateholders and the Note Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual

Certificateholders. In acting as Note Trustee under the Trust Deed, the Note Trustee shall not, in respect of Certificates of any Series, assume any duty or responsibility to the Paying Agent or any other secured creditor or any other Series Transaction Party (other than to pay any such party any moneys received and payable to it and to act in accordance with the Conditions and the Trust Deed) and shall have regard solely to the interests of the Certificateholders and shall not be obliged to act on any directions of any secured creditor or Series Transaction Party if this would in the Note Trustee's opinion be contrary to the interests of the Certificateholders (other than if such actions are in accordance with the Relevant Agreements).

## **Risks relating to third parties**

### **Reliance on third parties**

The Issuer is a party to contracts with a number of third parties who have agreed to perform services in relation to the Certificates. Counterparties of the Issuer may not perform their respective obligations under the Relevant Agreements, which may result in the Issuer not being able to meet its obligations. The Note Trustee, the Security Trustee (if any), the Paying Agent, and/or any of their affiliates, as well as the other parties to the Relevant Agreements acting in their respective capacities, shall not, by virtue of acting in any such capacity, be deemed to have other duties or responsibilities other than as expressly provided with respect to each such capacity.

There can be no certainty that, in the event that any such third party needs to be replaced, a replacement party can be found to take over their responsibilities or that such replacement party will agree to do so on identical terms of those agreed with the outgoing party. Furthermore, the liability of any such party, the extent to which the Issuer may make a claim in the event of inadequate performance or non-performance may be limited by the provisions of the relevant contract. In such case, the ability of the Issuer to recover damages incurred may be reduced, which would in turn affect the amount available to make payments under the Certificates.

The Dealer has agreed to pay certain fees, costs and expenses of the Issuer in relation to the Certificates. In the event that the Dealer does not meet such obligations on time and in full (which may occur, for example, upon the insolvency (or the occurrence of an analogous event) of the Dealer), the Issuer may not be able to meet its periodic costs and expenses which may lead to a default of the Issuer's obligations under the Trust Deed and consequently an Event of Default.

### **Other commercial relationships of the parties involved and conflicts of interest**

The parties to the Relevant Agreements may have ongoing relationships with each other and may own securities or other obligations issued by them or deal in any obligation of another party to the Relevant Agreements and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking, investment management or other business transactions with each other and may act with respect to such transactions in the same manner as if the Relevant Agreements and the Certificates did not exist.

Any party to the Relevant Agreements, other than the Issuer, may purchase Certificates from time to time and their interests may conflict with those of other Certificateholders. As a consequence of these or other such relationships, potential or actual conflicts of interest may exist and/or arise in relation to the Relevant Agreements.



## **Risk Factors relating to the market**

### **Limited liquidity of the Certificates**

Although application may be made to admit the Certificates to the Official List of the Irish Stock Exchange or the official list of another stock exchange and admit them to trading on the Main Securities Market or on the regulated market of any other stock exchange, there is currently no secondary market for the Certificates. There can be no assurance that a secondary market for any of the Certificates will develop, or, if a secondary market does develop, that it will provide the holders of the Certificates with liquidity or that it will continue for the life of the Certificates.

Investors should note that the market for the Certificates will be affected by, among other things, supply and demand for the Certificates, and that, accordingly, it should not be assumed that there will be a significant correlation between the market value of the Certificates and the market value of the Collateral or the Underlying Assets, as applicable. Prospective investors should be aware that the market value of the Certificates may also be affected by events in the capital and credit markets which may have an effect on the market value of the Collateral or Underlying Assets, the Issuer and/or similar structured securities generally.

In addition, the liquidity of any trading market (should any develop) in the Certificates may be adversely affected by changes in the overall market for investment and non-investment grade securities. If such a trading market were to develop, the Certificates could trade at prices that may be higher or lower than the initial offering price depending on many factors including prevailing interest rates and the market for similar securities.

Consequently, any investor of the Certificates must be prepared to hold such Certificates for an indefinite period of time or until redemption of the Certificates. Under normal market conditions, subject to applicable law and the Dealer's policies, the Dealer will use reasonable efforts to make a market for the Certificates and quote bid and offer prices. However, the Dealer is under no obligation to continue to do so and may stop making a market at any time.

### **Risks relating to the Banking Act 2009**

Under the Banking Act 2009 (the "**Banking Act**"), substantial powers have been granted to HM Treasury, the Bank of England, the UK Prudential Regulation Authority and, where relevant, the UK Financial Conduct Authority (together, the "**Authorities**") as part of the special resolution regime (the "**SRR**"). These powers enable the Authorities to deal with and stabilise UK-incorporated institutions with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000 (the "**FSMA**") (such as, among others, the Dealer) (a "**Relevant Entity**") that are failing or are likely to fail to satisfy the threshold conditions (within the meaning of section 41 of the FSMA). The SRR consists of three stabilisation options: (i) transfer of all or part of the business of the Relevant Entity or the shares of the Relevant Entity to a private sector purchaser; (ii) transfer of all or part of the business of the Relevant Entity to a "bridge bank" wholly-owned by the Bank of England; and (iii) temporary public ownership of the Relevant Entity. HM Treasury may also take a parent company of a Relevant Entity into temporary public ownership where certain conditions are met. The Banking Act also provides for two new insolvency and administration procedures for relevant entities. Certain ancillary powers include the power to modify certain contractual arrangements in certain circumstances. It is possible that one of the stabilisation options could be exercised prior to the point at which any application for an insolvency or administration order with respect to the Relevant Entity could be made.

In general, the Banking Act requires the Authorities to have regard to specified objectives in exercising the powers provided for by the Banking Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial system of the United Kingdom. The Banking Act includes provisions related to compensation in respect of transfer instruments and orders made under it. The Authorities are also empowered by order to amend the law for the purpose of enabling the powers under the special resolution regime to be used effectively. An order may make provision which has retrospective effect. In general, there is considerable uncertainty about the scope of the powers afforded to the Authorities under the Banking Act and how the Authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of a Relevant Entity, such instrument or order may (amongst other things) affect the ability of such entities to satisfy their obligations under the Relevant Agreements and/or result in modifications to such documents. In particular, modifications may be made pursuant to powers permitting certain trust arrangements to be removed or modified and/or via powers which permit provision to be included in an instrument or order such that the relevant instrument or order (and certain related events) is required to be disregarded in determining whether certain widely defined “default events” have occurred (which events would include certain events included in the Relevant Agreements in respect of the relevant entity, including termination events). As a result, the making of an instrument or order in respect of a Relevant Entity may affect the ability of the Issuer to meet its obligations in respect of the Certificates. While there is provision for compensation in certain circumstances under the Banking Act, there can be no assurance that Certificateholders would recover compensation promptly and equal to any loss actually incurred.

At present, the Authorities have not made an instrument or order under the Banking Act in respect of the Relevant Entities referred to above and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Certificateholders will not be adversely affected by any such instrument or order if made.

## **Risks relating to Global Events**

### **General**

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability and during 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a “double dip” recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international “bail-outs” of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession. There can be no assurance as to how severe the global recession will be or as to how long it will last. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Certificates. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. A significant number of credit events have occurred in respect of reference entities referenced in structured securities. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Certificates.

### **Impact on Liquidity**

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Certificates or the value of the Underlying Assets, as applicable, in terms of the assets or indices referenced. In particular, should the Certificates be redeemed early, Certificateholders will be exposed to the realisation value of the Underlying Assets which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Paying Agent may also impact the value of the Certificates.

### **Impact on Credit**

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such

credit deterioration has and may continue to be widespread. The value of the Certificates or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Underlying Assets (or any guarantor or credit support provider in respect thereof). Prospective investors should also consider the impact of a default by the Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

### **Impact on Valuations and Calculations**

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased to exist or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

### **Impact of Increased Regulation and Nationalisation**

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Certificates, the Dealer, and the other Series Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily

amended or be forcibly redeemed. To the extent that the Swap Counterparty or the obligors of the Underlying Assets (or any guarantor or credit support provider in respect thereof), or any other person or entity connected with the Certificates is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Certificate.

### **Systemic Risk**

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as "systemic risk". Financial institutions such as the Dealer, the Note Trustee, the Swap Counterparty and the Paying Agent (or any affiliate of any of them) and any obligors of the Underlying Assets (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

### **RISKS RELATED TO COMPANIES AND SHARES**

The Certificate Redemption Amount of the Certificates is dependent upon the redemption proceeds that would be received in respect of the Shares of a Company. Accordingly, an investment in the Certificates may bear similar market risks to a direct investment in the Shares and investors should take advice accordingly. An investment in the Certificates will entail significant risks not associated with a conventional debt security.

Despite the fact that, in relation to a Company, a net asset value may be published, potential investors should be aware that payments on the Certificates will be determined by reference to Realised Share NAV. Any such amounts may be significantly different from amounts calculated by reference to the net asset value of the particular Company. In addition, potential investors should be aware that, in relation to payments due on Certificates which are determined by reference to amounts that would be received by an investor, where such investor would receive payments after their scheduled payment date, corresponding delays may also be made to equivalent payments on the Certificates.

A large number of subscription or repurchase orders with the Company by investors can lead to either an accelerated sale or temporary dilution of assets and higher fees for the remaining investors or "gating" where such orders are only satisfied in part, with others being delayed.

***Additional risk factors applicable to a particular Company may be specified in the Supplement relating to such Company.***

***Early Redemption and Termination.*** Following the existence or occurrence of certain events, if the Calculation Agent determines that such event or events are material for the purposes of the Certificates, an Early Termination Event will occur which will lead to a Mandatory Redemption Event occurring.

Certificates may also be redeemed early following an Event of Default. The application of any such provisions may have an adverse effect on the value and liquidity of the Certificates. Potential investors should review the Conditions of the Certificates to ascertain whether and how such provisions apply to the Certificates.

The occurrence of an Early Termination Event may have an effect on the timing of valuation and consequently the value of the Certificates and/or may delay settlement in respect of the Certificates. Potential investors should review the Conditions to ascertain whether and how such provisions apply to the Certificates.

***Additional Fees.*** The Company may be a fund, which will regularly charge fees (such as management fees) that lower the redemption proceeds used to determine the redemption, cancellation and/or interim amounts under the Certificates. In addition, other fees and expenses can be incurred that are charged by third persons employed by such Company's fund manager to provide services connected to such Company (such as custodian bank fees, fees for investment advice and auditing). Furthermore, the fund manager, asset manager or investment consultant may charge a performance-related fee.

There may also be fees incurred at the level of the assets held by a Company that lower the value of these assets, and thereby also indirectly lower the net asset value of the Company itself. Such fees occur especially if the Company for its part invests in a funds (or a fund of funds) or other investment vehicles or instruments entailing fees.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in the offering of Shares in the Company.**

## TERMS AND CONDITIONS OF THE CERTIFICATES

*The following is the text of the terms and conditions which, subject to completion and minor amendment, will be applicable to the Certificates of a Series in definitive form and the Custodian Certificates. Either (i) the full text of these terms and conditions together with the relevant provisions of the final terms for such Series (the “**Final Terms**”) or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on the Definitive Certificates relating to the Certificates. All capitalised terms that are not defined in these Conditions will have the meaning given to them in the Principal Trust Deed, and/or relevant Final Terms and will be endorsed on the Definitive Certificates. References to “Certificates” are to Certificates of one series of Certificates (each, a “**Series**”) only, not to all Certificates that may be issued under the Programme.*

The Certificates, in the case of unsecured Certificates (“**Unsecured Certificates**”), are constituted by and, in the case of secured Certificates (“**Secured Certificates**”), are constituted and secured by a supplemental trust deed (the “**Supplemental Trust Deed**”) dated the date of issue of the Certificates (the “**Issue Date**”) between, inter alia, Oder Capital Limited (the “**Issuer**”) and BNY Mellon Corporate Trustee Services Limited as note trustee for the Certificateholders (the “**Note Trustee**”, which expression shall include all persons for the time being the note trustee or note trustees under the Principal Trust Deed (as defined below)) and, solely in the case of Secured Certificates, as security trustee for the Secured Certificateholders (the “**Security Trustee**”, which expression shall include all persons for the time being the security trustee or security trustees under the Principal Trust Deed). The Supplemental Trust Deed is supplemental to a trust deed (the “**Principal Trust Deed**”, which expression shall include any amendments or supplements thereto) dated 29 June 2012 as amended, supplemented and/or amended and restated from time to time between the Issuer, the Note Trustee and the Security Trustee (together with the Supplemental Trust Deed, the “**Trust Deed**”).

The Secured Certificates (other than the Secured Series Custodian Certificates), are secured on certain assets of the Issuer, as described in Condition 4(b), pursuant to the Trust Deed.

Payments under the Certificates will be made pursuant to an agency agreement dated the Issue Date made between the Issuer, the Note Trustee, Crestbridge Fund Administrators Limited, in its capacity as calculation agent (the “**Calculation Agent**”), Morgan Stanley & Co. International plc as certificate custodian (the “**Certificate Custodian**”), The Bank of New York Mellon, London Branch, having its registered office at One Canada Square, London, E14 5AL, in its capacity as paying agent (the “**Paying Agent**”) and as transfer agent (the “**Transfer Agent**”) and The Bank of New York Mellon (Luxembourg) S.A. as the registrar (the “**Registrar**”) (the “**Agency Agreement**”).

Statements in these terms and conditions (the “**Conditions**”) are subject to the detailed provisions of the Trust Deed and the Agency Agreement, copies of which are available for inspection at the offices of the Paying Agent. The Trust Deed includes the forms of the Certificates. Certificateholders are entitled to the benefit of, are bound by and are deemed to have notice of (i) all the provisions contained in the Trust Deed (save, in the case of the Unsecured Certificateholders, certain provisions of the Trust Deed will not apply including, *inter alia*, provisions relating to the Security and the Security Trustee) and (ii) those provisions applicable to them of the Agency Agreement.

### 1. DEFINITIONS

“**Agents**” means the Paying Agent, the Registrar, the Transfer Agent, the Calculation Agent and the Certificate Custodian;

“**Alternative Programme Agreements**” means those agreements documenting and/or approving other programmes entered into by the Issuer to issue secured and or

unsecured certificates or notes that are separate from the Programme, provided that such other programmes that the Issuer enters into have substantially the same provisions in respect of security, if applicable, and limited recourse provisions as the Programme;

**"Business Day"** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York or the Principal Financial Centre of the Specified Currency (if not US dollars) and London, Dublin and Jersey, Channel Islands;

**"Certificate"** means a certificate issued in registered form for a Series pursuant to the Trust Deed;

**"Certificate Buy-back Amount"** means, for each Certificate being repurchased by the Issuer, an amount determined by the Calculation Agent, in its sole discretion, equal to the Net Realised Share NAV for each Share realised to effect the repurchase of such Certificates;

**"Certificate Price"** means, on any date on which such price is to be determined, an amount per Certificate equal to the Share NAV;

**"Certificate Redemption Amount"** means, for each Certificate being redeemed, an amount determined by the Calculation Agent, in its sole discretion, equal to the Net Realised Share NAV for each Share realised to effect the redemption of such Certificate;

**"Certificateholder"** or **"holder"** means (in relation to a Certificate) the holder of a Certificate or Certificates and shall be the person whose name is entered in the Register as the holder of a Certificate;

**"Company"** means any company into which the Issuer invests the net proceeds of issue of the Certificates or of resale of the Custodian Certificates, the details of which have been incorporated into the Base Prospectus by way of a Supplement and which is specified in the Final Terms for each Series;

**"Company Administrator"** means, in relation to each particular Series, the person specified in the Supplement relating to a particular Company to act as that Company's administrator;

**"Company Business Day"** means a day (other than a Saturday or a Sunday or other day when banks and/or securities exchanges in the City of New York, New York, or the state or country of incorporation of the particular Company, are authorised or obligated by law to close);

**"Company Commodity Broker"** means, in relation to each particular Series, the person specified in the Supplement relating to a particular Company to act as that Company's commodity broker;

**"Company Document"** means any prospectus (howsoever described) or supplement thereto of the Company or the constitutional documents of the Company or such other documentation issued by or entered into by the Company which is material to the Certificates in the determination of the Calculation Agent;

**"Company Investment Subscription Date"** means in relation to a request for sale of further Certificates to the Dealer, the second Company Business Day following the date on which such request has been received by the Issuer;

**"Company Manager"** means, in relation to each particular Series, the person specified in the Supplement relating to a particular Company to act as that Company's manager;



**"Company Trading Adviser"** means, in relation to each particular Series, the person specified in the Supplement relating to a particular Company to act as that Company's trading adviser;

**"Corporate Administrator"** means Crestbridge Corporate Services Limited, a company incorporated in Jersey with registered number 71285 and having its registered office at 47 Esplanade, St Helier, Jersey JE1 0BD;

**"Custodian Certificates"** means such of the Certificates repurchased from time to time by the Issuer and held on its behalf by the Certificate Custodian;

**"Dealer"** means Morgan Stanley & Co. International plc;

**"Dealer Agreement"** means the dealer agreement dated the Issue Date, as amended, supplemented and/or amended and restated from time to time and made between the Issuer and the Dealer;

**"Expenses Agreement"** means the agreement dated 29 June 2012, as amended, supplemented and/or amended and restated from time to time between the Issuer and the Dealer;

**"Final Terms"** means the final terms for this Series as annexed to the Supplemental Trust Deed;

**"Illegality"** means the adoption of, or any change in, any applicable law after the Issue Date, or the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after the Issue Date, as a result of which it becomes unlawful for the Issuer, the Company Manager, the Company Trading Adviser, the Company Commodity Broker, the Company Administrator, the Company, the Dealer, the Paying Agent, the Certificate Custodian, the Calculation Agent, the Swap Counterparty (if applicable), the Corporate Administrator, the Note Trustee or the Security Trustee (if applicable) to comply with their obligations under the Relevant Agreements;

**"Maturity Date"** shall be for each Series the date set out in the relevant Final Terms;

**"Net Realised Share NAV"** means, for each Certificate being repurchased by the Issuer or redeemed, an amount determined by the Calculation Agent, in its sole discretion, equal to the Realised Share NAV minus the Transaction Fees (if any);

**"Number of Certificates"** means the total number of Certificates (including for these purposes Custodian Certificates) outstanding on any date on which such number is to be determined by the Calculation Agent in its sole discretion;

**"Payment Business Day"** means:

- (a) in the case of a payment in a currency other than Euros, any day (other than a Saturday or Sunday) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Principal Financial Centre of the currency of payment; and
- (b) in the case of Euros, a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer system is open;

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

**"Programme"** means the US\$10,000,000,000 certificate programme of the Issuer;

**"Realised Share NAV"** means on any date, for each Share, an amount determined by the Calculation Agent, in its sole discretion, equal to (a) the liquidated proceeds of the Collateral or the Underlying Assets, as the case may be, received by the Issuer in respect of the Shares realised on such date for such purpose and/or the payments received by the Issuer from the Swap Counterparty under the Swap referencing such Shares, divided by (b) either (i) in respect of Certificates being repurchased on any date under a buy-back, the number of Certificates being repurchased on such date or (ii) in respect of the final redemption of all Certificates, the number of outstanding Certificates;

**"Relevant Agreement"** means the Trust Deed, the Agency Agreement, the Dealer Agreement, the Expenses Agreement and the Swap (if applicable);

**"Relevant Date"** means, in respect of a Certificate, the date on which payment in respect thereof first becomes due or (if the full amount of the moneys payable in respect of all the Certificates due on or before that date has not been duly received by the Paying Agent or, if applicable, the Note Trustee on or before that date) the date on which notice that the full amount of such moneys has been received is duly given to the Certificateholders in accordance with Condition 17;

**"Requested Fungible Notional"** means, in relation to a Company Investment Subscription Date, the aggregate value of the Certificates which the Dealer wishes to purchase per investor on a Company Investment Subscription Date;

**"Secured Certificateholders"** means the Certificateholders of Secured Certificates;

**"Secured Series"** means a Series of Secured Certificates;

**"Secured Series Custodian Certificates"** means the Custodian Certificates in respect of Secured Certificates;

**"Share NAV"** means the most recently available published net asset value of the Shares determined by or on behalf of the Company;

**"Shares"** means, for each particular Series, the shares or interests in a Company that have been specified in the Supplement relating to that Company which will be referenced in a Swap or Swaps and/or which the Issuer has acquired from the net proceeds of sale of the Certificates or of resale of the Custodian Certificates;

**"Specified Currency"** means the currency specified in the Final Terms or, if none is specified, the currency in which the Certificates are denominated, which shall be the same currency as the Shares related to such Certificates are denominated;

**"Subscription Conditions Precedent"** means the conditions precedent to the issue of the Certificates and purchase of Custodian Certificates on a Company Investment Subscription Date as set out in the Dealer Agreement;

**"Swap"** means a total return swap entered into with the Swap Counterparty which references the Shares of the Company and whereby the Issuer obtains exposure to the Shares;

**"Swap Counterparty"** means Morgan Stanley & Co. International plc;

**"Tax Event"** means that the Issuer is or would be required by law, or is expected at any time, to withhold or account for any tax on any payment to be made by it on or in connection with the Certificates or would suffer, or expects to at any time suffer, or is expected at any time to suffer, tax in respect of its income or its investments or receivables;

**"Transaction Fees"** means a percentage per annum (as specified in the Final Terms) of the Certificate Price which is calculated and accrued on a daily basis. The Transaction Fees will be deducted by the Calculation Agent from the Certificate Buyback Amount

and/or the Certificate Redemption Amount, as applicable, upon a voluntary repurchase and/or final redemption, as applicable, and be paid to the Dealer as soon as reasonably practicable thereafter;

**"Unsecured Certificateholders"** means the Certificateholders of Unsecured Certificates;

**"Unsecured Series"** means a Series of Unsecured Certificates; and

**"Unsecured Series Custodian Certificates"** means the Custodian Certificates in respect of Unsecured Certificates.

## 2. FORM AND TITLE

The Certificates are issued in Series (each a **"Series"**) in registered form, serially numbered, in nominal amounts of US\$1.00 each (or its equivalent in other currencies rounded upwards as agreed between the Issuer and the Dealer). The minimum value of Certificates that can be subscribed for by an investor shall be an amount in US\$ (or the equivalent in other currencies) such that the equivalent amount in Euros as at the date of such subscription or transfer shall be €100.000.

An existing Certificateholder may subsequently subscribe for any number of additional certificates. If a new investor were to purchase Certificates on a date other than the issue date for such certificates from the Issuer or through the secondary market, then such investor will have to subscribe for a sufficient number of Certificates so that the purchase price payable therefor will be the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 or more.

*The Certificates are not issuable in bearer form.*

The Certificates are represented by registered definitive certificates (**"Definitive Certificates"**), serially numbered, each Definitive Certificate representing a holding of one or more Certificates by the same holder.

Title to the Certificates shall pass by registration in the register (the **"Register"**) that the Issuer shall procure to be kept by the Registrar in accordance with the Agency Agreement.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Certificate shall be deemed to be and may be treated by the Issuer, the Note Trustee, the Security Trustee, if applicable, and the Paying Agent as the absolute owner of such Certificate for the purpose of receiving payment thereon or on account thereof and for all other purposes, whether or not such Certificate shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

## 3. TRANSFERS OF CERTIFICATES

### (a) Transfer of Certificates

Provided that the minimum value of Certificates transferred by a Certificateholder is the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 and such Certificateholder does not hold Certificates with an aggregate value of less than the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 following such transfer, Certificates may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Definitive Certificate representing such Certificate to be transferred, together with the form of transfer endorsed on such Definitive Certificate (or another form of transfer substantially in the same form and containing the same representations and certificates (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as

the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Certificates represented by one Definitive Certificate, a new Definitive Certificate shall be issued to the transferee in respect of the part transferred and a further new Definitive Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Certificates and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Certificateholder upon request.

The Registrar shall as soon as practicable inform the Issuer on any amendment made to the Register.

**(b) Exercise of a partial repurchase of Certificates**

In the case of the Issuer agreeing to a partial repurchase of a holding of Certificates represented by a single Definitive Certificate, a new Definitive Certificate shall be issued to the holder to reflect the balance of the holding not repurchased. New Definitive Certificates shall only be issued against surrender of the existing Definitive Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Certificates to a person who is already a holder of Certificates, a new Definitive Certificate representing the enlarged holding shall only be issued against surrender of the Definitive Certificate representing the existing holding.

**(c) Delivery of new Definitive Certificates**

Each new Definitive Certificate to be issued pursuant to Conditions 3(a) or (b) shall be available for delivery within five business days of receipt of the form of transfer or repurchase request and/or surrender of the Definitive Certificate. Delivery of the new Definitive Certificates shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, repurchase request or Definitive Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, repurchase request or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c) "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

**(d) Exchange free of charge**

Exchange and transfer of Definitive Certificates on registration, transfer or partial repurchase shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it.

**(e) Closed periods**

No Certificateholder may require the transfer of a Certificate to be registered for one or more Certificates (i) during the period of 15 days ending on the due date for redemption of that Certificate or (ii) after any such Certificate has been called for repurchase or redemption.

#### 4. STATUS, SECURITY AND ASSETS OF THE ISSUER

##### (a) Status

The Certificates constitute limited recourse obligations of the Issuer and are secured or unsecured (as specified in the Final Terms), ranking *pari passu*, without any preference among themselves, (which, in the case of Secured Certificates, are secured in the manner described in this Condition 4) and recourse in respect of which is limited as described in Condition 13.

##### (b) Mortgaged Property

If it is stated in the Final Terms that the Certificates are Secured Certificates then, unless otherwise specified in the Supplemental Trust Deed, the obligations of the Issuer to the Note Trustee and the Secured Certificateholders under the Trust Deed and the Secured Certificates are secured by the following charges and/or assignments (the “**Security**”) granted in favour of the Security Trustee pursuant to the Trust Deed and subject to the provisions of this Condition 4:

- (i) a first fixed charge over, and/or assignment of, (A) the assets and/or other property of the Issuer specified as such in the Supplemental Trust Deed (the “**Collateral**”), (B) all proceeds of, income from and sums arising from the Collateral, (C) all rights attaching to or relating to the Collateral including without limitation any right to delivery of such securities 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 and (D) all assets and property hereafter belonging to the Issuer and deriving from such assets or the rights attaching thereto;
- (ii) an assignment by way of first fixed security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent that such rights relate to sums held to meet payments due in respect of the Certificates, and a first fixed charge over all sums held by the Paying Agent to meet payments due in respect of the Certificates or by the Issuer in relation to the Collateral; and
- (iii) an assignment by way of first fixed security of the Issuer’s rights, title and interest under any agreement by which the Issuer purchases the Collateral and/or under the Swap.

The assets described in (i), (ii) and (iii) above are together referred to herein as the “**Mortgaged Property**”.

Cash flows generated by the Mortgaged Property will be utilised by the Issuer in making payments due in respect of the Secured Certificates.

##### (c) Unsecured Series Property

If it is stated in the Final Terms that the Certificates are Unsecured Certificates then, unless otherwise specified in the Supplemental Trust Deed, the obligations of the Issuer to the Note Trustee and the Unsecured Certificateholders and the Unsecured Certificates are not secured and instead the Unsecured Certificates will rely for their payment on *inter alia* and, in the case of (iv) below have the benefit of, the contractual rights of the Issuer in respect of:

- (i) (A) the assets and/or other property of the Issuer specified as such in the Trust Deed (the “**Underlying Assets**”), (B) all proceeds of, income from and sums arising from the Underlying Assets, (C) all rights

attaching to or relating to the Underlying Assets including without limitation any right to delivery of such securities 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 and (D) all assets and property hereafter belonging to the Issuer and deriving from such assets or the rights attaching thereto;

- (ii) the Issuer's rights, title and interest under the Agency Agreement, to the extent that such rights relate to sums held to meet payments due in respect of the Certificates, and all sums held by the Paying Agent to meet payments due in respect of the Certificates or by the Issuer in relation to the Underlying Assets;
- (iii) the Issuer's rights, title and interest under any agreement by which the Issuer purchases the Underlying Assets and/or under the Swap; and
- (iv) the Issuer's rights, title and interest under the terms and conditions of other certificates of other series which limit the recourse of the certificateholders of such other series.

The assets described in (i), (ii), (iii) and (iv) above are together referred to herein as the **"Unsecured Series Property"**.

Cash flows generated by the Unsecured Series Property will be utilised by the Issuer in making payments due in respect of the Certificates though no security will be taken over any such Unsecured Series Property.

(d) **Balancing Amounts**

Following the sale of Certificates to the Dealer for on sale to Certificateholders and the determination by the Calculation Agent of the Balancing Amounts (if any), any Balancing Amounts payable to the Dealer will be retained by the Issuer.

(e) **Custodian Certificates**

On the Issue Date, the Issuer will repurchase the number of Certificates stated in the Final Terms from the Dealer at their issue price. The Certificates so repurchased by the Issuer will be held by the Certificate Custodian on behalf of the Issuer on or about the date in which they are repurchased. Custodian Certificates carry no voting rights, do not bear interest and no amount of interest or principal is payable thereon and are not secured by any property.

(f) **Conditions Precedent to sale of Certificates after the Issue Date**

On any Business Day after the Issue Date of a Series the Issuer may sell, via the Dealer, to existing or new Certificateholders further Certificates in such Series on the next Company Investment Subscription Date (by transferring Custodian Certificates which upon transfer will become Certificates with all the rights that the other Certificates have), subject to the following conditions and provided that:

- (1) the Company continues to accept new subscription requests for the amount of Shares which may be purchased using the proceeds of sale of such Custodian Certificates;
- (2) the Calculation Agent has confirmed that the Issuer is expected on the next Company Investment Subscription Date to have a sufficient number of Custodian Certificates available for purchase to meet each individual Certificateholder's request;

- (3) the Subscription Conditions Precedent have been satisfied; and
- (4) the Requested Fungible Notional is equal to or greater than the US\$ equivalent (or the equivalent in other currencies), at such time, of €100,000 (or such other greater amount as may be agreed between the Calculation Agent and the Dealer).

On a Business Day on which the Dealer has requested the Sale of Custodian Certificates, the Issuer will direct the Certificate Custodian to sell to the Dealer for on-sale to the existing or new Certificateholders and the Dealer will agree to purchase on the following Company Investment Subscription Date such number of Custodian Certificates as the Calculation Agent in its sole discretion may determine following publication of the Share NAV on the relevant Company Investment Subscription Date, and the Dealer will pay to the Certificate Custodian no later than 2pm on the date falling two Company Business Days prior to such Company Investment Subscription Date an amount equal to the Requested Fungible Notional and the Certificate Custodian will remit such amount promptly to the Company on behalf of the Issuer.

The Custodian Certificates being sold will be sold to the Dealer at the Certificate Price as of the relevant Company Investment Subscription Date and will cease to be Custodian Certificates as of such date.

The total number of Custodian Certificates sold to the Dealer as of any Company Investment Subscription Date will be equal to the number of Shares that have been subscribed for by the Issuer on such date and/or, if applicable, the number of Shares referenced in the Swap entered into by the Issuer in respect of the Shares, as determined by the Company Administrator (such number, the “**Additional Certificate Number**”).

If the product of the Additional Certificate Number and Certificate Price as of the relevant Company Investment Subscription Date is less than an amount in US dollars equivalent of the Requested Fungible Notional (such difference, a “**Balancing Amount**”), then any Balancing Amount due to the Dealer on behalf of the Certificateholders shall be retained by the Issuer.

(g) **Enforcement of the Security**

If the Certificates are Secured Certificates (other than the Secured Series Custodian Certificates), the Security will become enforceable upon the Note Trustee giving an Enforcement Notice (as defined in Condition 12) to the Issuer and the Security Trustee. If the Security has become enforceable, the Security Trustee shall enforce the Security if directed to do so in writing by the Note Trustee, as directed in writing by the Certificateholders holding one-quarter of the aggregate principal amount of the Certificates then outstanding or as directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Certificates, subject to the Note Trustee and the Security Trustee having been indemnified and/or secured and/or prefunded to their satisfaction. To the extent that the Note Trustee and the Security Trustee act in accordance with the directions of the Certificateholders provided as described above, neither the Note Trustee nor the Security Trustee shall have any obligation to take the interests of any other party into account or to follow any direction given by any other party and shall have no liability to any person for acting on such instructions.

Upon enforcement of the Security, the Custodian Certificates will be cancelled and no payment thereon will be due.

(h) **Application of proceeds**

(i) **Enforcement, Mandatory Redemption, Acceleration**

On the occurrence of a Mandatory Redemption Event pursuant to Condition 7(b), and on enforcement of the Security (solely in the case of Secured Certificates) and/or acceleration of the Certificates following the occurrence of an Event of Default, moneys available for distribution shall be applied in or towards satisfaction of the following amounts in the following order of priority:

- (1) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Note Trustee and, in the case of the Secured Certificates only, the Security Trustee or any receiver in preparing and executing the trusts in the Trust Deed in relation to the Certificates and in carrying out their functions under the Trust Deed (including any taxes required to be paid, (solely in the case of Secured Certificates) the costs of realising any security, and the Note Trustee's and/or the Security Trustee's remuneration) to the extent not paid pursuant to the Expenses Agreement;
- (2) secondly, to pay the fees, costs, charges, expenses and liabilities incurred by the Agents in carrying out their functions under the Agency Agreement to the extent not paid pursuant to the Expenses Agreement;
- (3) thirdly, rateably in meeting the claims (if any) of the Certificateholders. If the moneys received are not enough to pay such amounts in full, such amounts shall be applied *pro rata* on the basis of the amount due to each party entitled to such payment;
- (4) fourthly, in payment of the balance (if any) to the Issuer.

(ii) **Early repurchase**

On an early repurchase of the Certificates pursuant to Condition 7(c), the Issuer will repurchase each certificate at the Certificate Buy-Back Amount within two Company Business Days of the Purchase Date or such other date set out in Condition (7(c)).

(i) **Shortfall after application of proceeds**

If the net proceeds of (i) in the case of Secured Certificates, the Security being enforced and liquidated in accordance with the Trust Deed or (ii) in the case of Unsecured Certificates, the liquidation of the Unsecured Series Property are not sufficient, after payment of the claims (if any) ranking in priority to the Certificates, to cover all payments due in respect of the Certificates, the obligations of the Issuer in respect of the Certificates will be limited to such net proceeds and such net proceeds shall be applied in accordance with the Trust Deed and no other assets of the Issuer will be available for any further payments in respect of the Certificates. The right to receive any further payments in respect of any shortfall remaining after enforcement of the Security or liquidation of the Unsecured Series Property, as applicable, and application of the proceeds thereof in accordance with the Trust Deed shall be extinguished and failure to make any payment in respect of any shortfall shall in no circumstances constitute an Event of Default (as defined in Condition 12).



## 5. COVENANTS OF THE ISSUER

Save as provided in or contemplated by the Relevant Agreements or the Alternative Programme Agreements, with the prior written consent of the Note Trustee, the Issuer shall not, so long as any Certificate remains outstanding (as defined in the Trust Deed):

- (a) use, invest, sell, transfer, exchange, factor, assign, lease, hire out, lend or dispose of, or otherwise deal with, any of its property or assets or any interest therein or grant any option or right to acquire the same or agree or attempt or purport to do any of the same;
- (b) lend money;
- (c) purchase, own lease or otherwise acquire any real or heritable property (including office premises or like facilities);
- (d) (1) create or permit to exist upon or effect any mortgage, charge, pledge, lien or other encumbrance whether fixed, floating or otherwise, upon the whole or any part of its property or assets, present and future other than in any case as may arise by operation of law or (2) sign, file or register under applicable law any mortgage, debenture or the like which names the Issuer as debtor, or sign or enter into any security agreement authorising any secured party thereunder to file or register such mortgage, debenture or the like, except, in relation to (1) and (2) above in the case of the Secured Certificates, any such instrument solely securing the rights and preserving the security of the Security Trustee;
- (e) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (f) consolidate with or merge with or into any other person or convey or transfer its properties or assets substantially in their entirety to any person;
- (g) have, form or cause to be formed any subsidiary or have any employees or premises;
- (h) issue any further shares, or issue any warrants or options in respect of shares, or securities convertible into or exchangeable for shares;
- (i) issue any certificates in respect of which the recourse of the Certificateholders is not limited to Series Property (as defined in the relevant final terms);
- (j) declare or pay any dividend (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer) or make any other distribution to the holders of any of its shares;
- (k) open, operate or have an interest in any bank account relating to the Certificates, save as may be contemplated by the Relevant Agreements;
- (l) permit the validity or effectiveness of any of the Relevant Agreements, or, in the case of Secured Certificates, the priority of the security interests created thereby, to be amended, terminated or discharged, or consent to any variation of, or exercise of any powers of consent or waiver pursuant to the terms of, the Trust Deed, these Conditions or any of the other Relevant Agreements, or permit any party to any of the Relevant Agreements or, in the case of Secured Certificates, any other person whose obligations form part of the Security to be released from such obligations, or, in the case of Secured Certificates, dispose of any interest in any of the Security;
- (m) approve, sanction or propose any amendment to its constitutional documents; or

- (n) engage in any activity that could cause it to become subject to any tax on its income in any jurisdiction (other than at a rate of zero per cent.).

In giving any consent to the foregoing in respect of Certificates, the Note Trustee may require the Issuer to make such modifications or additions to the provisions of any of the Relevant Agreements (and may itself consent thereto on behalf of the Certificateholders) or may impose such other conditions or requirements as the Note Trustee may deem expedient (in its absolute discretion) in the interests of the Certificateholders and may rely on any written confirmation from the Issuer as to the matters contained therein. Any modification or additions to the provisions of any of the Relevant Agreements shall be binding on the Certificateholders of such Series.

## **6. INTEREST**

The Certificates will not bear interest.

## **7. REDEMPTION**

### **(a) Final redemption**

Unless previously redeemed as provided in this Condition, the Issuer will redeem each Certificate in an amount per Certificate equal to the Certificate Redemption Amount on the Maturity Date.

The Issuer may not redeem any Certificate in whole or in part prior to the Maturity Date except as provided in Conditions 7(b) and (c).

With respect to the Maturity Date the Issuer will request the realisation of the Shares and/or request payments under the Swap, if applicable, in sufficient time to allow the Company to redeem or realise the underlying assets by the Maturity Date so that the only amount payable in respect of the Certificates on the Maturity Date shall be the Certificate Redemption Amount. If any amounts are received by the Issuer after the Maturity Date then such amounts shall be retained by the Issuer available for distribution to its shareholders for the benefit of The Oder Capital Charitable Trust.

All Custodian Certificates outstanding (as defined in the Trust Deed) on the Maturity Date shall be cancelled.

### **(b) Mandatory early redemption**

If:

- (i) at any time prior to the Maturity Date, if it is specified in the relevant Final Terms that the Issuer may determine in its sole discretion to redeem all Certificates and the Issuer so determines; or
- (ii) at any time prior to the Maturity Date, the Calculation Agent determines that an Early Termination Event has occurred which it does not waive; or
- (iii) at any time prior to the Maturity Date, an additional Early Termination Event as set out in the relevant Final Terms for such Certificates occurs

(each, a “**Mandatory Redemption Event**”) then all of the Certificates which are in issue at such time will be redeemed and the remaining Custodian Certificates will be cancelled.

If, at the time of such Mandatory Redemption Event, there were purchasers who were to purchase new Certificates on a date after the occurrence of the Mandatory Redemption Event and consequently the Dealer was to request a

transfer of Custodian Certificates, then such transfer of Custodian Certificates shall be cancelled and the subscription for new Certificates shall not take place.

Upon the occurrence of a Mandatory Redemption Event, the Issuer shall forthwith give not more than two Company Business Days' prior notice (or such other notice period as indicated in the Trust Deed) of the date of such mandatory redemption (the "**Redemption Date**") to the Note Trustee, the Swap Counterparty (if applicable), the Certificateholders and the Paying Agent (which notice shall be irrevocable). The Issuer will pay any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, and then redeem the Certificates in an amount per Certificate equal to the Certificate Redemption Amount on the date falling two Company Business Days after the Redemption Date (or such other number of days specified in the Final Terms) subject to the Issuer having received the proceeds of realisation of the Shares and/or the payments under the Swap (if applicable) one Company Business Day after such Redemption Date. If receipt of the proceeds of realisation of the Shares and/or the payments under the Swap (if applicable) is delayed the redemption of the Certificates will be effected within two Company Business Days of receipt thereof. If the Issuer subsequently receives, within 60 days of the Redemption Date, further amounts from the Company from the realisation of Shares and/or payments under the Swap (if applicable) in respect of the Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts (such payment, a "**Supplemental Redemption Amount**").

No payment will be made in respect of the Certificates until any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, has been paid in full.

No payment will be made in respect of Custodian Certificates.

The following events shall each constitute an "**Early Termination Event**", in each case as determined by the Calculation Agent and if it determines this is material for the purposes of the Certificates:

- (i) the occurrence of a Tax Event or an Illegality;
- (ii) the currency of the Shares and/or its net asset value is no longer calculated in the Specified Currency;
- (iii) the Company Administrator fails to calculate and publish the Share NAV for one week or more or the Share NAV is not published in accordance with the procedures prevailing as of the Issue Date;
- (iv) the Company introduces a redemption fee or subscription fee, or any other fee not otherwise payable on the Issue Date under the Company offering document that a holder of a Share has to bear;
- (v) there is a change in tax treatment which could have an adverse economic impact for a holder of a Share;
- (vi) the Company is closed or an investor is unable to purchase or sell Shares on a daily basis;
- (vii) the Company is wound up or terminated or any regulatory approval or registration is cancelled or is under review (due to wrongdoing, breach of any rule or regulation or other reason);

- (viii) the occurrence of any event or circumstance (whether or not in accordance with the rules of the Company) which obliges a holder of a Share to sell or dispose of such Share;
- (ix) the Issuer advises that it is unable, after using commercially reasonable efforts, or would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to:
  - (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Certificates; or
  - (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);
- (x) any event occurs that the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines may have a materially detrimental effect on the risk profile of the Certificates for the Issuer;
- (xi) there is a declaration by or on behalf of the Company of an actual or proposed compulsory termination or redemption of or any dividend or distribution in respect of the Shares;
- (xii) the suspension by the Company of acceptance of subscriptions or redemptions for Shares whether or not in accordance with the Company Documents;
- (xiii) an order has been made or an effective resolution passed for the winding up, dissolution or termination of the Company Trading Adviser, the Company Manager, the Swap Counterparty (if applicable) or any of their respective affiliates;
- (xiv) the Company is dissolved or ceases to exist or circumstances occur that will cause it to be dissolved or cease to exist;
- (xv) any action, condition or circumstance necessary to enable the Company to lawfully enter into, exercise its rights and perform and comply with its obligations has not been taken, fulfilled or completed or has been cancelled;
- (xvi) any action, suit, proceeding, inquiry or investigation has been taken or brought, or is pending, by any court, governmental or regulatory body or agency against the Company or any authorised representative or any affiliate of the Company Trading Adviser or the Company Manager;
- (xvii) the Shares are reclassified, the Company is consolidated, amalgamated or merged with another company whose investment objectives, risk profile and/or investment objectives are different to those of the Company at the Issue Date or a resolution is proposed to effect any such reclassification, consolidation, amalgamation or merger;
- (xviii) there is (i) a transfer or an irrevocable commitment to transfer all of the Shares or the shares in the Company Trading Adviser or the Company Manager to another entity or person, (ii) a consolidation, amalgamation or merger of the Company or the Company Trading Adviser or the Company Manager with or into another entity or person (other than a consolidation, amalgamation or merger in which the Company or the Company Trading Adviser or the Company Manager, as applicable, is

the continuing entity and which does not result in a reclassification or change of all of the Shares or the shares in the Company Trading Adviser or the Company Manager, as applicable), or (iii) a takeover offer, tender offer, exchange offer, solicitation or other event by any entity or person to acquire all of the Shares or the shares in the Company Trading Adviser or the Company Manager;

- (xix) a change in law that requires the imposition, deduction of withholding tax which increases the effective dealing costs of subscribing for, holding, or redeeming the Shares;
- (xx) a change in law, taxation or regulation, including capital adequacy or similar requirements, or in the constitution of the Company occurs or is likely to occur which may have a material adverse effect on (i) the ability of an investor to hold, purchase, sell or redeem Shares (ii) the costs that are or will be incurred by an investor in purchasing, selling, holding or redeeming Shares or (iii) the value of the Shares;
- (xxi) any event has occurred which is likely to have a material adverse effect on the solvency or liquidity of the Company and/or the Shares, including, but not limited to, any material litigation concerning the Company which involves any holder(s) of Shares;
- (xxii) the making of any material reservation, warning and/or provision in an audit report of the Company (whether generally or in respect of any class or series of shares or units) by the auditor of the Company;
- (xxiii) there is an actual or proposed change to the investment strategy being pursued by the Company in respect of the Shares;
- (xxiv) there is an actual or proposed material change to the Company Documents;
- (xxv) the Company is in breach of the Company Documents or any investment guidelines or either the Company Trading Adviser or the Company Manager is in breach of its investment management agreement (howsoever described) with the Company;
- (xxvi) the appointment of the Dealer pursuant to the Dealer Agreement has been terminated;
- (xxvii) any other event or circumstance exists or occurs in relation to the Company, the Shares, agents or service providers of the Company, the Swap or the Certificates which the Calculation Agent determines is analogous to any other Early Termination Event and/or has or may have a material adverse effect on the Company, the Shares or the Certificates;
- (xxviii) any additional Early Termination Event set out in the Final Terms.

Upon the occurrence of any Early Termination Event the Calculation Agent shall notify the Issuer, the Note Trustee and the Security Trustee in writing of such occurrence. The Note Trustee and the Security Trustee shall be entitled to rely on such notice without liability to any person. Neither the Note Trustee nor the Security Trustee shall be under any duty to monitor whether an Early Termination Event has occurred and in the absence of express notice to the contrary from the Calculation Agent shall assume no such event has occurred and shall have no liability to any person for doing so.

(c) **Early repurchase**

If a Certificateholder or Certificateholders request repurchase by the Dealer and the Dealer requests the Issuer to repurchase on no less than one Company Business Day's notice, the Issuer may agree in its sole discretion to repurchase one or more Certificates on a Company Business Day (each, a "**Purchase Date**"). On the date on which the Issuer receives notice of such repurchase request, the Calculation Agent will request the Company to redeem a number of Shares and/or request the Swap Counterparty make a payment under the Swap in respect of a number of Shares equal to the number of Certificates being repurchased by the Issuer.

The Certificates repurchased on such Purchase Date shall be repurchased in an amount per Certificate equal to the Certificate Buy-back Amount. Payment will be made to the Certificateholders two Company Business Days after the Purchase Date (or such other number of days specified in the Final Terms), subject to the Issuer having received the proceeds of realisation of the Shares and/or the payments under the Swap (if applicable) one Company Business Day after such Purchase Date. If receipt of the proceeds of realisation and/or the payments under the Swap (if applicable) is delayed the repurchase of the Certificates will be effected within two Company Business Days of receipt thereof by the Issuer.

If, in respect of any Certificates repurchased prior to the Maturity Date, the Issuer subsequently receives, within 60 days of the Purchase Date of such Certificates, further amounts from the Company from the realisation of Shares and/or payments under the Swap (if applicable) in respect of such Certificates, then the Issuer will pay to the former Certificateholders their pro rata share of any such amounts. Any amounts received by the Issuer from the Company or the Swap Counterparty after such 60 days will be retained by the Issuer.

No more than one repurchase request may be made by the Dealer to the Issuer in relation to the same Purchase Date.

**8. SUBORDINATION**

No payment may be made to the Certificateholders on the Maturity Date until any amount due and payable to the Note Trustee and/or the Security Trustee and/or the Agents, to the extent not paid pursuant to the Expenses Agreement, has been paid in full.

On any date on which all of the Certificates are to be redeemed, if the liquidated proceeds of realisation of the Collateral, in the case of Secured Certificates, or the Underlying Assets, in the case of Unsecured Certificates being realised (the "**Realised Value**") does not exceed the sum of (i) amounts due and payable to the Note Trustee and/or the Security Trustee and/or the Agents (to the extent not paid pursuant to the Expenses Agreement), and (ii) the Certificate Redemption Amount multiplied by the number of Certificates outstanding, then the amount payable to the relevant Certificateholders per Certificate will be equal to the Realised Value minus the amounts due and payable to the Note Trustee and/or the Security Trustee and/or the Agents (to the extent not paid pursuant to the Expenses Agreement), divided by the Number of Certificates in issue on the redemption date of the Certificates whereupon the Certificateholders shall have no further claims against the Issuer (save, in the case of a Mandatory Redemption Event, in respect of the Supplemental Redemption Amount). If the proceeds of the redemption of the Collateral, in the case of Secured Certificates, or the Underlying Assets, in the case of Unsecured Certificates on such date exceed the amount (if any) payable to the Note Trustee, the Security Trustee (if applicable), the Agents, the Certificateholders and the Dealer, then each Certificate will be redeemed in an amount per Certificate equal to the Certificate Redemption Amount and the Certificateholders shall have no further claims against the Issuer (save, in the case of a

Mandatory Redemption Event, in respect of the Supplemental Redemption Amount). Any excess proceeds (if any) remaining after such payments shall be retained by the Issuer.

## **9. PAYMENTS**

### **(a) Method of payment**

Payments of principal will be by credit or transfer to a US dollar account specified by the payee or if in a currency other than US dollars then to an account specified by the payee in the Specified Currency.

### **(b) Payments against presentation and surrender**

Payments of principal in respect of Certificates will (subject as provided below) be made in the manner provided in Condition 9(a) against presentation and surrender of the relevant Certificates at the specified office of any Paying Agent, Transfer Agent or of the Registrar.

### **(c) Payments subject to fiscal law**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 10.

### **(d) Appointment of agents**

The Paying Agent initially appointed by the Issuer and its specified office is set out in the introductory paragraphs to these conditions. The Paying Agent, the Registrar, the Calculation Agent and the Certificate Custodian act solely as agents of the Issuer (unless, in the case of Secured Certificates, an Event of Default has occurred or may with the lapse of time or the giving of notice occur, when such agents may act as agents of the Note Trustee if so notified by the Note Trustee) and do not assume any obligation or relationship of agency or trust for or with any Certificateholder. The Issuer reserves the right at any time with the prior written approval of the Note Trustee to vary or terminate the appointment of the Paying Agent, the Registrar, the Calculation Agent or the Certificate Custodian and to appoint additional or other paying agents, registrars, calculation agents or certificate custodians provided that the Issuer will at all times maintain (i) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to EU Council Directive 2003/48/EC which was adopted on 3 June 2003, (ii) a Registrar, (iii) a Calculation Agent and (iv) a Certificate Custodian.

Notice of any such change or any change of any specified office will promptly be given to the Certificateholders in accordance with Condition 17.

### **(e) Non-business days**

If the due date for payment of any amount in respect of any Certificate is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

### **(f) Payment contingent on receiving proceeds of realisation**

For the avoidance of doubt, the redemption of the Certificates is contingent on the Issuer receiving proceeds of realisation of the Shares and/or payments under the applicable Swap.

## **10. TAXATION**

### **(a) Payment net of Taxes**

All payments in respect of the Certificates by or on behalf of the Issuer shall be made net of withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of or any political subdivision or any authority thereof or therein having power to tax.

### **(b) Certificateholder Expenses**

A Certificateholder must pay all Certificateholder Expenses relating to Certificates held by or being exercised by it as a condition precedent to receiving any amount in respect of the Certificates and the Issuer is entitled to deduct all relevant Certificateholder Expenses from any such payment to be made by it under the Certificates. As used herein "**Certificateholder Expenses**" means, in respect of a Certificate, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with (a) the exercise of such Certificate and/or (b) any payment due following exercise or otherwise in respect of such Certificates.

### **(c) Implementation of Financial Transaction Tax.**

If "Implementation of Financial Transaction Tax" is specified in the applicable Final Terms to be applicable to any Series, then upon the occurrence of an Implementation of Financial Transaction Tax, the Issuer may (i) in its sole discretion, with immediate effect amend the Conditions of the Certificates by adjusting downward any amount payable and/or any other value or term of the Conditions to account for the economic impact of the Implementation of Financial Transaction Tax on the Issuer and its Affiliates in relation to the Certificates, and (ii) to the extent that at any time thereafter the Issuer determines (acting in good faith and in a commercially reasonable manner) that it (including its Affiliates) has incurred additional loss as a result of the Implementation of Financial Transaction Tax that has not been accounted for through the adjustment made pursuant to sub-paragraph (i) (such amount, "**Additional Increased Tax**"), it may reduce the amount otherwise payable on the Certificates on the next payment date (and any payment date thereafter) by an amount up to the Additional Increased Tax amount. Any such adjustments shall be notified to Certificateholders as soon as reasonably practicable.

## **11. PRESCRIPTION**

Claims against the Issuer for payment in respect of the Certificates shall be prescribed and become void unless made within ten years from the appropriate Relevant Date in respect thereof.

## **12. EVENTS OF DEFAULT**

If any of the following events (each an "**Event of Default**") shall occur, the Note Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter of the aggregate principal amount of the Certificates then outstanding or if so directed by an Extraordinary Resolution of the Certificateholders (subject, in each case, to being indemnified and/or secured and/or prefunded to its satisfaction) shall, give notice (an "**Enforcement Notice**") to the Issuer and, in the case of Secured Certificates, the Security Trustee that the Certificates are, and each Certificate shall accordingly forthwith become immediately due and payable and any Custodian Certificates



outstanding on such date shall be cancelled and, in the case of Secured Certificates only, the Security shall become enforceable.

(a) **Non-payment**

the Issuer fails to pay any amount due in respect of the Certificates within seven days following receipt by the Issuer of the redemption proceeds of the Collateral or the Underlying Assets, as applicable, being redeemed to effect such redemption;

(b) **Breach of other obligations**

the Issuer fails to perform or comply with any one or more of its other obligations (other than a failure to perform or comply with obligations which failure, in the opinion of the Note Trustee, is not materially prejudicial to the Certificateholders) under the Certificates or the Trust Deed and (except where such failure is not in the opinion of the Note Trustee capable of remedy when no such notice as is hereinafter referred to shall be required) such failure shall continue for more than 30 days (or, if applicable, such longer period as the Note Trustee may permit) next following the service by the Note Trustee on the Issuer of notice requiring the same to be remedied;

(c) **Winding-up**

the Issuer, otherwise than for the purposes of such amalgamation or reconstruction as is referred to in paragraph (d) below, ceasing or, through an official action of the board of directors of the Issuer, threatening to cease to carry on business or being unable to pay its debts as and when they fall due;

(d) **Insolvency proceedings**

an order being made or an effective resolution being passed for the winding-up of the Issuer except a winding-up for the purposes of or pursuant to an amalgamation or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Certificateholders;

(e) **Insolvency**

proceedings being otherwise initiated against the Issuer under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition for an administration order) and such proceedings are not being disputed in good faith with a reasonable prospect of success, or a receiver, liquidator or other similar official being appointed in relation to the Issuer or in relation to the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer, or an encumbrancer taking possession of the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer, or a distress or execution or other process being levied or enforced upon or sued out against the whole or in the opinion of the Note Trustee any substantial part of the undertaking or assets of the Issuer and such possession or process (as the case may be) not being discharged or not otherwise ceasing to apply within 30 days, or the Issuer initiating or consenting to judicial proceedings relating to itself under applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or making a conveyance or assignment for the benefit of its creditors generally.

### **13. ENFORCEMENT**

Only the Note Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Certificateholders and, in the case of Secured Certificates, only

the Security Trustee may enforce the Security, and no Certificateholder is entitled to proceed against the Issuer unless the Note Trustee or the Security Trustee, as applicable, having become bound so to do, fails to take action against the Issuer or to enforce the rights of the Certificateholders or any of the Security, if applicable, within a reasonable time and such failure is continuing. Having realised the Security (in the case of Secured Certificates) or following liquidation of the Unsecured Series Property by the Issuer (in the case of Unsecured Certificates) and distributed the net proceeds in accordance with Condition 4, none of the Note Trustee, the Security Trustee, if applicable, or any Certificateholder may take any further steps against the Issuer to recover any sum still unpaid and any such liability shall be extinguished. In particular none of the Note Trustee, the Security Trustee, if applicable, the Certificateholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other certificates issued by the Issuer (save for any further certificates which form a single series with the Certificates) provided that the Note Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party and provided further that the Note Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

Neither the Note Trustee nor the Security Trustee shall be obliged to take any action, step or proceeding under these Conditions, the Trust Deed or any Relevant Agreement unless directed to do so pursuant to the terms of the Trust Deed and indemnified and/or secured and/or prefunded to its satisfaction.

Following such extinguishment, none of the Note Trustee, the Security Trustee, if applicable, the Certificateholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

#### **14. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATIONS, WAIVER AND SUBSTITUTION**

##### **(a) Meetings of Certificateholders**

The Trust Deed contains provisions for convening meetings of Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed, "**Extraordinary Resolution**") of a modification of any of the provisions of the Trust Deed, the terms and conditions of the Certificates or any Relevant Agreement. The quorum at any such meeting for passing an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Certificates for the time being outstanding or, at any adjourned meeting, two or more persons being or representing Certificateholders, whatever the principal amount outstanding of the Certificates so held or represented, except that, any modification relating to, *inter alia*, the details of the Security (if applicable) and the Series Assets, terms concerning the amount, currency and postponement of the due dates for payment of the Certificates, the provisions concerning the quorum required at any meeting of Certificateholders and the provisions concerning the majority required to pass an Extraordinary Resolution (such modification a "**Basic Terms Modification**") may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing at least two-thirds, or at any adjourned such meeting at least one-third, in principal amount of the Certificates for the time being outstanding. An Extraordinary Resolution passed

at any meeting of Certificateholders will be binding on all Certificateholders, whether or not they were present at such meeting.

**(b) Modifications and waiver**

The Note Trustee may agree, and, in the case of Secured Certificates, may direct the Security Trustee to agree without the consent of any of the Certificateholders, to:

- (i) any modification of any of the provisions of the Trust Deed or of any other Relevant Agreement which is in the opinion of the Note Trustee of a formal, minor or technical nature or is made to correct a manifest error; or
- (ii) any modification (except relating to a Basic Terms Modification), waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed or of any of the other Relevant Agreements which, in any such case, is not in the opinion of the Note Trustee materially prejudicial to the interests of all of the Certificateholders.

Any such determination, modification, authorisation or waiver shall be binding on both the Secured Certificateholders and the Unsecured Certificateholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Certificateholders as soon as practicable thereafter. Secured Certificateholders and Unsecured Certificateholders shall have no right of action against the Note Trustee if the Note Trustee agrees to any such modifications to the Relevant Agreements that affect either the Secured Certificateholders or the Unsecured Certificateholders.

**(c) Substitution**

Subject to such amendment of the Trust Deed and such other conditions as the Note Trustee may require, including in the case of the Secured Certificates the transfer of the Security, but without the consent of the holders of the Certificates, the Note Trustee may agree to and, in the case of Secured Certificates, may direct the Security Trustee to agree to the substitution of any other company or other entity in place of the Issuer as principal debtor under the Trust Deed, the Certificates (to the extent relevant) and the other Relevant Agreements. Such substitution shall be subject to the relevant provisions of the Trust Deed and the other Relevant Agreements and to such amendments thereof as the Note Trustee or the Issuer may deem appropriate. In the case of such a substitution the Note Trustee may agree, and, in the case of Secured Certificates, may direct the Security Trustee to agree without the consent of the holders of the Certificates, to a change of the law governing the Certificates, the Trust Deed and/or the other Relevant Agreements provided that such change would not in the opinion of the Note Trustee be materially prejudicial to the interests of the Certificateholders.

If another company or entity is substituted in place of the Issuer pursuant to these Conditions and the Trust Deed such substitute shall replace the Issuer as principal debtor under the Trust Deed and the Certificates and replace it under the Trust Deed and the other Relevant Agreements.

The Note Trustee may, without the consent of the Certificateholders, agree and, in the case of Secured Certificates, may direct the Security Trustee to agree to a change in the place of residence of the Issuer for taxation purposes provided the Issuer does all such things as the Note Trustee may require in order that such change in the place of residence of the Issuer for taxation purposes is fully

effective and complies with such other requirements in the interests of the Certificateholders as the Note Trustee may direct.

**15. INDEMNIFICATION OF THE NOTE TRUSTEE AND THE SECURITY TRUSTEE**

The Trust Deed contains provisions for the indemnification of the Note Trustee and the Security Trustee and for their relief from responsibility including for the exercise of any rights in respect of the Mortgaged Property (in the case of Secured Certificates), for the sufficiency and enforceability (which neither the Note Trustee nor the Security Trustee has investigated) of the Security (in the case of Secured Certificates) and for taking any actions, steps or proceedings to enforce the terms of the Certificates unless indemnified and/or secured and/or prefunded to its satisfaction. The Note Trustee, the Security Trustee and any of their affiliates are entitled to enter into business transactions with the Issuer, any obligor in respect of any of the Mortgaged Property or Unsecured Series Property or any of their respective subsidiaries, holding or associated companies without accounting to the Certificateholders for any profit resulting therefrom. Each of the Note Trustee and the Security Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Mortgaged Property or Unsecured Series Property and from any obligation to insure or to procure the insuring of the Mortgaged Property or Unsecured Series Property.

**16. REPLACEMENT OF DEFINITIVE CERTIFICATES**

If a Definitive Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and listing regulations, at the specified office of the Registrar on payment by the claimant of the taxes, fees and costs properly incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Definitive Certificate is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer may require. Mutilated or defaced Definitive Certificates must be surrendered before replacements will be issued.

**17. NOTICES**

Notices to the holders of Certificates shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

**18. FURTHER ISSUES**

**(a) Restrictions on further issues and transactions**

The Issuer may from time to time (without the consent of the Certificateholders) issue further Certificates (which may be consolidated and form a single series with any Series of Certificates if issued in accordance with Condition 18(b)) which are secured by or rely for their payment on *inter alia* (save in the case of further Certificates forming a single series with Custodian Certificates) assets of the Issuer other than any existing Mortgaged Property or any existing Unsecured Series Property and the Issuer's share capital and transaction fees and issued on terms that provide for the extinction of all claims in respect of such Certificates after application of the proceeds of enforcement of the security over or the liquidation of the assets on which such further Certificates are secured or rely for their payment on (as the case may be) and that prevent transaction creditors from taking steps to wind up the Issuer. Any such further Certificates shall be constituted by a Supplemental Trust Deed in respect of such Certificates.

(b) **Restrictions on fungible issues**

The Issuer may from time to time (without the consent of the Certificateholders) issue further Certificates that have, when issued, the same terms and conditions as the Certificates in all respects and that are consolidated and form a single series with the Certificates provided that in the case of a further issue of Secured Certificates only the Issuer provides additional security for such new Secured Certificates that comprises assets that are fungible with the Mortgaged Property.

**19. PURCHASE OF CERTIFICATES**

All Certificates repurchased by the Issuer may be cancelled, in which case the obligations of the Issuer in respect of any such Certificates shall be discharged. Absent such cancellation and notwithstanding any other provision of these Conditions, all Certificates held by or on behalf of the Issuer, shall be deposited with the Certificate Custodian and shall carry the same rights as Custodian Certificates.

**20. GOVERNING LAW**

- (a) The Certificates and any non-contractual obligations arising therefrom are governed by, and shall be construed in accordance with, English law.
- (b) No person shall have any right to enforce any term or condition of this Certificate by virtue of the Contracts (Rights of Third Parties) Act 1999.

## SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES WHILE REPRESENTED BY THE GLOBAL CERTIFICATE

The following is a summary of the provisions to be contained in the Global Certificate which will apply to, and in some cases modify, the Conditions of the Certificates while the Certificates are represented by the Global Certificate.

### Initial issue of Certificates

The Certificates will initially be represented by interests in a global certificate (the “**Global Certificate**”) registered in the Register in the name of a nominee for the common depositary for Euroclear or Clearstream, Luxembourg (the “**Common Depositary**”) and the Global Certificate shall be deposited with the Common Depositary. Each subscriber will be credited in the records of Euroclear or Clearstream, Luxembourg with a number of Certificates equal to the number thereof for which it has subscribed and paid.

Certificates that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Certificates that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### Relationship of accountholders with clearing systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Certificate represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the holder of the underlying Certificates in the Register and in relation to all other rights arising under the Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Certificates for so long as the Certificates are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Certificates in the Register in respect of each amount so paid.

### Exchange of Global Certificates for Definitive Certificates

The Global Certificate will be exchangeable in whole but not in part (free of charge to the holder) for Definitive Certificates only if any of the following events occurs or exists (each an “**Exchange Event**”):

- (a) an Event of Default (as set out in Condition 12) has occurred and is continuing: or
- (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or
- (c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Certificates in definitive form.

The Issuer will promptly give notice to Certificateholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Global Certificate, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Paying Agent and, in the case of (c) above, the Issuer may give notice to the Paying

Agent of its intention to exchange the Global Certificate for Definitive Certificates on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Global Certificate may or, in the case of (c) above, shall surrender the Global Certificate to or to the order of the Paying Agent. In exchange for the Global Certificate the Issuer will deliver, or procure the delivery of, an equal aggregate number of Definitive Certificates, security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Global Certificate, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant Definitive Certificate.

Registration of title to Certificates of a Series, specified in the Final Terms of such Series that such Certificates are to be held through a clearing system, in a name other than that of the nominee of Euroclear and Clearstream, Luxembourg will not be permitted unless an Exchange Event occurs.

For these purposes, “**Exchange Date**” means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for general business in the place in which the specified office of the Registrar is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

“**Accountholder**” means each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular number of Certificates.

### **Amendments to Conditions**

The Global Certificates contain provisions that apply to the Certificates that they represent, some of which modify the effect of the terms and conditions of the Certificates set out in this Base Prospectus. The following is a summary of certain of those provisions:

### **Payments**

No payment falling due after the Exchange Date will be made on any Global Certificate unless exchange for Definitive Certificates is improperly withheld or refused. All payments in respect of Certificates represented by a Global Certificate will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Certificates, surrender of that Global Certificate to or to the order of the Paying Agent. A record of each payment so made will be endorsed on each Global Certificate, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Certificates.

### **Prescription**

Claims against the Issuer in respect of Certificates that are represented by a Global Certificate will become void unless it is presented for payment within a period of 10 years from the appropriate due date therefor.

### **Meetings**

The holder of a Global Certificate shall (unless such Global Certificate represents only one Certificate) be treated as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders. All holders of Certificates are entitled to one vote in respect of each Certificate comprising such Certificateholder's holding, whether or not represented by a Global Certificate.

## **Cancellation**

Cancellation of any Certificate represented by a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Global Certificate.

## **Trustee's powers**

In respect of a Secured Series of Certificates, in considering the interests of Certificateholders while any Global Certificate is held on behalf of, and Certificates are registered in the name of any nominee for, a clearing system, the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Certificate and Certificates and may consider such interests as if such accountholders were the holders of the Certificates represented by such Global Certificate.

## **Notices**

So long as any Certificates are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, notices to the Certificateholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Certificate.



## **CLEARING AND SETTLEMENT**

Clearing and settlement of the Certificates will be effected in accordance with the operating procedures of Euroclear and Clearstream, Luxembourg.

### **Transfers within and between Euroclear and Clearstream Luxembourg**

So long as Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the holder of a Global Certificate for a series, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Certificates of such series represented by such Global Certificate for all purposes under the Trust Deed, the Agency Agreement and the Certificates. All payments in respect of Certificates represented by a Global Certificate will be made to Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the holder thereof. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Calculation Agent or the Dealer or any affiliate of any of the foregoing will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **Euroclear and Clearstream, Luxembourg**

Custodial and depositary links have been established with Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Certificates and cross-market transfers of the Certificates associated with secondary market trading.

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders and provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system.

Distributions of principal and any other amounts with respect to book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by Euroclear or Clearstream, Luxembourg from the Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

The holdings of book-entry interests in Certificates in Euroclear and Clearstream, Luxembourg will be reflected in the book-entry accounts of each such institution. Beneficial ownership in Certificates will be held through financial institutions as direct and indirect participants in Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Certificates, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Certificates. The Registrar will be responsible for maintaining a record of the aggregate holdings of Certificates registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, and/or holders of Certificates represented by Definitive Certificates. The Paying Agent will be

responsible for ensuring that payments received by it from the Issuer for holders of interests in the Certificates holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be. Payments to holders of Certificates represented by Definitive Certificates will be made in accordance with the Conditions.

The Issuer will not impose any fees in respect of the Certificates; however, holders of book-entry interests in the Certificates may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream, Luxembourg.

Interests in Global Certificates will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Certificates through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Certificates will be credited to Euroclear participant securities clearance accounts on the business day following the closing date against payment (for value the closing date), and to Clearstream, Luxembourg participant securities custody accounts on the closing date against payment in same day funds.

### **Trading between Euroclear and/or Clearstream, Luxembourg accountholders**

Secondary market sales of book-entry interests in the Certificates held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Certificates through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

The information in this section regarding the procedures of Euroclear and Clearstream, Luxembourg in order to facilitate the transfers of interests in the Certificates among participants of Clearstream, Luxembourg and Euroclear has been obtained from sources that the Issuer believes to be reliable but prospective investors are advised to make their own enquiries as to such procedures. None of Euroclear or Clearstream, Luxembourg is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Security Trustee, if applicable, the Registrar, the Paying Agent, the Dealer, or any affiliate of any of the foregoing will have any responsibility for the performance by Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

## ODER CAPITAL LIMITED

### General

The Issuer was incorporated in Jersey (registered number 110792) as a public company with limited liability under the Companies (Jersey) Law 1991 on 29 May 2012 for a period of unlimited duration.

Pursuant to an Instrument of Trust dated 24 May 2012, the entire issued share capital of the Issuer is held upon trust for charitable purposes by or on behalf of Crestbridge Corporate Trustees Limited in its capacity as trustee of The Oder Capital Charitable Trust (in such capacity, the **"Share Trustee"**), a company incorporated in Jersey. The registered office of the Share Trustee is 47 Esplanade, St Helier, Jersey JE1 0BD. The Share Trustee will have no beneficial interest in and derive no benefit (other than fees for acting as Share Trustee) from its holding of shares in the Issuer.

The objects of the Issuer are unrestricted.

### Registered Office and Telephone Number

The Issuer's registered office is at 47 Esplanade, St Helier Jersey JE1 0BD. The Issuer's telephone number is +44 (0)1534 835 600.

### Management

The Directors of the Issuer are:

Name	Principal Occupation
Elizabeth Ann Mills	Trust Company Director
David Richard King	Trust Company Director

### DESCRIPTION OF DIRECTORS' INTERESTS

Affiliates of the Directors of the Issuer provide ongoing administrative services to the Issuer at commercial rates.

The business address of each of the Directors of the Issuer is 47 Esplanade, St Helier, Jersey JE1 0BD.

The secretary of the Issuer is Crestbridge Corporate Services Limited of 47 Esplanade, St Helier, Jersey JE1 0BD.

Crestbridge Corporate Services Limited (in such capacity, the **"Corporate Administrator"**) provides administration services to the Issuer pursuant to a corporate administration agreement dated 29 June 2012 (the **"Corporate Administration Agreement"**) made between the Issuer, the Corporate Administrator and the Share Trustee.

### Business

The Issuer has undertaken that, so long as any of the Certificates remains outstanding, it will not, without the prior consent in writing of the Note Trustee incur any other indebtedness for borrowed moneys or engage in any business (other than transactions contemplated by this Base Prospectus), declare any dividends (other than a dividend of up to US\$750 per Series or other series under alternative programmes of the Issuer), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or

assets substantially as an entity to any person (other than as contemplated by the Conditions) or issue any shares (other than such shares as were in issue on or 29 May 2012).

The Issuer may however, at its discretion, enter into other programmes in order to issue secured and/or unsecured certificates but such other programmes are not themselves being established by this Base Prospectus. Such other programmes will be separate from the Programme, will have a base prospectus separate from this Base Prospectus and will be subject to separate approval by the Central Bank and the Commission. Any other programmes that the Issuer enters into will have substantially the same provisions in respect of security, if applicable, and limited recourse provisions.

The Issuer has already established another such programme, being the FTC Certificate Programme, with a programme limit of US\$10,000,000,000 and under which the Issuer has issued certificates offering exposure to the class A euro shares in FTC Satori Fund Limited ("**FTC Programme**"). A base prospectus was issued on 23 May 2013 in respect of the FTC Programme, which was supplemented by a supplement to that base prospectus on 20 August 2013. The Issuer issued its first series under the FTC Programme on 21 August 2013.

The Issuer has no assets other than the Series Assets with respect to each Series, the benefit of any agreement relating to each Series, assets in respect of other programmes, the sum of £2.00 representing the issued and paid-up share capital and fees generated in connection with the issue of the Certificates and of other certificates. The Issuer has no employees.

*The only assets of the Issuer available to meet the claims of the holders of certificates of the Issuer will be (a) in the case of Secured Certificateholders, the property on which such certificates are secured or (b) in the case of Unsecured Certificateholders, the property which the Issuer has allocated to such Unsecured Series.*

The Certificates are obligations of the Issuer alone and not of the Share Trustee.

## Capitalisation

The following table sets forth the capitalisation of the Issuer at the date hereof:

	US\$
<b>Shareholders' funds:</b>	
Share capital (Authorised: £10,000 issued: 2 Ordinary Shares of £1.00 each)	3.29 <sup>1</sup>
<b>Indebtedness</b>	
Series 1 U.S.\$1,000,000,000 Certificates linked to the E2 Quest TradeCo – QTI Program LLC under the Programme	US\$437,700 <sup>2</sup>
Series 2 U.S.\$1,000,000,000 Certificates linked to the E2 QIM TradeCo – Global Program LLC under the Programme	US\$174,800 <sup>3</sup>
Series 3 U.S.\$1,000,000,000 Certificates linked to the E2 WNTN TradeCo – Diversified Program LLC under the Programme	US\$3,783,100 <sup>4</sup>
Series 4 U.S.\$1,000,000,000 Certificates linked to the E2 Mesirow TradeCo –	US\$206,600 <sup>5</sup>

<sup>1</sup> Amounts in £ have been converted to US\$ at an exchange rate of £1 : US\$1.64300.

<sup>2</sup> US\$1,000,000,000 issued, but US\$999,562,300 of Certificates held by the Certificate Custodian as at 11 February 2014.

<sup>3</sup> US\$1,000,000,000 issued, but US\$999,825,200 of Certificates held by the Certificate Custodian as at 11 February 2014.

<sup>4</sup> US\$1,000,000,000 issued, but US\$996,216,900 of Certificates held by the Certificate Custodian as at 11 February 2014.

Absolute Return Plus Program LLC under the Programme	
Series 1 U.S.\$1,000,000,000 Certificates linked to FTC Satori Fund Limited under the FTC Programme	US\$1,200,000 <sup>6</sup>
Total capitalisation	US\$5,802,203.29

There has been no material change in the capitalisation of the Issuer since the date of the information contained in the above table.

The Issuer has no other outstanding indebtedness as at the date hereof.

### **Financial statements**

The Issuer prepares annual accounts which are audited. The most recent published audited accounts of the Issuer are in respect of the financial year ended 31 December 2012. The Issuer will not prepare interim accounts. The Principal Trust Deed requires the Issuer to provide written confirmation to the Note Trustee, on an annual basis, that no Event of Default or other matter which is required to be brought to the Note Trustee's attention has occurred. The audited accounts of the Issuer for the financial year ended 31 December 2012 are attached to this Base Prospectus at Appendix I.

### **Auditors**

The auditors of the Issuer are Deloitte LLP of Lord Coutanche House, 66-68 Esplanade, St Helier, Jersey, JE4 8WA. The auditors are Certified Public Accountants. The auditors are members of the Institute of Chartered Accountants in England and Wales.

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<sup>5</sup> US\$1,000,000,000 issued, but US\$999,793,400 of Certificates held by the Certificate Custodian as at 11 February 2014.

<sup>6</sup> US\$1,000,000,000 issued, but US\$998,800,000 of the certificates held by the certificate custodian for the FTC Programme as at 11 February 2014.

## THE SWAP AND THE SWAP COUNTERPARTY

### The Swap

The Issuer may enter into a Swap, in respect of a Series, with the Swap Counterparty (see "*The Swap Counterparty*"). If entered into, such Swap is a total return swap governed by English law under the terms of which the Issuer will pay issue proceeds from such Series to the Swap Counterparty in respect of the Certificates hedged by the Swap and the Swap Counterparty upon a redemption is required to pay amounts equal to the Certificate Redemption Amount in respect of the Certificates hedged by the Swap. The termination date of the Swap, in respect of a Series, will be the Maturity Date of the Certificates of such Series.

### The Swap Counterparty

Pursuant to the terms of the Swap (if entered into), Morgan Stanley & Co. International plc ("**MSIP**") will agree to act as the Swap Counterparty.

MSIP is a public company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA. MSIP is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of MSIP is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and regulated by the U.K. Financial Conduct Authority and the U.K. Prudential Regulation Authority. MSIP has certain non-equity securities listed on the main market of the London Stock Exchange plc which is a regulated market for the purposes of the Markets in Financial Instruments Directive.

## **SERIES ASSETS – DESCRIPTION OF THE SHARES AND THE COMPANY**

The net proceeds of the Certificates of a Series (either from a Secured Series or from an Unsecured Series) will be used by the Issuer to acquire shares or interests, in such companies (each a “**Company**”) as specified from time to time by way of a supplement to this Base Prospectus (each a “**Supplement**”) and confirmed in the Final Terms relating to each particular Series. Each Certificate of a Series will be linked to one share of the Company applicable to such Series (the “**Shares**”). The Issuer will acquire the Shares at their prevailing net asset value pursuant to the subscription booklet for the Company and/or enter into a total return swap (a “**Swap**”) with the Swap Counterparty which references the Shares and whereby the Issuer obtains exposure to the Shares. Each Series will be invested in a different Company although more than one Series may reference the same Company. Where an application has been made for the Certificates to be listed on the Irish Stock Exchange, the Shares will also be listed on the Irish Stock Exchange.

The Supplement relating to a particular Company will specify the name of the Company, a general description and risk factors specific to that Company.

## **JERSEY TAXATION**

The following summary of the anticipated treatment of the Issuer and Certificateholders (other than residents of Jersey) is based on Jersey taxation law and practice as they are understood to apply at the date of this Base Prospectus and is subject to changes in such taxation law and practice. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as they apply to any land or building situate in Jersey). Prospective investors in the Certificates should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of the Certificates under the laws of any jurisdiction in which they may be liable to taxation.

### **Taxation of the Issuer**

The Issuer is regarded as resident for tax purposes in Jersey and on the basis that the Issuer is neither a financial services company nor a utility company for the purposes of the Income Tax (Jersey) Law 1961, as amended, the Issuer is subject to income tax in Jersey at a rate of zero per cent. Payments in respect of the Certificates may be paid by the Issuer without withholding or deduction for or on account of Jersey income tax and Certificateholders (other than residents of Jersey) will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Certificates.

### **Stamp duty**

In Jersey, no stamp duty is levied on the issue or transfer of the Certificates except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer the Certificates on the death of a Certificateholder of such Certificates. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situate in respect of a Certificateholder domiciled in Jersey, or situate in Jersey in respect of a Certificateholder domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75% of such estate and such duty is capped at £100,000.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there other estate duties.

### **EU Savings Directive**

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey has introduced a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in a Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in a Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Department of the States of Jersey (being the predecessor to the Chief Minister's Department of the States of Jersey). Based on these provisions and what is understood to be the current practice of the Jersey tax authorities, the Issuer would not be obliged to levy



retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

**If you are in any doubt as to your tax position you should consult your professional tax adviser.**

## SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS

### The Dealer Agreement

Morgan Stanley & Co. International plc (the “**Dealer**”), will enter into to a dealer agreement, as may be amended, restated and/or supplemented from time to time in respect of the Certificates to be issued under the Programme (the “**Dealer Agreement**”) and pursuant to the Dealer Agreement will agree to subscribe or procure subscribers for the Certificates of each Series at the issue price specified in the applicable Final Terms for such Series. Pursuant to the Dealer Agreement, the Issuer will agree to indemnify the Dealer against certain liabilities, incurred in connection with the issue of the Certificates. The Dealer Agreement may be terminated at any time by the Dealer and in certain circumstances prior to payment to the Issuer. Pursuant to the Expenses Agreement, the Dealer will agree to pay for certain of the operating expenses of the Issuer, incurred in connection with the issue of the Certificates.

Upon the terms and subject to the conditions contained in the Dealer Agreement, the Dealer:

- (a) on an Issue Date, will agree to subscribe and pay for the maximum number of the Certificates available in such Series at their issue price, provided the Subscription Conditions Precedent are satisfied;
- (b) will agree to, on each Company Investment Subscription Date on which new or existing Certificate holders have agreed to purchase further Custodian Certificates from the Dealer, the same such number of Custodian Certificates from the Certificate Custodian at a price per Custodian Certificate equal to the Certificate Price on the relevant Company Investment Subscription Date.

Under the terms of the Dealer Agreement, the Issuer will repurchase from the Dealer an amount of Certificates set out in the Final Terms at a price per Certificate equal to their issue price.

The purchase of Custodian Certificates by the Dealer is conditional upon there not having been any adverse change, development or event reasonably likely to involve a prospective adverse change in the condition (financial or otherwise) of the Issuer which is material in the context of the transaction and on the Subscription Conditions Precedent being satisfied on the relevant date. The representations and warranties that will be given by the Issuer on the Issue Date for a Series and on each date on which Custodian Certificates are purchased by the Dealer from the Issuer are as follows:

- (i) this Base Prospectus and Final Terms for the relevant Series (apart from the issue price of the Certificates of such Series, the repurchase price of the Custodian Certificates, the purchase price of Shares being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer) contains all the information with respect to the Issuer and to the relevant Certificates which is material in the context of the issue and purchase of the relevant Certificates;
- (ii) the statements contained in this Base Prospectus and Final Terms for the relevant Series (apart from the issue price of the Certificates of such Series, the repurchase Custodian Certificates, the purchase price of the Company being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer, and whether the Certificates are Secured Certificates or Unsecured

Certificates) relating to the Issuer are in every material way true and accurate and not misleading;

- (iii) there are no other facts (apart from the issue price of the Certificates of such Series, the repurchase price of the Custodian Certificates, the purchase price of the Shares being purchased on the Issue Date and on each Company Investment Subscription Date on which Custodian Certificates are sold to the Dealer, and whether the Certificates are Secured Certificates or Unsecured Certificates) in relation to the Issuer the omission of which would, in the context of the issue and sale of the relevant series of Certificates, make any statement in this Base Prospectus and the relevant Final Terms misleading in any respect;
- (iv) the Issuer is duly incorporated under the laws of Jersey, Channel Islands, and has full power and legal authority to conduct its business in Jersey, Channel Islands;
- (v) the creation and offering of the relevant Certificates under the terms and conditions of the Dealer Agreement do not contravene the Memorandum and Articles of Association or any other constitutional documents of the Issuer;
- (vi) all consents, approvals, authorisations, orders and clearances of all regulatory authorities required by the Issuer under the laws of Jersey, Channel Islands have been obtained and are in full force and effect and the Issuer has complied with all legal and other requirements necessary to ensure that the relevant Series of Certificates will represent valid and legally binding obligations of the Issuer and the Relevant Agreements constitute valid and legally binding obligations of the Issuer;
- (vii) there has been no material adverse change in the financial or the trading position of the Issuer nor has there been any material adverse change in the prospects of the Issuer, since its incorporation;
- (viii) no Potential Event of Default, Event of Default, Potential Early Termination Event or Early Termination Event has occurred; and
- (ix) no action has been or will be taken in any jurisdiction by the Issuer that would permit a public offering of the Certificates of a Series, or possession or distribution of this Base Prospectus and the relevant Final Terms or any other offering or publicity material relating to the Certificates of a Series, in any country or jurisdiction where action for that purpose is required, save that the consent of the Jersey Registrar has been obtained to the circulation of the Base Prospectus as required by the Companies (General Provisions) (Jersey) Order 2002, as amended

(together, the “**Subscription Conditions Precedent**”), where:

“**Potential Early Termination Event**” means any event which may become, with the passage of time, the giving of notice, the making of any determination or any combination thereof, an Early Termination Event; and

“**Potential Event of Default**” means any event which may become, with the passage of time, the giving of notice, the making of any determination or any combination thereof, an Event of Default.

No action has been taken by the Issuer or the Dealer which would or is intended to permit a public offer of Certificates of a Series in any country or jurisdiction where action for that

purpose is required save that the consent of the Jersey Registrar has been obtained to the circulation of the Base Prospectus as required by the Companies (General Provisions) (Jersey) Order 2002, as amended. Accordingly, the Dealer has undertaken that it will not, directly or indirectly, offer or sell any Certificates of a Series or distribute or publish any base prospectus, prospectus, form of application, advertisement or other document or information in any country or jurisdiction where action for that purpose is required and neither this Base Prospectus nor any other circular, prospectus, form of application, advertisement or other material may be distributed in or from or published in any country or jurisdiction except under circumstances which will, to the best of its knowledge and belief, result in compliance with applicable laws and regulations and all offers and sales of Certificates by it will be made on the same terms.

## **Selling restrictions**

### ***United States***

The Certificates have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as such terms are used in Regulation S) except pursuant to an exemption from the registration requirements of the Securities Act. The Issuer has not registered and will not register under the Investment Company Act. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S.

The Dealer has agreed that it will not offer, sell or deliver Certificates as part of their distribution or otherwise within the United States or to, or for the account or benefit of US persons. The Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer or sell Certificates (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of a Series of which such Certificates are a part (the “**Distribution Compliance Period**”), as determined and certified to the Paying Agent by such Dealer, within the United States or to, or for the account or benefit of, US persons, and it will have sent to each affiliate or other dealer to which it sells Certificates during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, US persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Certificates are being offered and sold outside the United States to non-US persons in reliance on Regulation S.

This Base Prospectus and any Final Terms have been prepared by the Issuer for use in connection with the offer and sale of the Certificates outside the United States to non-US persons. This Base Prospectus and any Final Terms do not constitute an offer to any person in the United States or to any US person. Distribution of this Base Prospectus and/or any Final Terms by any non-U.S. person outside the United States to any US person or to any person within the United States, is unauthorised and any disclosure of any of their contents, without the prior written consent of the Issuer, is prohibited.

The Certificates are subject to US tax law requirements and may not be offered or sold within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

## **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is

implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Certificates to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Certificates to the public in that Relevant Member State:

- (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer; or
- (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive

provided that no such offer of Certificates referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

### **United Kingdom**

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

1. in relation to any Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) by the Issuer;
2. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
3. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the United Kingdom.

## **Jersey**

Each Dealer has represented and agreed that it has not prior to the consent of the Jersey Registrar pursuant to the Companies (General Provisions) (Jersey) Order 2002, as amended being obtained and becoming effective, circulated an invitation to acquire or apply for any Certificates in circumstances where such invitation constitutes or may constitute a prospectus for the purposes of the Companies (Jersey) Law 1991, as amended or the Companies (General Provisions) (Jersey) Order 2002, as amended.

## **Ireland**

In respect of an Issuer which is incorporated in Ireland as a private limited company, its Articles of Association prohibit any invitation to the public to subscribe for any shares or debentures issued by it. Neither this Base Prospectus nor any Final Terms constitutes an invitation to the public within the meaning of the Irish Companies Acts 1963 to 2009 (as amended) to subscribe for the Certificates issued by such Issuer.

Each Dealer has represented and agreed that:

- (i) it will not underwrite the issue of, or place the Certificates, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof or any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;
- (ii) it will not underwrite the issue of, or place, the Certificates, otherwise than in conformity with the provisions of the Companies Acts, the Central Bank Acts 1942-2010 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (iii) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Certificates otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland; and
- (iv) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Certificates, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland.

## **Germany**

The Certificates may only be offered or sold or publicly promoted or advertised in the Federal Republic of Germany in compliance with the German Securities Prospectus Act (Wertpapierprospektgesetz) of June 22, 2005, as amended from time to time, or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

The Dealer has represented and agreed that the Certificates have not been and will not be offered or sold or publicly promoted or advertised by it in the Federal Republic of Germany other than in compliance with the German Securities Prospectus Act or any other laws and regulations applicable in the Federal Republic of Germany in relation to the issuance, offer and sale of securities.

Neither this Base Prospectus nor any accompanying Prospectus Supplement nor any other offer document in relation to the Certificates have been approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin")) nor have they been notified to BaFin by any competent authority in accordance with § 17(3) of the German Securities Prospectus Act.

## **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive or in respect of any Series. Any such modification will be set out in the Final Terms issued in respect of the issue of Certificates to which it relates or in a supplement to this Base Prospectus.

## GENERAL INFORMATION

1. The creation of the Programme and the issue of Certificates thereunder was authorised by a resolution passed by the Board of Directors of the Issuer on 28 June 2012. The Programme was updated and amended by a resolution passed by the Board of Directors of the Issuer on 11 February 2014.
2. This Base Prospectus was authorised by a resolution passed by the Board of Directors of the Issuer on 11 February 2014.
3. All other authorisations, consents and approvals required to be obtained by the Issuer for, or in connection with, the creation of the Programme and issue of the Series of Certificates, the execution, delivery and performance by the Issuer of the obligations expressed to be undertaken by it under the Relevant Agreements to which it is a party and the distribution of this Base Prospectus have been (or will, prior to the Issue Date, be) obtained and are in full force and effect.
4. There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since its latest audited financial statements dated as at 31 December 2012.
5. The Issuer is not involved in any governmental, litigation or arbitration proceedings during the previous 12 months, nor is the Issuer aware of any such proceedings being pending or threatened.
6. For so long as any of the Certificates are listed on the Irish Stock Exchange and traded on the Main Securities Market copies of the Issuer's constitutive documents, the Trust Deed, the Agency Agreement and the Dealer Agreement entered into from time to time and of the prospectuses, trust deeds and agency agreements relating to the issue of the Certificates or other relevant public documentation relating to the Collateral (if any) will be made available in electronic form for inspection free of charge during usual business hours on any day (except Saturdays, Sundays and legal holidays) at the office of the Paying Agent.
7. As long as any Certificates are listed on the Irish Stock Exchange and traded on the Main Securities Market, any financial statements of the Issuer which are published will be made available at the offices of the Paying Agent as soon as they are published. The Issuer does not prepare interim accounts.
8. The Issuer does not intend to provide post-issuance information.
9. The Issuer intends that some Series of Certificates will be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and the International Securities Identification Number (ISIN) (if any) for each Series of Certificates will be set out in the relevant Final Terms.



## FORM OF APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each issue of Series of Certificates.

Final Terms dated [●]

Oder Capital Limited  
Issue of [AGGREGATE NOMINAL AMOUNT OF SERIES] [TITLE OF CERTIFICATES]  
under the  
Certificates Programme

### PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 February 2014 [and the supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC), and any amendments, including Directive 2010/73/EU (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4. of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [www.ise.ie](http://www.ise.ie) [[and] during normal business hours at [●] [and copies may be obtained from [●]].

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

*[When completing final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

The Certificates issued by the Issuer will be subject to the Conditions and also to the following terms (such terms, the “**Final Terms**”) in relation to the Certificates.

*[Italics and footnotes herein denote guidance for completing the Final Terms and should be deleted prior to completing these Final Terms.]*

*(Note: Headings are for ease of reference only.)*

- 1 Series Number: [●]
- 2 Issue Date: [●]
- 3 Maturity Date: [Specify date]
- 4 Specified Currency [US\$]/[specify]
- 5 Aggregate nominal amount of [●]  
Certificates to be issued in the  
Series:
- 6 Issue Price (face value) per [US\$][●]  
Certificate:

- 7 Maximum number of Certificates in the Series: [●]
- 8 Purchase Price (amount payable at Issue Date) per Certificate: [●]
- 9 Dealer purchase price (at Issue Date): *[Item 6 x item 7]*
- 10 Number of Certificates to be repurchased by the Issuer (at Issue Date): [●]
- 11 Issuer repurchase price (purchase price of the Custodian Certificates) (at Issue Date): *[Item 9 x item 7]*
- 12 Trading method: Unit
- 13 Status of the Certificates: [Secured]/[Unsecured]
- 14 (A) [If Secured]:
- Mortgaged Property: Shares/Swaps
- [(i) Collateral – Shares] The Shares shall comprise, on any date, a number of shares or units, as applicable, in the Company equal to the number of Certificates in issue on such date and not otherwise repurchased by the Issuer and held by the Certificate Custodian.]
- Company: [Name]
- Asset: [Shares in the Company] / [specify other interests, membership interests or securities in the Company]
- Address: [●]
- Country of Incorporation: [●]
- Governing Law: [●]
- Significant Business Activities of the Company: [●]
- Expiry/Maturity Date (if applicable): [●]
- Listed on the following stock exchanges: *[Regulated Market– for any issuances under the Prospectus]*

(B) [If Unsecured]:

Unsecured Series Property: Shares/Swaps

[(i) Underlying Assets – The Shares shall comprise, on any date, a number of shares or units, as applicable, in the Company equal to the number of Certificates in issue on such date and not otherwise repurchased by the Issuer and held by the Certificate Custodian.]  
Shares

Company: [Name]

Asset: [Shares in the Company] / [specify other interests, membership interests or securities in the Company]

Address: [●]

Country of Incorporation: [●]

Governing Law: [●]

Significant Business Activities of the Company: [●]

Expiry/Maturity Date (if applicable): [●]

Listed on the following

stock exchanges: [Regulated Market– for any issuances under the Prospectus Directive]

For issuances under the Prospectus Directive for both Secured Certificates and Unsecured Certificates the following disclosure is required:

Description of the market on which the Shares are traded – [EU Regulated Market]

Date of establishment of the market – [ ]

How price information is published – [ ]

Indication of Daily Trading Volumes – [ ]

Information as to the standing of the market in the country – [ ]

Frequency with which prices are published – [ ]

The name of the markets regulatory authority – [ ]

15 Net asset value of the Shares: [●]

#### PROVISIONS RELATING TO REDEMPTION

16 Issuer has the right to redeem [Applicable]/[Not Applicable]  
Certificates in its sole discretion:

17 Agents:

(i) Calculation Agent: [Specify name and address]

(ii) Paying Agent: [Specify name and address]

[(iii) Additional Paying Agent(s):] [Specify name and address]

(iv) Registrar: [Specify name and address]

(v) Transfer Agent(s): [Specify name and address]

18 [Transaction Fees] [specify]

#### DISTRIBUTION

19 Certificates cleared through a [Not Applicable]/[Specify clearing  
clearing system systems]

#### SWAPS

20 Exposure to Shares referenced in [Applicable]/[Not applicable]  
item 13 obtained by use of a swap

#### OTHER TERMS

21 Implementation of Financial [Applicable]/[Not applicable]  
Transaction Tax

#### [PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the [specify relevant regulated market] of the Certificates described herein pursuant to the Oder Capital Limited Certificate Programme of 12 February 2014.]

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[Insert relevant third party information] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **ODER CAPITAL LIMITED**:

By: .....  
Duly authorised

Signed on behalf of **ODER CAPITAL LIMITED**:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### LISTING

- (i) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Certificates to be admitted to trading on the [Irish Stock Exchange on its regulated market] [other] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) to the [Irish Stock Exchange for the Certificates to be admitted to trading on its regulated market] [other] with effect from [•].]
- (ii) Estimate of total expenses [•] [•]  
related to admission to trading:

### [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale and Selling Restrictions”], so far as the Issuer is aware, no person involved in the offer of the Certificates has an interest material to the offer.”]

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

### [ESTIMATED NET PROCEEDS

[Estimated net proceeds: [•]]

### OPERATIONAL INFORMATION

Delivery: Delivery [against][free of] payment

ISIN Code [ ]

## **APPENDIX I: AUDITED FINANCIAL STATEMENTS**

# ODER CAPITAL LIMITED

## Report and Audited Financial Statements

For the period ended 31 December 2012



## ODER CAPITAL LIMITED

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For the period ended 31 December 2012

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## ODER CAPITAL LIMITED

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### DIRECTORS' REPORT

For the period ended 31 December 2012

The Directors present their Report, together with the audited financial statements of Oder Capital Limited (the "Company") for the period from the date of incorporation on 29 May 2012 to 31 December 2012.

### INCORPORATION AND PRINCIPAL ACTIVITIES

The Company was incorporated on 29 May 2012. The principal activity of the Company is to issue secured and unsecured certificates (together "the Certificates") under the terms of a US\$10,000,000,000 certificate program. The Certificates will be issued in series and will provide holders with indirect access to various leveraged products holding investments in a range of trading programs. There was one series of certificates issued during the period which provided direct access to the E2 Quest TradeCo - QTI Program LLC, a Limited Liability Company incorporated in Delaware, and listed on the Irish Stock Exchange.

### RESULTS AND DIVIDENDS

The results for the period are set out on page 6. The Directors do not recommend the payment of a dividend for the period.

### DIRECTORS

The Directors who held office during the period and up to the date of this report were:

D R King	(appointed 29 May 2012)
E A Mills	(appointed 29 May 2012)

### SECRETARY

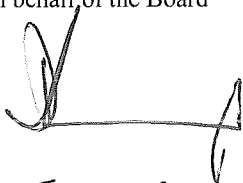
The Secretary of the Company who has been Secretary for the whole period under review and up to the date for this report is Crestbridge Corporate Services Limited (formerly known as Dominion Corporate Services Limited).

### AUDITOR

Deloitte LLP were appointed on 14 June 2013 and have expressed their willingness to continue in office. The Directors have obtained a waiver to dispense with the need to hold annual general meetings. As such, under Companies (Jersey) Law 1991, as amended (the "Law"), Deloitte LLP will remain in office until formally removed.

Approved by the Board of Directors  
and signed on behalf of the Board

Secretary



Date: 27 June 2013

### Registered Office

47 Esplanade  
St Helier  
Jersey  
JE1 0BD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the period ended 31 December 2012

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991.

International Accounting Standard 1 requires that financial statements present fairly, for each financial period, the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company at that time and to enable them to ensure that any financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ODER CAPITAL LIMITED

We have audited the financial statements of Oder Capital Limited for the period from date of incorporation on 29 May 2012 to 31 December 2012 which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the period from 29 May 2012 to 31 December 2012;
- have been properly prepared in accordance with IFRSs as issued by the International Accounting Standards Board; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Andrew Isham, BA, FCA  
for and on behalf of Deloitte LLP  
Chartered Accountants and Recognized Auditor  
Jersey  
[Date] 27 June 2013

# ODER CAPITAL LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2012

	Note	31-Dec-12
<b>Assets</b>		\$
<b>Non Current Assets</b>		
Financial Assets at fair value through profit or loss	4	198,513
<b>Current Assets</b>		
Trade and other receivables		750
Cash and cash equivalents		703
		<u>1,453</u>
<b>Total Assets</b>		<u><u>199,966</u></u>
<b>Equity</b>		
<b>Capital and Reserves Attributable to the Equity Holders of the Company</b>		
Share capital	7	3
Accumulated reserves		<u>750</u>
<b>Total Equity</b>		<u>753</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	5	<u>700</u>
		700
<b>Non Current Liabilities</b>		
Financial liabilities at fair value through profit or loss	6	198,513
<b>Total Liabilities</b>		<u>199,213</u>
<b>Total Liabilities and Equity</b>		<u><u>199,966</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 27 June 2013.

Signed on behalf of the Board



Director

# ODER CAPITAL LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2012

	Note	29-May-12 to 31-Dec-12 \$
<b>Income</b>		
Transaction fee	2	750
Fair value gain on financial assets at fair value through profit or loss	4	<u>16,083</u>
		16,833
<b>Expenditure</b>		
Fair value loss on financial liabilities at fair value through profit or loss		16,083
<b>Profit for the Year and Total Comprehensive Income Attributable to Equity Holders of the Company</b>		<u><u>750</u></u>

All results in the current period result from continuing operations.

## ODER CAPITAL LIMITED

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### STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2012

	<b>Share Capital</b>	<b>Accumulated Reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
As at 29 May 2012	-	-	-
Ordinary shares issued	3	-	3
Total comprehensive income for the period	-	750	750
As at 31 December 2012	<u>3</u>	<u>750</u>	<u>753</u>

# ODER CAPITAL LIMITED

## STATEMENT OF CASH FLOWS

For the period ended 31 December 2012

	<b>29-May-12 to 31-Dec-12 \$</b>
<b>Cash flows from operating activities</b>	
Profit for the period	750
Fair value gain on financial assets at fair value through profit or loss	(16,083)
Fair value loss on financial liabilities at fair value through	16,083
Increase in receivables	(750)
Increase in payables	700
<b>Net cash inflow from operating activities</b>	<u>700</u>
<b>Cash flows from investing activities</b>	
Purchase of investments	(182,430)
<b>Net cash outflow from investing activities</b>	<u>(182,430)</u>
<b>Financing</b>	
Issue of share capital	3
Issue of certificates	182,430
<b>Net cash inflow from financing</b>	<u>182,433</u>
<b>Increase in cash and cash equivalents</b>	<u>703</u>
<b>Cash and cash equivalents at the beginning of the period</b>	-
<b>Cash and cash equivalents at the end of the period</b>	<u><u>703</u></u>



NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2012

**1 GENERAL INFORMATION**

The Company's principal place of business is at 47 Esplanade, St. Helier, Jersey JE1 0BD. The Company was incorporated on 29 May 2012 under the Companies (Jersey) Law 1991. The principal activity of the Company is to issue secured and unsecured certificates (together "the Certificates") under the terms of a US\$10,000,000,000 certificate program. The Certificates will be issued in series and will provide holders with indirect access to various leveraged products holding investments in a range of trading programs. There was one series of certificates issued during the period which provided direct access to the E2 Quest TradeCo - QTI Program LLC, a Limited Liability Company incorporated in Delaware, and listed on the Irish Stock Exchange.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the principal accounting policies, all of which have been applied consistently throughout the period is set out below:

***Basis of Preparation***

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) including standards and interpretations issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

*Standards amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.*

Standards issued but not yet effective up to the date of issuance of these financial statements are listed below. This listing of standards and interpretations issued are those that the Directors reasonably expect to have an impact on disclosures, financial position or performance when applied at a future date. The Directors intend to adopt these standards when they become effective.

	<b>Effective Date</b>
IAS 1 Financial Statement Presentation - Presentation of Items of Other Comprehensive Income	1 July 2012
IFRS 9 Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10 Consolidated Financial Statements	1 January 2013
IFRS 12 Disclosure of Interest in Other Entities	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
IAS 27 Separate Financial Statements	1 January 2014
IAS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2015

The Directors have considered the impact of these standards and do not believe they will have a material difference on the financial statements, except for IFRS9 and IFRS13.

***Functional and presentation currency***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in US Dollars, which is the Company's functional and presentation currency.

***Financial assets at fair value through profit or loss***

Financial assets include investments which provide indirect access to various underlying leveraged products. Financial assets are designated as financial assets at fair value through profit or loss. Purchases and sales of these investments are recognised on the trade date. These investments are initially recognised at cost which corresponds with the fair value of such investments and at fair value thereafter through the Statement of Comprehensive Income. Financial assets are derecognised when the rights to receive cash flows from these investments have expired or the Company has transferred substantially all risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2012

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***Cash and cash equivalents***

Cash and cash equivalents include cash in hand and deposits held at call with banks. For the purpose of the Statement of Cash Flows, cash and cash equivalents are considered to be all highly liquid investments with maturity of three months or less.

***Financial liabilities at fair value through profit or loss***

Financial liabilities include the Certificates issue by the Company that are listed on the Irish Stock Exchange. The Certificates are designated as financial liabilities at fair value through profit or loss. The Certificates are recognised at cost at their net issue proceeds which corresponds with the fair value of the Certificates and at fair value thereafter through the Statement of Comprehensive Income. Certificates issued are recognised on the trade date and derecognised, either fully or partly, when the Company has transferred substantially all or part of its financial obligations relating thereto. Realised gains or losses on derecognition of the Certificates are recognised in the Statement of Comprehensive Income.

***Share Capital***

Shares are classified as equity when there is no obligation to transfer cash or other assets. Equity investments issued by the Company are recorded at the proceeds received, net of direct issue costs.

***Revenue***

Revenue has been recognised as and when it falls due to the Company. During the period the Company was entitled to a transaction fee of \$750 for the issue of the Certificates in Series 1.

***Expenses***

All the Company expenses are paid by Morgan Stanley & Co. International Plc ("Morgan Stanley") and consequently are not recognised in these financial statements.

***Going Concern***

The Directors have prepared the financial statements of the Company on a going concern basis. As discussed above the expenses of the Company are paid by Morgan Stanley. The secured and unsecured Certificates are limited recourse as the principal repayment of each series is linked to the value for the financial assets. The Directors have therefore prepared the financial statements on a going concern basis.

**3 ACCOUNTING JUDGEMENTS**

***Critical accounting judgements and key sources of estimation uncertainty***

The Directors of the Company have made various assumptions concerning the future in the preparation of these financial statements. This included a review of the valuation assumptions used by the third party administrator in the calculation of the daily NAVs of the underlying investments. Other than the valuation of the underlying investment there are no key sources of estimation uncertainty at the period end date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	31-Dec-12
	\$
E2 Quest TradeCo - QTI Program LLC	
Opening balance at 29 May 2002	-
Acquired during the period	182,430
Cost at 31 December 2012	182,430
Fair value movement for the period	16,083
	198,513

On 25 October 2012 the Company used the proceeds of the Certificates to acquire 1,843 interest units in E2 Quest TradeCo - QTI Program LLC, a Delaware Limited Liability Company, for a price of \$182,430. The investment provides an exposure to leveraged derivative instruments and held for capital appreciation. The units are listed on the Irish Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2012

**5 TRADE AND OTHER PAYABLES**

	31-Dec-12
	\$
Amounts due to Morgan Stanley	<u>700</u>

All the expenses of the Company are paid by Morgan Stanley who have provided funds to cover any bank charges. Any funds remaining in the bank account following the settlement of all liabilities will then be transferred back to Morgan Stanley on dissolution of the Company.

**6 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

	31-Dec-12
	\$
1,843 Series 1 Certificates - maturity 25 October 2022 (the "Series 1 Certificates")	<u>182,430</u>

The Company may issue up to \$10,000,000,000 secured and unsecured certificates under the terms of the prospectus. On 25 October 2012 the Company issued the first Series of the Certificates on the Irish Stock Exchange. This series have an aggregate nominal value of \$1,000,000,000 of which 1843 certificates were subscribed for at the period end for a value of \$182,430.

The Series 1 Certificates constitutes a straight pass through exposure, net of fees, to the E2 Quest TradeCo - QTI Program LLC. The Series 1 Certificates are limited recourse to the proceeds of the investment in the E2 Quest TradeCo - QTI Program LLC (see note 4) and The Series 1 certificate holders shall have no rights or claims against any other assets or future series issued by the Company. The Certificates can be redeemed by the Company at any time but the Series 1 Certificates have an expected maturity date 2022.

The amount of the Company's obligations in respect of the Series 1 Certificates is dependent on the performance of the underlying investment in the interest units of E2 Quest TradeCo - QTI Program LLC which in turn will determine the amounts repaid to the Series 1 Certificate holders. The investment in the Certificates is not capital protected and therefore any negative performance of interest units of E2 Quest TradeCo - QTI Program LLC will be reflected in the redemption price, which could result in a total loss on redemption of the Series 1 Certificates.

As per the prospectus, Crestbridge Fund Administrators Limited (formerly Dominion Fund Administrators Limited), acting as the Calculation Agent, will determine the termination amount, liquidation repayment amount or the repayment of the repurchase price as the case may be.

The holders of the Certificates have no shareholders rights and no duty to cover losses.

**7 SHARE CAPITAL**

	31-Dec-12
	£
<i>Authorised</i>	
10,000 ordinary shares of £1 each	<u>10,000</u>
<i>Allotted, called up and fully paid</i>	\$
2 ordinary shares of £1 each	<u>3</u>

On incorporation 2 ordinary shares were issued and fully paid at £1 each.

**8 TAXATION**

The Company is subject to Jersey income tax at a rate of 0%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2012

**9 FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow risk and interest rate risk), capital management risk, credit risk and liquidity risk. The financial risks relate to the following financial instruments: financial assets at fair value through profit or loss, cash and cash equivalents, trade and other payables and financial liabilities at fair value through profit or loss. The accounting policies with respect to these financial instruments are described in note 2. The Company's risk management policies employed to manage these risks are discussed below.

**(a) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The potential risk of not being able to meet its financial liabilities is mitigated by the fact that the investment in interest units of E2 Quest TradeCo - QTI Program LLC is highly liquid and the repayment profile of the Certificates, the Company's main liability, has been matched to the liquidity profile of the investments which is publically traded.

The following table details the Company's liquidity analysis for its financial liabilities.

	31-Dec-12
	\$
<b>Financial liabilities - non current</b>	
Financial liabilities at fair value through profit or loss	<u>198,513</u>
<b>Current liabilities</b>	
Accounts payable and accrued liabilities - maturity within one year	<u>700</u>
	<u>700</u>

**(b) Capital risk management**

When managing capital the Company's objectives are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and the Certificate holders.

The expenses of the Company are funded by a third party and the Company will issue further Certificates in order to fund further investments. Any capital requirements are known with some certainty and therefore no formal monitoring is considered necessary.

**(c) Credit risk**

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has been entered into with the Company. Credit risk is the potential exposure of the Company to loss in the event of non-performance by E2 Quest TradeCo - QTI Program LLC, the counterparty to the investment. In turn the Company is exposed to a potential loss under the Certificates but this is mitigated by way of a charge over the underlying securities. The Directors consider that the Company is not exposed to any material net credit risk as the certificates issued are limited recourse to the proceeds of the investments and hence, amounts due to the Certificate holders are limited to the amount received from the investments.

The following table shows the Company's maximum exposure to credit risk:

	31-Dec-12
	\$
<b>Financial assets - non current</b>	
Financial Assets at fair value through profit or loss	<u>198,513</u>
<b>Financial assets - current</b>	
Cash and cash equivalents - maturity within one year	<u>703</u>
	<u>703</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

**9 FINANCIAL RISK MANAGEMENT (Continued)**

**(d) Market risk**

The Company's exposure to market risk is comprised of the following risks:

**(i) Foreign Exchange risk**

The Company is not exposed to any material foreign exchange risk as the majority of the Company's transactions are in US Dollars which is the Company's functional and presentational currency.

**(ii) Cash flow and fair value interest rate risk**

As the Company has no significant interest-bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

The Company is not subject to interest rate risk on any of its liabilities.

**(iii) Price risk**

Price risk is the risk that the fair value or future cash flows of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer. Price risk is increased due to the leveraged nature of the investments however these are documented in the prospectus and the Certificate holders are aware of the risks.

The Company is exposed to market price risk arising from its investments in interest units of E2 Quest TradeCo - QTI Program LLC (see note 4 for the fair value of these investments). Any price risk to the Company is managed due to the limited recourse nature of the underlying Series 1 Certificates as disclosed in note 6. Therefore the Directors do not believe the Company is subject to any price risk.

**Fair value measurements recognised in the statement of financial position**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All assets during the period are measured using fair values falling under level 1, there were no assets held under level 2 or 3.

**Reconciliation of Level I fair values:**

	31-Dec-12
	\$
Opening balance as at 29 May 2012	-
Purchases during the period	182,430
Fair value gain on financial assets recognised in the Statement of Comprehensive Income	16,083
Closing balance as at 31 December	<u>198,513</u>

There were no transfers between Level 1, 2 and 3 during the period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2012

**10 RELATED PARTY DISCLOSURES**

D R King and E A Mills, Directors of the Company are also Directors of Crestbridge Corporate Services Limited ("Crestbridge") (formerly known as Dominion Corporate Services Limited) who provide ongoing administrative services to the Company at normal commercial rates as well as act as the calculation agent. During the period £19,094 was due to Crestbridge in respect of services of which £19,094 was outstanding at the period end. As these expenses are paid by a third party they have not been recognised in these financial statements.

Crestbridge is the affiliate leader of a group of companies of which includes Crestbridge Fund Administration Limited (the Calculation Agent) (formerly known as Dominion Fund Administration Limited) and Crestbridge Corporate Trustees Limited (formerly known as Dominion Corporate Trustees Limited).

**11 SEGMENTAL REPORTING**

Management has determined that the Company operates in one industry and geographic segment. Specifically, the Company provides holders of certificates with indirect access to various leveraged products holding investments in a range of trading programs and primarily in the geographic region of USA, through its investment holding, E2 Quest TradeCo – QTI Program LLC (a Company incorporated in Delaware).

**12 ULTIMATE CONTROLLING PARTY**

The shares are held on trust for charitable purposes. The Directors consider the ultimate controlling party to be Crestbridge Corporate Trustees Limited (formerly known as Dominion Corporate Trustees Limited) as Trustee of The Oder Capital Charitable Trust.

**13 EVENTS AFTER THE REPORTING PERIOD**

Following on from the period end the Company has issued three further Series of Certificates as follows:

- On 11 January 2013 the Company issued the second Series of Certificates on the Irish Stock Exchange. This series has an aggregate nominal value of \$1,000,000,000 and constitutes a straight pass through exposure, net of fees, to the E2 QIM TradeCo - Global Program LLC. The Series 2 Certificates are limited recourse to the proceeds of the investment in the E2 QIM TradeCo - Global Program LLC. The Series 2 Certificate holders shall have no rights or claims against any other assets or future series issued by the Company. The Certificates can be redeemed at any time but the Series 2 Certificates have an expected maturity date of 11 January 2023.

- On 8 February 2013 the Company issued the third Series of Certificates on the Irish Stock Exchange. This series has an aggregate nominal value of \$1,000,000,000 and constitutes a straight pass through exposure, net of fees, to the E2 WNTN TradeCo - Diversified Program LLC. The Series 3 Certificates are limited recourse to the proceeds of the investment in the E2 WNTN TradeCo - Diversified Program LLC. The Series 3 Certificate holders shall have no rights or claims against any other assets or future series issued by the Company. The Certificates can be redeemed at any time but the Series 3 Certificates have an expected maturity date of 8 February 2023.

- On 1 March 2013 the Company issued the third Series of Certificates on the Irish Stock Exchange. This series has an aggregate nominal value of \$1,000,000,000 and constitutes a straight pass through exposure, net of fees, to the E2 Mesirow TradeCo - Absolute Return Plus Program LLC. The Series 3 Certificates are limited recourse to the proceeds of the investment in the E2 Mesirow TradeCo - Absolute Return Plus Program LLC. The Series 4 Certificate holders shall have no rights or claims against any other assets or future series issued by the Company. The Certificates can be redeemed at any time but the Series 4 Certificates have an expected maturity date of 1 March 2023.

On 25 June 2013 the E2 Quest TradeCo - QTI Program LLC units were trading at \$84.82 each.

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