

LUNAR FUNDING VII PLC

(incorporated as a public company with limited liability in Ireland)

and

LUNAR FUNDING VIII LIMITED

(Incorporated with limited liability in the Cayman Islands)

Secured Note Programme

This Base Prospectus gives information on Lunar Funding VII PLC (the "**Irish Issuer**") and Lunar Funding VIII Limited (the "**Cayman Issuer**" and together with the Irish Issuer, the "**Issuers**", and each an "**Issuer**") and on that Issuer's programme (each, a "**Programme**") for the issuance of secured notes ("**Notes**"). The Programme of any one Issuer is separate from the Programme of any other Issuer. Each Issuer has established its Programme by entering into a programme deed (each, a "**Programme Deed**"). Under its Programme, an Issuer may from time to time issue series (each, a "**Series**") of Notes, in one or more tranches (each, a "**Tranche**"), on the terms set out in this Base Prospectus as completed by the final terms prepared in connection with such Tranche (the "**Final Terms**") or the pricing supplement prepared in connection with such Tranche (the "**Pricing Supplement**"). References in this Base Prospectus to "Final Terms" are to final terms issued pursuant to Article 5.4 of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). Notes may also be issued under the Programme on terms set out in a prospectus relating to the Notes that incorporates by reference the whole or any part of this Base Prospectus (any such prospectus, a "**Series Prospectus**"). The Base Prospectus with respect to an Issuer shall be read and construed separately with respect to each Issuer and the Programme of such Issuer. No Issuer shall have any obligation in respect of securities issued by any other Issuer.

This Base Prospectus constitutes a base prospectus as contemplated by the Prospectus Directive and has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority for the purposes of 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. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the Notes issued under the Programme within 12 months after the date hereof to be admitted to the Official List of Euronext Dublin (the "**Official List**") and trading on its regulated market. References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on the regulated market of Euronext Dublin and have been admitted to the Official List. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, "**MiFID II**"). Such approval relates only to the Notes which are to be admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area.

However, Notes may also be listed and admitted to trading on such other or further stock exchanges (such Notes, together with Notes admitted to trading on the regulated market of Euronext Dublin and listed on the Official List, "**Listed Notes**") as may be agreed between the Issuer and the relevant Dealers and as specified in the Final Terms or Series Prospectus for the relevant Notes. Unlisted Notes may also be issued pursuant to the Programme. The applicable Final Terms or Series Prospectus in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the regulated market of Euronext Dublin or any other stock exchange as may be agreed between the Issuer and the relevant Dealers. Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin may only be issued by way of Final Terms under this Base Prospectus pursuant to Article 5.4 of the Prospectus Directive where the Original Collateral is NatWest Markets Original Collateral. Where the Original Collateral is not NatWest Markets Original Collateral then a Series Prospectus will be required for the Notes to be admitted to the Official List and admitted to trading on the regulated market of Euronext Dublin or other regulated markets for the purposes of MiFID II. Where the Original Collateral is not NatWest Markets Original Collateral then a Pricing Supplement may be used for unlisted Notes.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (The "**Securities Act**") and the Notes are subject to U.S. tax law requirements. The Notes may not at any time be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S under the Securities Act ("**Regulation S**")), (b) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934 (the "**U.S. Credit Risk Retention Rules**")) or (c) not a Non-United States person (as defined in Rule 4.7 under the U.S. Commodity Exchange Act of 1936, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons ("**CFTC Rule 4.7**")).

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "**IMD**"), where that customer would not qualify as a professional client as defined in Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This Base Prospectus (as supplemented from time to time) relates to the issuance of Notes issued after the date hereof and replaces and supersedes the base prospectus dated 11 October 2017 issued in respect of Lunar Funding VII PLC and Lunar Funding VIII Limited and in relation to their Programme.

Prospective investors should have regard to the factors described under the section of this Base Prospectus headed "Risk Factors" and, in particular, to the limited

recourse nature of the Notes and the fact that each Issuer is a special purpose vehicle. This Base Prospectus does not describe all of the risks of an investment in the Notes.

Readers of this Base Prospectus should have regard to the definitions set out in "Master Conditions – Condition 1" herein. Unless otherwise defined elsewhere in this Base Prospectus, capitalised terms used in this Base Prospectus shall have the meaning given to them in "Master Conditions – Condition 1".

Dated: 14 February 2019

Arranger and Dealer
NATWEST MARKETS PLC

Dated: 14 February 2019

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 Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the relevant Issuer.

Each Issuer accepts responsibility for the information contained in this Base Prospectus (except that the Cayman Issuer accepts no responsibility for the information relating to the Irish Issuer and the Irish Issuer accepts no responsibility for the information relating to the Cayman Issuer). To the best of the Issuer's knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. For the avoidance of doubt, the Issuer accepts responsibility in respect of itself and its Programme but not in respect of any other Issuer or the Programme of any other Issuer.

In addition to the Issuer, NatWest Markets Plc accepts responsibility only for the information (and for the avoidance of doubt, not for any other information contained in this Base Prospectus) contained in the section entitled "Description of the Swap Counterparty and the Repo Counterparty" (the "**NatWest Markets Information**"). To the best of the knowledge and belief of NatWest Markets Plc (having taken all reasonable care to ensure that such is the case) the NatWest Markets Information in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has only made very limited queries with regard to the accuracy and completeness of the NatWest Markets Information. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the NatWest Markets Information.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes to the public. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Issuer, having made all reasonable enquiries, confirms that this Base Prospectus contains all information with respect to the Issuer and the Notes that is material in the context of the issue and offering of the Notes, 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 Notes the omission of which would, in the context of the issue and offering of the Notes, 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.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and the applicable Final Terms or Series Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (as defined in “Overview of the Programme”). Neither the delivery of this Base Prospectus nor any sale of Notes made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of any Issuer since the date of this Base Prospectus 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 of this Base Prospectus 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.

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act and may include Notes in bearer form that are subject to U.S. tax law requirements. The Notes may not at any time be offered, sold or delivered within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S), (b) a U.S. person (as defined in the U.S. Credit Risk Retention Rules) or (c) not a Non-United States person (as defined in CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons). For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

This Base Prospectus has been filed with and approved by the Central Bank as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the “**Prospectus Regulations**”). This Base Prospectus, as approved by the Central Bank, will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

The Irish Issuer is not, and will not be, regulated by the Central Bank by virtue of issuing Notes. Any investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Dealers or the Arranger to subscribe for, or purchase, any Notes.

The Arranger, the Trustee, the Agents and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Trustee, the Agents, the Dealers or the Arranger makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility whatsoever for the Notes, the transaction documents (including the effectiveness thereof) or the accuracy or completeness of any of the information in this Base Prospectus or for any other statement made or purported to be made by the Arranger, the Trustee, the Agents or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger and Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of the Notes, the transaction documents or this Base Prospectus or any such statement.

Prospective purchasers of Notes 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 Notes. Neither this Base Prospectus nor any 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, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes.

Prospective purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of Notes 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 and the applicable Final Terms or Series Prospectus and the merits and risks of investing in the Notes in the context of their financial position and circumstances. None of the Dealers, the Trustee, the Agents or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or the term of any Notes issued nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Trustee, the Agents or the Arranger. The risk factors identified in this Base Prospectus are provided as general information only and the Dealers, the Trustee, the Agents and the Arranger disclaim any responsibility to advise purchasers of Notes 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.

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

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OVERVIEW OF THE PROGRAMME

The following is an overview of the Secured Note Programme pursuant to which an Issuer may issue Notes. This overview is qualified in its entirety by the remainder of this Base Prospectus.

PARTIES

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| Issuer: | The Issuer which is specified in the applicable Final Terms or Series Prospectus. Information relating to the Issuer is contained in the section of this Base Prospectus headed "Description of the Issuers". |
| Arranger: | NatWest Markets Plc |
| Dealer: | NatWest Markets Plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Series or Tranches or in respect of the whole Programme. |
| Trustee: | Deutsche Trustee Company Limited |
| Issuing and Paying Agent and Transfer Agent: | Deutsche Bank AG, London Branch |
| Custodian: | Deutsche Bank AG, London Branch |
| Registrar and Transfer Agent: | Deutsche Bank Luxembourg S.A. |
| Swap Counterparty: | Unless otherwise specified in the applicable Series Prospectus, the Swap Counterparty in respect of any Swap Agreement in respect of a Series of Notes will be NatWest Markets Plc. |
| Repo Counterparty: | Unless otherwise specified in the applicable Series Prospectus, the Repo Counterparty in respect of any Repo Agreement in respect of a Series of Notes will be NatWest Markets Plc. |
| Disposal Agent: | NatWest Markets Plc The Issuer may from time to time terminate the appointment of the Disposal Agent under the Programme and/or appoint a replacement or additional Disposal Agent (as applicable) either in respect of one or more Series or Tranches or in respect of the whole Programme. |
| Calculation Agent: | NatWest Markets Plc The Issuer may from time to time terminate the appointment of the Calculation Agent under the Programme and/or appoint a replacement or additional Calculation Agent (as applicable) either in respect of one or more Series or Tranches or in respect of the whole Programme. |

CHARACTERISTICS OF THE NOTES

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| Status of Notes: | The Notes 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 "Master |
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Conditions – Condition 5”. Recourse in respect of any Series will be limited to the Mortgaged Property for that Series. Claims of Noteholders, the Swap Counterparty, the Repo Counterparty, the Custodian, the Issuing and Paying Agent and any other Secured Creditor shall rank in accordance with the priorities specified in “Master Conditions – Condition 15” as it may be amended by the relevant Issue Deed.

Restrictions:

So long as any Note remains outstanding, the Issuer will not, without the consent of the Trustee and the Swap Counterparty and/or the Repo Counterparty (as the case may be) engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, and provided always that such obligations are entered into on a limited recourse and non-petition basis and are secured on assets of the Issuer other than (i) the Issuer’s share capital, (ii) any fees paid to the Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), (iii) any other moneys received by the Issuer for the administration and management of the Issuer which do not relate to a specific Series and which are segregated from the assets of each Series and (iv) those assets securing any other obligations of the Issuer. In addition, the Issuer will be subject to certain other restrictions, including that it will not, without the consent of the Trustee and the Swap Counterparty and/or the Repo Counterparty (as the case may be), declare any dividends, 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 further shares.

Form of Notes:

The Notes may be issued in bearer form only (“**Bearer Notes**”) or in registered form only (“**Registered Notes**”). Each Tranche of Bearer Notes will be represented on issue by a temporary global note (a “**Temporary Global Note**”) if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with TEFRA D (as defined in “U.S. TEFRA Compliance” below), otherwise such Tranche will be represented by a permanent global note (a “**Permanent Global Note**”). Registered Notes will be represented by certificates (each a “**Certificate**”), one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “**Global Certificates**”.

Swap Agreement:

In respect of any Series of Notes, the Issuer may enter into a swap agreement on the terms described in the section of this

Base Prospectus headed “The Swap Agreement” (a “**Swap Agreement**”). A Swap Agreement may, if so specified in the Final Terms or Series Prospectus, provide for collateralisation by way of a credit support annex by either or both of the Issuer and the Swap Counterparty of their respective obligations under the Swap Agreement. Where no Swap Agreement is entered into in relation to a Series of Notes, references in this Base Prospectus to Swap Agreement and Swap Counterparty shall not be applicable.

Repo Agreement:

In respect of any Series of Notes, the Issuer may enter into a repurchase agreement on the terms described in the section of this Base Prospectus headed “The Repo Agreement” (a “**Repo Agreement**”). Where no Repo Agreement is entered into in relation to a Series of Notes, references in this Base Prospectus to “Repo Agreement” and “Repo Counterparty” shall not be applicable.

Limited Recourse and Non-Petition:

The Notes comprise secured, limited recourse obligations of the Issuer.

In respect of a Series, the Transaction Parties, the Noteholders and the Couponholders shall have recourse only to the Mortgaged Property in respect of such Series, subject always to the Security, and not to any other assets of the Issuer.

If, after (i) the Mortgaged Property in respect of such Series is exhausted, whether following liquidation or enforcement of the Security or otherwise, and (ii) application of the proceeds derived from the Mortgaged Property as provided in “Master Conditions - Condition 15”, any outstanding claim, debt or liability against the Issuer in respect of the Notes of such Series or Transaction Documents relating to the Notes of such Series remains unpaid, then such outstanding claim, debt or liability, as the case may be, shall be extinguished in accordance with “Master Conditions – Condition 17(a)” and the Issuer shall have no further obligation in respect thereof.

Following extinguishment in accordance with “Master Conditions - Condition 17(a)”, none of the Transaction Parties (save for the Trustee who may lodge a claim in liquidation of the Issuer which is initiated by another party or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, the Couponholders or the persons acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, members, incorporators, corporate service providers or directors to recover any further sum in respect of the extinguished claim, debt or liability and the Issuer shall have no obligation to any such persons in respect of such further sum in respect of such Series. None of the Transaction Parties, the Noteholders, the Couponholders or the persons 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 officers, shareholders, members, directors or incorporators or any of its assets, and none of them shall have any claim arising with respect to the assets or property attributable to any other notes issued by, or other Obligations entered into by, the Issuer.

Such limited recourse and non-petition provisions shall survive maturity of the Notes and the expiration or termination of the agreements to which the Transaction Parties are party.

TERMS OF THE NOTES

Mortgaged Property:

The Notes of each Series will be secured in the manner set out in “Master Conditions – Condition 5”, including a charge over the Collateral and an assignment of the Issuer’s rights, title and/or interest relating to the Collateral and against the Custodian to the extent they relate to the Collateral, and a charge over all sums held from time to time by the Custodian and the Issuing and Paying Agent insofar as such sums relate to that Series, together with an assignment of the Issuer’s rights, title and/or interest under the Swap Agreement and the Repo Agreement in each case, relating to that Series. Each Series may also be secured on such additional security as may be described in the applicable Final Terms or Series Prospectus. References in this Base Prospectus to “Security” are to the security constituted by the Trust Deed for the relevant Series and/or constituted by any other security documents in respect of the relevant Series.

Original Collateral:

Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin may only be issued by way of Final Terms under this Base Prospectus where the Original Collateral is NatWest Markets Original Collateral (as defined in the section of this Base Prospectus headed “Original Collateral”).

In all other cases, the Original Collateral in respect of a Series of Notes will be as specified in the applicable Series Prospectus (for listed or unlisted Notes), as the case may be.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency as agreed between the Issuer, the Issuing and Paying Agent and the relevant Dealer(s).

Specified Denomination:

Definitive Notes will be in such denominations as may be specified in the applicable Final Terms or Series Prospectus in accordance with all relevant laws, regulations and directives, save that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in any state that is (a) a Member State, or (b) any other State which is a party to the agreement

establishing the European Economic Area (signed at Oporto on 2 May 1992), the minimum specified denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) and (ii) unless otherwise permitted by current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (“FSMA”) will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity.

Where the Irish Issuer issues Notes with an original maturity of less than one year, it shall ensure that such Notes are issued in compliance with the terms and conditions of an exemption granted by the Central Bank under Section 8(2) of the Central Bank Act 1971 (as amended) of Ireland.

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the applicable Final Terms or Series Prospectus.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series and, unless otherwise specified in the applicable Final Terms or Series Prospectus, will be determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest.

Pass-through Notes:

Interest payable on a Pass-through Note will be equal to such Note’s *pro rata* share of each interest amount due and payable to the Issuer in respect of all Original Collateral and will be payable one Reference Business Day following each date on which each such interest amount is due and payable.

Interest Periods, Interest Accrual Periods and Rates of Interest:

The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Final Terms or Series Prospectus.

Redemption:

The applicable Final Terms or Series Prospectus will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less

than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies) per Note.

Redemption by Instalments:

The Series Prospectus issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Early Redemption for Events of Default, tax or other reasons:

The Notes may be redeemed prior to or following the Maturity Date upon the occurrence of certain tax events with respect to the Notes or the Original Collateral, upon any of the Original Collateral being called for redemption or repayment prior to its scheduled maturity date, upon certain mark to market and credit default spread triggers being met, or upon the termination of the Swap Agreement or the Repo Agreement (any redemption following the Maturity Date would be as a result of a redemption being triggered prior to the Maturity Date but with the resultant liquidation process not being completed until after the Maturity Date). In addition, the Noteholders and/or the Trustee (depending on the relevant event and subject as specified in the Conditions) may have the right to direct a redemption of the Notes upon the occurrence of an Event of Default with respect to the Notes, the occurrence of certain default events relating to the Original Collateral or upon the bankruptcy or certain defaults of the Swap Counterparty or the Repo Counterparty.

In such circumstances, the Disposal Agent may be required to liquidate some or all of the Collateral and the Swap Agreement and any Repo Agreement will be terminated in accordance with their respective terms. The amount payable or transferable to Noteholders in such circumstances will be the Early Redemption Amount.

If "Noteholder Settlement Option" is specified in the Final Terms or Series Prospectus and a Noteholder elects or is deemed to have elected to receive the Early Cash Redemption Amount, the Early Redemption Amount payable by the Issuer will be the Early Cash Redemption Amount, being an amount per Note equal to that Note's *pro rata* share of (i) the proceeds of liquidation or realisation of the Collateral and any other assets in respect of the relevant Series available to the Issuer (other than payments from the Swap Counterparty in respect of the termination of the Swap Agreement and payments from the Repo Counterparty in respect of the termination of the Repo Agreement), plus (ii) any termination payment payable to the Issuer by the Swap Counterparty on the termination of the Swap Agreement and any termination payment payable to the Issuer by the Repo Counterparty on the termination of the Repo Agreement and minus (iii) any termination payment payable to the Swap Counterparty by the Issuer on the termination of the Swap Agreement and any termination payment payable to the

Repo Counterparty by the Issuer on the termination of the Repo Agreement.

If “Noteholder Settlement Option” is specified in the Final Terms or Series Prospectus and a Noteholder does not elect or is not deemed to have elected to receive the Early Cash Redemption Amount, the Early Redemption Amount payable by the Issuer will be the Physical Redemption Amount, being a combination of an amount of assets and/or cash per Note equal to such Note’s *pro rata* share of (i) any Original Collateral remaining after certain amounts of such Original Collateral (if any) are liquidated, plus (ii) the proceeds of liquidation or realisation of the Collateral and any other assets in respect of the relevant Series available to the Issuer (other than payments from the Swap Counterparty in respect of the termination of the Swap Agreement and payments from the Repo Counterparty in respect of the termination of the Repo Agreement, and other than all proceeds of liquidation or realisation of Original Collateral solely attributable to those Noteholders entitled to receive an Early Cash Redemption Amount), plus (iii) any termination payment payable to the Issuer by the Swap Counterparty on the termination of the Swap Agreement and any termination payment payable to the Issuer by the Repo Counterparty on the termination of the Repo Agreement and minus (iv) any termination payment payable to the Swap Counterparty by the Issuer on the termination of the Swap Agreement and any termination payment payable to the Repo Counterparty by the Issuer on the termination of the Repo Agreement.

The Early Redemption Amount of a Note may be less than or may have a value of less than the Specified Denomination of that Note and may be zero.

In addition, on an early redemption of the Notes, the Issuer or the Trustee (as the case may be) will apply available sums or assets in accordance with the order of priority set out in “Master Conditions – Condition 15”. Such sums or assets may not be sufficient to meet the claims of the Secured Creditors against the Issuer in respect of the Series and, accordingly, following application in accordance with the order of priority there may not be sufficient sums or assets available to satisfy the Issuer’s obligation to pay the Early Redemption Amount in full or at all. See further the section of this Base Prospectus headed “Overview of the Programme – Limited Recourse and Non-Petition”.

Optional Redemption:

The relevant Final Terms or Series Prospectus in respect of each Series of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and, if so, the amounts at which such Notes shall be redeemed.

Cross Default:

None.

Withholding Tax:

All payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer or any Agent is required by applicable law or agreement with a relevant tax authority to make. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. This may result in the early redemption of the Notes – see the section of this Base Prospectus headed “Overview of the Programme – Early Redemption for Events of Default, tax or other reasons”. Neither the Issuer nor any Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

Further Issues:

The Issuer may from time to time issue further Notes of any Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single Series with such existing Notes of the same Series; provided that, unless otherwise approved by an Extraordinary Resolution of Noteholders, the Issuer provides, in accordance with “Master Conditions – Condition 21”, additional assets as security for such further Notes.

Governing Law:

English.

ISSUANCE DETAILS**Method of Issue:**

The Notes will be issued in Series, with the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue date(s). The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the applicable Final Terms or Series Prospectus.

References to “Final Terms” are to final terms issued pursuant to Article 5.4 of the Prospectus Directive and the specific terms of Notes that are listed and admitted to trading will be set out in either Final Terms or a Series Prospectus.

Issue Price of the Notes:

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Clearing Systems:

Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking, S.A. (“**Clearstream, Luxembourg**”) and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer(s).

Initial Delivery of Notes:

On or before the issue date for each Tranche, if the relevant

Global Note is a new global note (a “**NGN**”) or the relevant Global Certificate is held under the New Safekeeping Structure (the “**NSS**”), the Global Note or Global Certificate will be delivered to a common safekeeper for Euroclear and Clearstream, Luxembourg (the “**Common Safekeeper**”). On or before the issue date for each Tranche, if the relevant Global Note is a classic global note (a “**CGN**”) or the relevant Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

For the avoidance of doubt, under current regulations. Notes may only be held under the NSS if the Issuer is established in the European Economic Area.

Listing and Admission to Trading:

Application has been made to list Notes issued under the Programme on the Official List and trading on a regulated market for the purposes of MiFID II or as otherwise specified in the applicable Final Terms or Series Prospectus and references to listing shall be construed accordingly. As specified in the applicable Final Terms or Series Prospectus, a Series of Notes may be unlisted.

Rating:

The Programme is not rated.

Selling Restrictions:

The United States, the Public Offer Selling Restriction under the Prospectus Directive, the United Kingdom, Ireland and the Cayman Islands and any other jurisdiction relevant to any Series. See “Subscription and Sale”.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act, as amended.

U.S. TEFRA Compliance:

Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”)) (“**TEFRA D**”) unless (i) the applicable Final Terms or Series Prospectus state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“**TEFRA C**”) or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982

(“**TEFRA**”), which circumstances will be referred to in the applicable Final Terms or Series Prospectus as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. 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 Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes or the reduction of any such amounts may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and the applicable Final Terms or Series Prospectus, and reach their own views prior to making any investment decision.

The risk factors identified in this Base Prospectus are provided as general information only and the Arranger and the Dealers disclaim any responsibility to advise purchasers of Notes of the risk and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

General

The Notes

The Notes 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 Notes 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 Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Base Prospectus and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

Investors

Each prospective investor in Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal and interest may reduce 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 or interest 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 Notes are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

For the purposes of these risk factors, references to “**Noteholders**” or “**holders**” of Notes should generally be read as including holders of beneficial interests in such Notes, except where the context otherwise requires.

No fiduciary role

None of the Issuer, the Arranger, the Dealers or any of the other Transaction Parties or any of their respective affiliates is acting as an investment adviser or as an adviser in any other capacity, and none of them (other than the Trustee under the Trust Deed) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer, the Arranger, the Dealers or any of the other 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 thereof or of any Swap Counterparty or the terms of the relevant Swap Agreement or of any Repo Counterparty or the terms of the relevant Repo Agreement.

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

No reliance

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

No representations

None of the Issuer, the Arranger, the Dealers or any of the other Transaction Parties makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement or of any Repo Counterparty or in respect of the relevant Repo Agreement 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 of any Swap Counterparty or in respect of the relevant Swap Agreement or of any Repo Counterparty or in respect of the relevant Repo Agreement with any exchange, governmental, supervisory or self-regulatory authority or any other person.

None of the Issuer, the Arranger, the Dealers or any of the other Transaction Parties makes any representation or warranty in respect of the Collateral or in respect of any Swap Counterparty or any Repo Counterparty (save that this is not intended to limit the responsibility of the Issuer or NatWest Markets Plc as set out in the second and third paragraphs of page 4 of this Base Prospectus for the information in respect of NatWest Markets Plc referred to therein as “**NatWest Markets Information**”).

None of the Arranger or the Dealers make any representation or warranty, express or implied, in respect of the Issuer or in respect of any information contained in any documents prepared, provided or filed by or on behalf of the Issuer.

NatWest Markets Information

The Issuer has only made very limited enquiries with regard to, and none of the Transaction Parties has verified or (save as otherwise set out in the second and third paragraphs on page 4 of this Base Prospectus) accepts any responsibility for, the accuracy and completeness of the NatWest Markets Information. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the NatWest Markets Information.

Risks relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing Notes or entering into Obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted (amongst other things) not, as long as any Note remains outstanding, without the consent of the Trustee and the Swap Counterparty and/or the Repo Counterparty, as the case may be, to engage in any business other than the issuance or entry into of bonds, notes or other securities or the entry into of loans or other agreements for the payment or repayment of borrowed money, and provided always that such obligations are entered into on a limited recourse and non-petition basis and are secured on assets of the Issuer other than (i) the Issuer's share capital, (ii) any fees paid to the Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), (iii) any other moneys received by the Issuer for the administration and management of the Issuer which does not relate to a specific Series and which is segregated from the assets of each Series and (iv) those assets securing any other obligations of the Issuer. In addition, the Issuer will be subject to certain other restrictions, including that it will not, without the consent of the Trustee, the Swap Counterparty and/or the Repo Counterparty, declare any dividends, 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 further 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 Notes or entry into of other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, 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 Notes.

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. 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 Noteholders in respect of the Issuer's Notes. See also "Specific risks relating to the Cayman Issuer" below.

Specific risks relating to the Irish Issuer

Centre of main interest

The Irish Issuer has its registered office in Ireland. Under Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast EU Insolvency Regulation**"), the Irish Issuer's centre of main interest ("**COMI**") is presumed to be the place of its registered office (i.e. Ireland) in the absence of proof to the contrary and provided that the Issuer did not move its registered office within the 3 months prior to a request to open insolvency proceedings.

As the Irish Issuer's COMI is presumed to be Ireland, any main insolvency proceedings in respect of the Irish Issuer would fall within the jurisdiction of the courts of Ireland. As to what might constitute "proof to the contrary" regarding the location of a company's COMI, the key decision is that in **Re Eurofood IFSC Ltd** ([2004] 4 IR 370 (Irish High Court); [2006] IESC 41 (Irish Supreme Court); [2006] Ch 508; ECJ Case C-341/04 (European Court of Justice)), given in respect of the equivalent provision in the previous EU Insolvency Regulation (Regulation (EC) No. 1346/2000). In that case, on a reference from the Irish Supreme Court, the European Court of Justice concluded that "*factors which are both objective and ascertainable by third parties*" would be needed to demonstrate that a company's actual situation is different from that which the location of its registered office is deemed to reflect. For instance, if a company with its registered office in Ireland does not carry on any business in Ireland, that could rebut the presumption that the company's COMI is in Ireland.

As the Irish Issuer has its registered office in Ireland, the majority of its directors are tax resident in Ireland and is registered for tax in Ireland, the Irish Issuer does not believe that factors exist that would rebut the presumption that its COMI is located in Ireland, although this would ultimately be a matter for the relevant court to decide based on the circumstances existing at the time when it was asked to make that decision. If the Irish Issuer's COMI was found to be in another EU jurisdiction and not in Ireland, main insolvency proceedings would be opened in that jurisdiction instead.

Examinership

Examinership is a court moratorium/protection procedure which is available under Irish company law to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be, unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014 of Ireland. The Irish Issuer, the directors of the Irish Issuer, a contingent, prospective or actual creditor of the Irish Issuer, or shareholders of the Irish Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Irish Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

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

The fact that the Irish Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Irish Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the Irish Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

- (a) the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the Irish Issuer during the period of examinership; and
- (b) a scheme of arrangement may be approved involving the writing down of the debt due by the Irish Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

If the Irish Issuer becomes subject to an insolvency proceeding and the Irish Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

- (a) under the terms of the Trust Deed, the Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Creditors by security over the Mortgaged Property. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE and VAT;
- (b) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and
- (c) in an insolvency of the Irish Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

EU Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the “**Anti-Tax Avoidance Directive**”). The Anti-Tax Avoidance Directive must be implemented by each Member State by 2019, subject to derogations for Member States which have equivalent measures in their domestic law. Amongst the measures contained in the Anti-Tax Avoidance Directive is an interest deductibility limitation rule similar to the recommendation contained in the BEPS Action 4 proposals. The Anti-Tax Avoidance Directive provides that interest costs in excess of the higher of (a) EUR 3,000,000 or (b) 30 per cent of an entity's earnings before interest, tax, depreciation and amortisation will not be deductible in the year in which they are incurred but would remain available for carry forward. However, the restriction on interest deductibility would only be in respect of the amount by which the borrowing costs exceed "interest revenues and other equivalent taxable revenues from financial assets". Accordingly, as the Irish Issuer will generally fund interest payments it makes under the Notes from interest payments to which it is entitled in respect of any Collateral held by it (that is such that the Issuer pays limited or no net interest), the restriction may be of limited relevance to the Irish Issuer even if the Anti-Tax Avoidance Directive were implemented as originally published. There is also a carve out in the Anti-Tax Avoidance Directive for financial undertakings, although as currently drafted the Irish Issuer would not be treated as a financial undertaking. The European Commission is also pursuing other initiatives, such as the introduction of a common corporate tax base, the impact of which, if implemented, is uncertain. On 21 February 2017, the Economic and Financial Affairs Council of the European Union agreed an amendment to the Anti-Tax Avoidance Directive to provide for minimum standards for counteracting hybrid mismatches involving EU Member States and third countries (“**Anti-Tax Avoidance Directive 2**”). Anti-Tax Avoidance Directive 2 requires EU Member States to delay or deny deduction of payments, expenses or losses or include payments as taxable income, in case of hybrid mismatches. Anti-Tax Avoidance Directive 2 needs to be implemented in the EU Member States' national laws and regulations by 31 December 2019 and will have to apply as of 1 January 2020, except for the provision on reverse hybrid mismatches for which implementation can be postponed to 31 December 2021, and will apply as of 1 January 2022.

Action Plan on Base Erosion and Profit Shifting

At a meeting in Paris on 29 May 2013, the Organisation for Economic Co-operation and Development (“**OECD**”) Council at Ministerial Level adopted a declaration on base erosion and profit shifting urging the OECD’s Committee on Fiscal Affairs to develop an action plan to address base erosion and profit shifting in a comprehensive manner. In July 2013, the OECD launched an Action Plan on Base Erosion and Profit Shifting (“**BEPS**”), identifying fifteen specific actions to achieve this. Subsequently, the OECD published discussion papers and held public consultations in relation to those actions, also publishing interim reports, analyses and sets of recommendations in September 2014 for seven of the actions. On 5 October 2015, the OECD published final reports, analyses and sets of recommendations for all of the fifteen actions it identified as part of its Action Plan, which G20 finance ministers then endorsed during a meeting on 8 October 2015 in Lima, Peru (the “**Final Report**”). The Final Report was endorsed by G20 Leaders during their annual summit on 15-16 November 2015 in Antalya, Turkey.

Action 4

In the Final Report relating to Action 4, the OECD recommends as a best practice that countries introduce a general limitation on tax deductions for net interest and economically equivalent payments under which, broadly speaking, a company would be denied those deductions to the extent they exceeded a particular percentage of the company’s EBITDA ranging from 10 to 30 per cent.

The OECD recommends that, as a minimum, countries would apply this restriction to companies that form part of domestic and multinational groups only, or to companies that form part of multinational groups. However, the OECD acknowledges that countries may also apply such restriction more broadly to include companies in a domestic group and standalone companies which are not part of a domestic group.

Action 6

The focus of one of the actions (Action 6) is the prevention of treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. The Final Report recommends, as a minimum, that countries should include in their tax treaties: (i) an express statement that the common intention of each contracting state which is party to such treaties is to eliminate double taxation without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance; and one, or both, of (ii) a “limitation-on-benefits” (“**LOB**”) rule; and (iii) a “principal purposes test” (“**PPT**”) rule.

The PPT rule could deny a treaty benefit (such as a reduced rate of withholding tax) if it is reasonable to conclude, having regard to all facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in those circumstances would be in accordance with the object and purpose of the relevant provisions of the treaty. It is unclear how a PPT, if adopted, would be applied by the tax authorities of those jurisdictions from which payments are made to the Irish Issuer.

In contrast, the LOB rule has a more objective focus. More particularly, the OECD has included both a detailed and simplified version of the LOB rule in its Final Report relating to Action 6, albeit recommending in the related commentary to the LOB rule that the simplified version of the LOB rule should be included in a double tax treaty in combination with a PPT rule. The more detailed version of the LOB provision would limit the benefits of treaties, in the case of companies and in broad terms, to: (i) certain publicly listed companies and their affiliates; (ii) certain not-for-profit organisations and companies which carry on a pensions business; (iii) companies owned by a majority of persons who would be eligible for treaty benefits provided that the majority of the company’s gross income is not paid to a third country in a tax deductible form; (iv) companies engaged in the active conduct of a trade or business (other than of making or managing investments); (v) companies which were not established in a particular jurisdiction with a principal purpose of obtaining treaty benefits; and (vi) certain collective

investment vehicles (“**CIVs**”). The simplified version of the LOB provision would limit these benefits to companies in similar but, generally speaking, less prescriptive circumstances. The ability to claim treaty benefits under (v) above, however, would be included in both versions, albeit that it would require a company to apply to the tax authorities of the other contracting state for the granting of that benefit.

Whilst the Final Report makes provision for the inclusion of a CIV as a “qualified person” for the purposes of the LOB rule, the Final Report does not include specific provision for non-CIVs, such as the Irish Issuer. In the Final Report, the OECD acknowledges the economic importance of non-CIV funds and the need to grant such vehicles treaty benefits where appropriate. Further work on the treaty benefits to be afforded to non-CIV funds has continued to be undertaken including the publication on 24 March 2016 by the OECD of a public discussion draft document on the entitlement of non-CIV funds to treaty benefits and the publication on 6 January 2017 of a further discussion document detailing examples of transactions featuring non-CIVs.

The Multilateral Instrument (see further below) presents the PPT rule as the default option for countries wishing to modify their tax treaties to comply with the minimum standard of Action 6, while also permitting countries to supplement the PPT rule by choosing to apply a simplified LOB rule. The Multilateral Instrument does not include a detailed LOB rule but rather allows relevant countries who wish to incorporate a detailed LOB rule to opt out of the PPT rule and instead agree to endeavour to reach a bilateral agreement on such a detailed LOB rule. The Multilateral Instrument does not, however, address non-CIV funds and their access to treaty benefits in the context of a LOB rule.

Action 7

The focus of another action point (Action 7) was to develop changes to the treaty definition of a permanent establishment and the scope of the exemption for an “agent of independent status” to prevent the artificial avoidance of having a permanent establishment in a particular jurisdiction. The Final Report on Action 7 sets out the changes that will be made to the definition of a “permanent establishment” in Article 5 of the OECD Model Convention and the OECD Model Commentary. Among other recommendations, the Final Report on Action 7 recommended two specific changes to the OECD Model Convention: (i) the expansion of the circumstances in which a “permanent establishment” is created to include the negotiation of contracts where certain conditions are satisfied; and (ii) narrowing the exemption for agents of independent status where contracts are concluded by an “independent agent” and that agent is connected to the foreign enterprise on behalf of which it is acting.

Implementation of the recommendations in the Final Report

The OECD Action Plan noted the need for a swift implementation of any measures which are finally decided upon and suggested that Actions 6 and 7, among others, could be implemented by way of multilateral instrument, rather than by way of negotiation and amendment of individual tax treaties.

Subsequently, therefore, on 24 November 2016, the OECD published the text and explanatory statement of the “Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting”, developed by an ad hoc group of 99 countries which included Ireland (the “**Multilateral Instrument**”). The effect of the Multilateral Instrument is to transpose certain proposals emanating from the BEPS project into existing tax treaties. The Multilateral Instrument is to be applied alongside existing tax treaties (rather than amending them directly), modifying the application of those existing treaties in order to implement BEPS measures.

The Multilateral Instrument has been signed by over 75 jurisdictions (including Ireland). Following Slovenia’s ratification, the Multilateral Instrument entered into force on 1 July 2018 for signatories who deposited their instrument of ratification, acceptance or approval with the OECD on or before 22 March 2018 (which did not include Ireland). For signatories who deposit their instrument of ratification, acceptance or approval with the OECD after 22 March 2018, the Multilateral Instrument comes into force

at the start of the month which is three entire calendar months after such instrument of ratification, acceptance or approval is deposited with the OECD. As at the date of this Base Prospectus, Ireland has not yet deposited its instrument of ratification of the Multilateral Instrument with the OECD.

The date from which provisions of the Multilateral Instrument have effect in relation to a double tax treaty depends on several factors including the type of tax which the relevant treaty article relates to. Upon initial signing of the Multilateral Instrument, Ireland indicated those of its double tax treaties which are to be designated as Covered Tax Agreements (“CTAs”), being tax treaties that are to be modified by the Multilateral Instrument. Ireland has submitted its preliminary list of reservations and notifications under the Multilateral Instrument, in which it elected not to adopt a simplified LOB in its treaties (but rather just a PPT rule). Ireland’s definitive position will be provided upon the deposit of its instrument of ratification of the Multilateral Instrument. The OECD’s Frequently Asked Questions on the Multilateral Instrument dated June 2017 indicates that the PPT is expected to apply to all treaties covered by the Multilateral Instrument.

Accordingly, at least some of the recommendations of the Final Reports on Actions 6 and 7 may be applied to existing tax treaties in a relatively short time. However, the Multilateral Instrument generally allows participating countries to opt in or out of various measures which are not a BEPS “minimum standard”. It remains to be seen, therefore, precisely which options participating countries will choose and, as the Final Report on Action 6 observed, there are various reasons why countries may not implement the proposed amendments in an identical manner and/or to the same extent.

A change in the application or interpretation of double tax treaties (as a result of the adoption of the recommendations of the Final Report by way of the Multilateral Instrument or otherwise) might result in the Irish Issuer being treated as having a taxable permanent establishment outside of Ireland, in denying the Irish Issuer the benefit of Ireland’s network of double tax treaties or in other tax consequences for the Irish Issuer. In each case, this could have a material adverse effect on the Irish Issuer’s business, tax and financial position.

Specific Risks Relating to the Cayman Issuer

Cayman Islands Anti-Money Laundering Legislation

Each of the Administrator and the Cayman Issuer is subject to the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands (together with The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (or equivalent legislation and guidance, as applicable), and each as amended and revised from time to time, “**Cayman AML Regulations**”). The Cayman AML Regulations apply to anyone conducting “relevant financial business” in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction. The Cayman AML Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an “applicant for business”; e.g. an investor, as well as the identity of the beneficial owner/controller of the investor, where applicable. Except in certain circumstances, including where an entity is regulated by a recognised overseas regulatory authority and/or listed on a recognised stock exchange in an approved jurisdiction, the Cayman Issuer, or its agents will likely be required to verify each investor’s identity and may be required to verify the source of the payment used by such investor in a manner similar to the obligations imposed under the laws of other major financial centres. Application of an identity verification exemption at the time of purchase of the Notes may nevertheless require verification of identity prior to payment of proceeds from the Notes. In addition, if any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the

person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("**FRA**"), pursuant to the Proceeds of Crime Law (2018 Revision) of the Cayman Islands ("**PCL**"), if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands ("**Terrorism Law**"), if the disclosure relates to involvement with terrorism or terrorist financing and property. If the Cayman Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or the Cayman AML Regulations, the Cayman Issuer could be subject to substantial criminal penalties and/or administrative fines. The Cayman Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the Cayman Issuer to the holders of the Notes.

Risks relating to the Notes

Limited recourse obligations

The Notes 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 Trustee on behalf of the Noteholders and other Secured Creditors. Payments due in respect of the Notes prior to redemption or acceleration thereof will be made solely out of amounts received by or on behalf of the Issuer in respect of the Mortgaged Property. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the shortfall, and, following distribution of the proceeds of such realisation, any outstanding claim against the Issuer in relation to the Notes shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Further, only the Trustee may pursue remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons and no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, 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. In addition, in respect of any failure by the Issuer to make payment of the Final Redemption Amount and/or any interest or Instalment Amount that became due and payable on the Maturity Date, the Trustee may not pursue any remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons until the 15th Reference Business Day after the Maturity Date.

In addition, only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Deed.

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

Meetings of Noteholders and written resolutions

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain written resolutions on matters relating to the Notes from Noteholders without calling a meeting. A written resolution signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Trust Deed and whose Notes are then outstanding shall for all purposes be deemed to be an Extraordinary Resolution. In certain circumstances, where the Notes are held on behalf of a clearing system, the Issuer and the Trustee will be entitled to rely upon approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communication systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf

of the holders of not less than 75 per cent. in aggregate nominal amount of the Notes of the relevant Series for the time being outstanding, and such electronic consents shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. A written resolution or an electronic consent described in the previous paragraph may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or in respect of the relevant resolution (or participate in the written resolution or electronic consent, as the case may be) and Noteholders who voted in a manner contrary to the majority (either in a meeting or by written resolution). The Trustee may, in certain circumstances and without the consent of Noteholders, (i) agree to certain modifications of, or the waiver or authorisation of any breach or proposed breach of, the provisions of the Notes, (ii) determine that any Event of Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another entity as principal debtor under any Notes in place of the Issuer.

Trustee indemnity

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions, steps or proceedings in respect of a Series of Notes, in particular if the Security in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, steps or proceedings the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not indemnified and/or secured and/or pre-funded to its satisfaction, it may decide not to take such action, steps or proceedings and such inaction will not constitute a breach by it of its obligations under the Trust Deed. Consequently, the Noteholders would have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the Trust Deed, the Notes or the Coupons (although the events giving rise to the need for Trustee action might also permit the Noteholders to exercise certain rights directly under the Conditions).

So long as any Note is outstanding, the Issuer shall pay the Trustee and Agents remuneration for their services. Unless alternative arrangements are in place to finance such remuneration, such remuneration may reduce the amount payable to Noteholders.

Priority of claims

During the term of the Notes, following a Liquidation and on an enforcement of the Security, the rights of the Noteholders to be paid amounts or delivered assets due under the Notes will be subordinated to (i) the payment or satisfaction of all taxes owing by the Issuer, (ii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the Security (which may include for example, the fees of any receiver appointed by the Trustee) and the Trustee's remuneration, (iii) fees of the Disposal Agent, (iv) certain amounts owing to the Custodian and amounts owing to the Issuing and Paying Agent in respect of reimbursement for sums paid by them in advance of receipt by them of the funds to make such payment, (v) amounts owing to the Swap Counterparty under the Swap Agreement and the Repo Counterparty under the Repo Agreement and (vi) any other claims as specified in the Conditions, as may be amended by the Issue Deed relating to the relevant Series, that rank in priority to the Notes.

No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on or in respect of the Notes (as a result of FATCA or otherwise), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall. In

certain circumstances, the imposition of such taxes or deductions for tax will result in the Notes being redeemed early at their Early Redemption Amount (as further described below in the section of this Base Prospectus headed “Risk Factors – Early redemption for Events of Default, tax or other reasons”).

Modification, waivers and substitution

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

The Conditions of the Notes also provide that the Trustee may, in certain circumstances and without the consent of Noteholders, agree to (i) any modification of any of the Conditions or any of the provisions of the Transaction Documents that, in the opinion of the Trustee, is of a formal, minor or technical nature or is made to correct a manifest error, (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 Conditions or any provisions of the Transaction Documents, that in the opinion of the Trustee, is not materially prejudicial to the interest of the Noteholders or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer subject to the prior written consent of the Swap Counterparty and/or the Repo Counterparty as the case may be.

Notes may be subject to optional redemption by the Issuer

The Notes may be redeemed at the option of the Issuer if, and during the period, specified in the Conditions. This feature is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed as it is more likely that the Issuer will redeem the Notes at such point. This may also be true prior to the commencement of any redemption period. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate applicable to the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time and may bear the risk of having all or part of their Notes redeemed upon short notice from the Issuer during the option period.

Early redemption for Events of Default, tax or other reasons

The Notes may be redeemed prior to the Maturity Date upon the occurrence of certain tax events with respect to the Notes or the Original Collateral, upon any of the Original Collateral being called for redemption or repayment prior to its scheduled maturity date or upon the termination of the Swap Agreement or the Repo Agreement. In addition, the Noteholders and/or the Trustee (depending on the relevant event and as specified in the Conditions) may have the right to direct a redemption of the Notes upon the occurrence of an Event of Default with respect to the Notes, the occurrence of certain default events relating to the Original Collateral, upon certain mark-to-market and credit default spread triggers being met or upon the bankruptcy or certain other defaults of the Swap Counterparty or the Repo Counterparty. In such circumstances, the Disposal Agent may be required to liquidate some or all of the Collateral and/or the Trustee may enforce the Security following the occurrence of an Enforcement Event (as the case may be) and any Swap Agreement and Repo Agreement may terminate early in accordance with its terms.

Upon early termination of the Swap Agreement (if any), an early termination payment based on the losses or costs or, as the case may be, gains of the determining party in entering into a replacement transaction or its economic equivalent (or otherwise determined in accordance with the terms of such Swap Agreement) will be payable by the Issuer to the Swap Counterparty or (as the case may be) by the Swap Counterparty to the Issuer under the Swap Agreement. The determination of any such losses or costs or, as the case may be, gains will be dependent on a number of factors, including, without

limitation, (i) the creditworthiness and liquidity of the assets underlying the swap payments, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled termination date of the Swap Transaction(s) under the Swap Agreement and (iv) where a Credit Support Annex has been entered into as part of the Swap Agreement, the value of any collateral received by the Issuer, or collateral posted by the Issuer, thereunder.

Upon early termination of the Repo Agreement (if any), in certain circumstances in which such termination is due to the bankruptcy of, or default by, the Repo Counterparty, an early termination payment based on the market value of the Original Collateral sold under the Repo Agreement, the market value of any collateral posted by the Issuer to the Repo Counterparty or vice versa under the Repo Agreement and the purchase price paid by the Repo Counterparty to the Issuer for the Original Collateral, will be payable by the Issuer to the Repo Counterparty or (as the case may be) by the Repo Counterparty to the Issuer. In all other cases, the early termination of the Repo Agreement will result in the Repo Counterparty either, (at the option of the Repo Counterparty) paying an amount to the Issuer equal to the market value of the Original Collateral purchased by the Repo Counterparty thereunder or delivering (as the case may be) securities equivalent to the Original Collateral purchased by the Repo Counterparty thereunder together with any margin held by it in respect of the Repo Agreement, and the Issuer transferring all securities received by it from the Repo Counterparty under the Repo Agreement together with all margin held by it in respect of the Repo Agreement. The market value of the Original Collateral and any collateral posted under the Repo Agreement will be dependent on a number of factors including, without limitation, (i) the creditworthiness and liquidity of the Original Collateral and any such collateral posted under the Repo Agreement and (ii) market perception, interest rates, yields and foreign exchange rates.

The amount payable to a Noteholder in such circumstances will be either:

- (a) where “Cash Settlement” is specified in the Final Terms or Series Prospectus or where “Noteholder Settlement Option” is specified in the Final Terms or Series Prospectus and such Noteholder has elected or is deemed to have elected to receive the Early Cash Redemption Amount, an amount per Note equal to the Early Cash Redemption Amount, being such Note’s *pro rata* share of (a) the proceeds of liquidation or realisation of the Collateral and any other assets in respect of the relevant Series available to the Issuer plus (b) any early termination payment under the Swap Agreement payable by the Swap Counterparty to the Issuer and/or any early termination payment under the Repo Agreement payable by the Repo Counterparty to the Issuer minus (c) any early termination payment under the Swap Agreement payable by the Issuer to the Swap Counterparty and/or any early termination payment under the Repo Agreement payable by the Issuer to the Repo Counterparty; or
- (b) where “Noteholder Settlement Option” is specified in the Final Terms or Series Prospectus and such Noteholder does not elect or is not deemed to have elected to receive the Early Cash Redemption Amount, an amount per Note equal to the Physical Redemption Amount, being such Note’s *pro rata* share of (a) any Original Collateral remaining after certain amounts of such Original Collateral (if any) are liquidated, plus (b) the proceeds of liquidation or realisation of the Collateral and any other assets in respect of the relevant Series available to the Issuer (other than payments from the Swap Counterparty in respect of the termination of the Swap Agreement and payments from the Repo Counterparty in respect of the termination of the Repo Agreement, and other than any proceeds of liquidation or realisation of Original Collateral solely attributable to those Noteholders entitled to receive an Early Cash Redemption Amount), plus (c) any termination payment payable to the Issuer by the Swap Counterparty on the termination of the Swap Agreement and any termination payment payable to the Issuer by the Repo Counterparty on the termination of the Repo Agreement and minus (d) any termination payment payable to the Swap Counterparty by the Issuer on the termination of the Swap Agreement and any termination

payment payable to the Repo Counterparty by the Issuer on the termination of the Repo Agreement.

The Noteholders will be paid such amounts and/or delivered such assets, as the case may be, after payment of any priority claims in accordance with the Conditions. There is no assurance that in such circumstances the proceeds and/or assets available following payment of any such priority claims will be sufficient to pay in full the amounts that holders of the relevant Notes would expect to receive in the event that the Notes redeemed in accordance with their terms on their Maturity Date or that such holders will receive back the amount, or assets with a value equal to the amount, they originally invested.

In both cases, the Noteholders will be exposed to the market value of the Collateral, the Swap Agreement and the Repo Agreement (for a consideration of factors that may impact such values see “Risk Factors – Market Value of Notes” below).

Application of negative interest rates

Pursuant to the terms of the Agency Agreement in respect of the Notes, the Issuer is required to reimburse the Custodian for any costs or expenses incurred by the Custodian or its affiliates in maintaining the Cash Accounts on behalf of the Issuer arising from the imposition of a negative rate of interest by the European Central Bank or other applicable central bank or monetary authority. Potential investors should note that any such costs or expenses will ultimately be borne by the Noteholders.

Market Value of Notes

For the purposes of this section, references to “Collateral” shall also include Original Collateral to the extent that such Original Collateral has been transferred to the Swap Counterparty or the Repo Counterparty under the Swap Agreement or the Repo Agreement, as the case may be.

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral and the creditworthiness of the issuers and obligors of any Collateral, (ii) the value and volatility of any index, securities, commodities or other obligations to which payments on the Notes 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 Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the Maturity Date, (v) the nature and liquidity of the Repo Agreement and (vi) the nature and liquidity of the Swap Agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Collateral. These factors interrelate in complex ways, and the effect of one factor on the market value of the Notes may offset the effect of another factor. Any price at which Notes may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by a Dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by a Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by that Dealer concerning, a mark-to-market value of the Notes. The price (if any) provided by a Dealer is at the absolute discretion of that 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 that Dealer with a third party in respect of the Notes and that Dealer shall have no obligation to any Noteholder 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.

Regulation and reform of benchmarks, including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks

The London Interbank Offered Rate (“**LIBOR**”), the Euro Interbank Offered Rate (“**EURIBOR**”) and other interest rate, equity, commodity, foreign exchange rate and other types of rates and indices which are deemed to be “benchmarks” (“**Benchmarks**”) are the subject of ongoing national and international regulatory reform. Following any such reforms, benchmarks may perform differently than in the past or disappear entirely, or there could be other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a benchmark.

Key regulatory proposals and initiatives in this area include (amongst others) IOSCO’s Principles for Financial Market Benchmarks, published in July 2013 (the “**IOSCO Benchmark Principles**”) and the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “**Benchmark Regulation**”).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. Subsequent implementation reviews have found that widespread efforts are being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed. However, the reviews also note that, as the “benchmarks industry” is in a state of flux, IOSCO may need to take further steps in the future – although it is not yet clear what these steps might be.

The Benchmark Regulation entered into force in June 2016 and became fully applicable in the EU on 1 January 2018 (save that certain provisions, including those related to “critical benchmarks”, took effect as at 30 June 2016), subject to certain transitional provisions. The Benchmark Regulation applies to “contributors” to, “administrators” of, and “users” of benchmarks in the EU. Among other things, the Benchmark Regulation: (a) requires EU benchmark administrators to be authorised or registered and to comply with requirements relating to the administration of benchmarks, (b) prohibits the use in the EU of benchmarks provided by EU administrators which are not authorised or registered in accordance with the Benchmark Regulation, and (c) prohibits the use in the EU of benchmarks provided by non-EU administrators which are not (i) authorised or registered and subject to supervision in a jurisdiction in respect of which an “equivalence” decision has been adopted in accordance with the Benchmark Regulation, or (ii) where such equivalence decision is pending, “recognised” by the competent authorities of the applicable EU Member State(s). An exception to this is that a benchmark provided by a non-EU administrator can itself be endorsed for use in the EU by an EU authorised or registered administrator or an EU-based supervised entity, following authorisation of the endorsement by the relevant competent authority.

The scope of the Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices such as EURIBOR, applies to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices. This includes “proprietary” indices or strategies where these are used to (i) determine the amount payable under, or the value of, certain financial instruments (including securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or traded via a systematic internaliser), (ii) determine the amount payable under certain financial contracts, or (iii) measure the performance of an investment fund. The requirements of the Benchmark Regulation vary depending on the category of benchmark in question. In particular, a lighter touch regime applies to benchmarks which are not interest rate or commodity benchmarks where the total average value of financial instruments, financial contracts or investment funds referencing the benchmark over a period of six months is less than €50bn (subject to further conditions).

The Benchmark Regulation could have a material impact on Notes linked to a benchmark rate or index. For example:

- (a) a rate or index which is a benchmark could be prohibited from being used in the EU if (subject to applicable transitional provisions) its administrator is (i) based in the EU and does not obtain authorisation or registration, or (ii) based in a non-EU jurisdiction which does not satisfy the “equivalence” conditions and is not “recognised” pending an equivalence decision. In such event, depending on the particular benchmark and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- (b) the methodology or other terms of the benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes including the Calculation Agent determination of the rate or level in its discretion.

Ongoing international and/or national reform initiatives and the increased regulatory scrutiny of benchmarks generally could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any applicable regulations or requirements. Such factors may discourage market participants from continuing to administer or contribute to benchmarks, trigger changes in the rules or methodologies used in respect of benchmarks, and/or lead to the disappearance of benchmarks. This could result in (i) adjustments to the terms and conditions and/or early redemption provisions and/or provisions relating to discretionary valuation by the Calculation Agent, (ii) delisting, and/or (iii) other consequences for Notes linked to any such benchmarks. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Benchmarks and the risk of an Administrator/Benchmark Event

Determining the occurrence of an Administrator/Benchmark Event

If a Series or any Original Collateral in respect of a particular Series references a Benchmark, there is a risk that an Administrator/Benchmark Event may occur in respect of such Benchmark. An Administrator/Benchmark Event is expected to occur if the Benchmark ceases or if the administrator of the Benchmark ceases to have the necessary authorisations. There is no certainty as to when an Administrator/Benchmark Event may occur. Whether an Administrator/Benchmark Event has occurred will be determined by the Calculation Agent.

Investors should be aware that a change (whether material or not) to the definition, methodology or formula for a Benchmark, or other means of calculating such Benchmark will not, unless otherwise specified in the applicable Conditions, constitute an Administrator/Benchmark Event. Each Noteholder will bear the risks arising from any such change and will not be entitled to any form of compensation as a result of any such change.

Consequences of the occurrence of an Administrator/Benchmark Event

If the Calculation Agent determines that an Administrator/Benchmark Event has occurred in respect of a Benchmark which the Notes reference, the Calculation Agent will (in its discretion) attempt to identify an alternative Benchmark which would have the effect of substantially preserving the economic effect to the Noteholders and the Swap Counterparty. In making such a determination, the Calculation Agent may face a conflict of interest between the interests of the Noteholders and the interests of the Swap Counterparty. In such circumstances, it shall not be obliged to act solely in the interests of the Noteholders.

Investors should be aware that (i) the application of any alternative Benchmark could result in a lower amount being payable to Noteholders than would otherwise have been the case and (ii) the application of any alternative Benchmark shall be effected without requiring the consent of the Noteholders.

In certain circumstances, the Calculation Agent may be unable or unwilling to determine an alternative Benchmark. If this occurs, the Notes will be the subject of an early redemption and shall redeem at their Early Redemption Amount and no other amount (including any suspended amounts or any interest thereon) shall be payable or deliverable in respect of the Notes. There is no assurance that an alternative Benchmark will be determined by the Calculation Agent.

If the Calculation Agent determines that an Administrator/Benchmark Event has occurred in respect of a Benchmark which the Original Collateral references, the Notes will be the subject of an early redemption and shall redeem at their Early Redemption Amount and no other amount (including any suspended amounts or any interest thereon) shall be payable or deliverable in respect of the Notes.

Modifications upon a Regulatory Requirement Event or Sanctions Event

The Issuer must implement certain modifications ("**Regulatory Modifications**") to the Conditions or a Transaction Document, without the requirement for the consent of the Trustee or Noteholders, if, broadly, such modifications are required for the Issuer or any Transaction Party or the Notes or any Transaction Document to comply or to continue to comply with certain regulatory or sanctions-related requirements in respect of the Notes, any Transaction Documents or the continuing business of the Issuer or a Transaction Party. Such Regulatory Modifications may only be made without the consent of the Trustee or Noteholders if certain criteria set out in the Conditions are satisfied, including that such Regulatory Modifications will not materially alter the economic substance of the scheduled payments under the transaction constituted by the Conditions or the Transaction Document when considered as a whole, and will not result in the Issuer incurring any material liability or expense (whether by way of tax or otherwise). However, Regulatory Modifications need not be beneficial to the Issuer or Noteholders and could put the Issuer (and, indirectly, the Noteholders) in a position that is less advantageous than the position it had immediately prior to effecting such Regulatory Modifications.

Cayman Islands tax considerations

The Cayman Islands has signed two intergovernmental agreements to improve international tax compliance and the exchange of information one with the United States and one with the United Kingdom (the "**US IGA**" and the "**UK IGA**", respectively). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**" and together with the US IGA and the UK IGA, "**AEOI**").

Cayman Islands regulations have been issued to give effect to the US IGA, the UK IGA and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US and UK IGAs and CRS. It is anticipated that the UK IGA related regulations and relevant provisions of the guidance notes will be phased out in 2017 and replaced with CRS.

All Cayman Islands "Financial Institutions" (including the Cayman Issuer) are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless the Cayman Issuer is able to rely on an exemption that permits it to be treated as a "Non-Reporting Cayman Islands Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Cayman Issuer does not propose to rely on any Non-Reporting Cayman Islands Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations as a "Reporting Financial Institution".

The AEOI Regulations require the Cayman Issuer to, amongst other things, (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution", (iii) adopt and

implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit such information to the applicable overseas fiscal authorities.

Under the terms of the US IGA, withholding will not be imposed on payments made to the Cayman Issuer unless the IRS has specifically listed the Cayman Issuer as a non-participating financial institution, or on payments made by the Cayman Issuer to the Noteholders unless the Cayman Issuer has otherwise assumed responsibility for withholding under United States tax law.

Potential FATCA withholding

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. Each Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Ireland and the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes and that have a defined term generally would be "grandfathered" for purposes of FATCA withholding if issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register, unless materially modified after such date. However, if additional notes (as described under "*Terms and Conditions of the Notes - Further Issues*") that are not distinguishable from grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including grandfathered Notes, as subject to withholding under FATCA.

If the relevant Issuer fails to comply with its obligations under FATCA (including the IGA and any IGA Legislation thereunder), it may be subject to FATCA withholding on all, or a portion of, payments it receives with respect to the Collateral and under the Swap Agreement or the Repo Agreement (if any). Any such withholding would, in turn, result in the relevant Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes and/or the Swap Agreement or the Repo Agreement (if any) with respect to a Series. No other funds will be available to the relevant Issuer to make up any such shortfall and, as a result, the relevant Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. Additionally, if payments to the relevant Issuer in respect of its assets are, will become or are deemed on any test date to be subject to FATCA withholding, an Original Collateral Tax Event will occur. In which case, the Notes generally will be subject to early redemption (see "*Early redemption for Events of Default, tax or other reasons*" above). No assurance can be given that the relevant Issuer can or will comply with its obligations under FATCA or that the relevant Issuer will not be subject to FATCA withholding.

In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on Notes, no person will be required to pay additional amounts as a result of the withholding. FATCA is particularly complex and its application to the Issuer, the Notes and the Noteholders is subject to change. Prospective investors should consult their own tax advisors regarding how these rules may apply to their investment in Notes.

The Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. In December 2015, Estonia withdrew from the group of states willing to introduce the FTT (the “**Participating Member States**”).

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

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

However, the FTT proposal remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

U.S. Regulatory considerations

U.S. Dodd-Frank Act

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (“**Dodd-Frank**”), establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts (collectively referred to in this risk factor as “**covered swaps**”). Among other things, Title VII provides the U.S. Commodity Futures Trading Commission (the “**CFTC**”) and the U.S. Securities and Exchange Commission (the “**SEC**”) with jurisdiction and regulatory authority over many different types of derivatives that were previously traded over the counter, requires the establishment of a comprehensive registration and regulatory framework applicable to covered swap counterparties, such as swap dealers, major swap participants, security-based swap dealers and/or major security-based swap participants,, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities and centrally cleared, and contemplates the imposition of capital and margin requirements for uncleared transactions in covered swaps.

Many of the key regulations implementing Title VII have recently become effective or are in final form. However, in some instances, the interpretation and potential impact of these regulations are not yet entirely clear. Additionally, not all of the regulations, particularly with respect to security-based swaps, have been finalized and made effective. Due to this uncertainty, a complete assessment of the exact effects of Title VII cannot be made at this time. As Title VII’s requirements have been implemented and continue to go into effect, it is clear that covered swap counterparties, dealers and other major market participants, as well as commercial users of covered swaps, will experience new and/or additional regulatory requirements, compliance burdens and associated costs.

Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of Dodd-Frank, there is no assurance that the Issuer’s Swap Agreements would not be treated as covered swaps under Title VII, nor is there assurance that the Issuer would not be required to comply with additional regulation under the U.S. Commodity Exchange Act, as amended, including by Dodd-Frank (the “**CEA**”), as described immediately below. In particular, the Swap Agreements entered into between the Issuer and a Swap Counterparty may include agreements that are regulated as covered

swaps under Title VII, each of which may be subject to new clearing, execution, capital, margin posting, reporting and recordkeeping requirements under Dodd-Frank that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting a transaction's value). Even those Swap Agreements not required to be cleared may be subject to initial and variation margining and documentation requirements that may require modifications to existing agreements. If the Issuer's Swap Agreements are treated as covered swaps under Title VII, the Issuer may be required to comply with additional regulation under the CEA. Moreover, the Notes may be deemed as a way by which investors have invested in a "commodity pool" under the CEA and the Issuer could be required to register as a commodity pool operator with the CFTC (see "*Risks relating to U.S. Commodity Pool Regulation*" below).

Any additional registration requirements could result in one or more service providers or counterparties to the Issuer resigning, seeking to withdraw or renegotiating their relationship with the Issuer. To the extent any service providers resign, it may be difficult to replace such service providers.

Under Dodd-Frank, Swap Agreements entered into between the Issuer and a Swap Counterparty may be subject to mandatory execution, clearing and documentation requirements. Any of the foregoing requirements and/or other requirements or obligations under Dodd-Frank could materially increase costs associated with the Programme and could materially and adversely affect the value of the Notes.

Given that the full scope and consequences of the enactment the Dodd-Frank Act and the rules still to be adopted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Notes.

Risks relating to U.S. Commodity Pool Regulation

The CFTC has rescinded a rule which formerly provided an exemption from registration as a "commodity pool operator" (a "CPO") or a "commodity trading advisor" ("CTA") under the CEA, in respect of certain transactions and investment vehicles involving sophisticated investors. Dodd-Frank also expanded the definition of "commodity pool" to cover entities that trade in swaps by expressly providing that a "commodity pool" included any form of enterprise operated for the purpose of trading in commodity interests, including swaps. It should also be noted that the definition of "swap" under Dodd-Frank is itself broad and expressly includes certain interest rate swaps, currency swaps and total return swaps. The term "commodity pool operator" has been expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an expansive interpretation of these definitions, and has expressed the view that entering into a single swap could make an entity a "commodity pool" subject to CPO registration requirements and other regulations under the CEA. The CFTC has also provided extensive exemptive relief in respect of these matters although there is no guarantee that all or any aspects of the Programme will be able to take advantage of such relief.

As at the date of this Base Prospectus, no person has registered nor will register as a CPO of the Issuer under the CEA and the CFTC Rules thereunder. No assurance can be made that either the U.S. federal government or a U.S. regulatory body (or other authority or regulatory body) will not take further legislative or regulatory action, and the effect of such action, if any, cannot be known or predicted. Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of the CEA, if the Issuer was deemed to be one or more "commodity pools" subject to CPO registration requirements under the CEA, then whoever is deemed to be acting as a CPO in respect thereof would be required to register as such with the CFTC. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as those contemplated in relation to the Programme in mind, these exemptions may not be available to avoid registration with respect to the Issuer or other parties. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a

number of reporting requirements that are geared to actively managed commodity pools. Complying with these requirements on an ongoing basis could impose significant costs on the Issuer that may materially and adversely affect the value of the Notes. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would also involve material ongoing costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could materially and adversely affect the value of the Notes.

Risks relating to U.S. Volcker Rule

On December 10, 2013, the SEC, the CFTC and three U.S. banking regulators approved a final rule to implement the Volcker Rule. Subject to certain exceptions, the Volcker Rule prohibits sponsorship of and investment in certain “covered funds” by “banking entities”, a term that includes NatWest Markets Plc and most internationally active banking organizations that may be Swap Counterparties. Even if an exception allows a banking entity to sponsor or invest in a covered fund, the banking entity may be prohibited from entering into certain “covered transactions” with that covered fund. Covered transactions include (among other things) entering into a swap transaction if the swap would result in a credit exposure to the covered fund.

If the Issuer is considered a covered fund and if any affiliate of a Swap Counterparty were to be deemed to be a “sponsor” of the Issuer, a Swap Counterparty could be prohibited from entering into Swap Agreements with the Issuer, which could have material adverse effects on the Notes. Alternatively, the Issuer may incur additional costs in seeking new swap counterparties in order to maintain the payment characteristics of the Notes, although there is no guarantee that it will be able to find such counterparties. Such costs could materially and adversely affect the value of and any return on the Notes. If the Issuer is considered a covered fund, the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. This could make it difficult or impossible for Noteholders to sell the Notes or it could materially and adversely affect their market value.

Credit Linked Notes

The following risks apply only to those Notes in respect of which the Standard CLN Terms Product Supplement is specified as applying in the applicable Series Prospectus.

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium Restructuring or Governmental Intervention, as each such term is defined in the Standard CLN Terms Product Supplement) in relation to a Reference Entity or Reference Entities, in each case, as specified in the applicable Series Prospectus, the Issuer’s obligation to pay principal or perform other obligations under the Notes may be replaced by an obligation to pay other amounts calculated by reference to the price (as determined herein) of the Reference Obligation(s). In addition, interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances. Prospective purchasers who consider purchasing the Notes should reach an investment decision only after carefully considering the suitability of the Notes in light of their particular circumstances, particularly the risks associated with the Reference Entity.

Entry into a credit default swap by the Issuer with the Swap Counterparty in relation to the Notes (the “CDS”) presents risks in addition to those that would result from a direct purchase of the Reference Obligation by the Issuer. The Issuer will have a contractual relationship only with the Swap Counterparty and not with the Reference Entity. Under the CDS, none of the Issuer, the Trustee, the Noteholders or any other entity will have any rights to acquire from the Swap Counterparty (or to require the Swap Counterparty to transfer, assign or otherwise dispose of) any interest in the Reference Obligation.

Consequently, the CDS does not constitute a purchase or other acquisition or assignment of any interest in the Reference Obligation.

The Issuer will therefore have rights solely against the Swap Counterparty in accordance with the CDS and will have no recourse to the Reference Entity. None of the Issuer, the Trustee or the Noteholders will have any rights directly to enforce compliance by the Reference Entity in respect of the Reference Obligation, will have any rights of set-off against the Reference Entity, will have any voting rights with respect to the Reference Obligation, will directly benefit from any collateral supporting the Reference Obligation or will have the benefit of the remedies that would normally be available to a holder of such Reference Obligation. The Swap Counterparty will not, at any time, grant to the Issuer any security interests over the Reference Obligation. In addition, in the event of the insolvency of the Swap Counterparty, the Issuer will be treated as a general creditor of the Swap Counterparty and will not have any claim with respect to the Reference Obligation.

The Swap Counterparty is not required to retain any legal, equitable or economic interest in the Reference Obligation at any time and there is no restriction whatsoever on the Swap Counterparty's ability to retain, hedge, sell or otherwise dispose of any legal, equitable or economic interest in the Reference Obligation.

The Issuer's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Issuer's credit exposure to a Reference Entity and the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Under the Conditions of the Credit Linked Notes, certain determinations in respect of Credit Linked Notes may be made by reference to announcements, determinations and Resolutions made by ISDA and/or Credit Derivatives Determinations Committees. Such announcements, determinations and Resolutions could affect the redemption and settlement of the Credit Linked Notes (including the quantum and timing of payments and/or deliveries on redemption). For the avoidance of doubt, neither the Issuer nor the Calculation Agent shall have any liability to any person for any determinations, redemption, calculations and/or delay or suspension of payments and/or redemption of Credit Linked Notes resulting from or relating to announcements, publications, determinations and Resolutions made by ISDA and/or any Credit Derivatives Determinations Committees.

Risks relating to the Collateral

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Trustee in respect of the Collateral. No representations or warranties, express or implied, have been given by the Issuer, the Arranger, the Dealers, the Trustee or any other person on their behalf in respect of the Collateral.

Collateral

The Collateral relating to any Notes 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, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer or the Trustee may recover in respect of such Collateral.

If the Issuer has entered into a Repo Agreement or a Credit Support Annex as part of its Swap Agreement, by virtue of the collateral requirements applicable to any such arrangements, the Collateral held by the Issuer from time to time may comprise assets other than, or in addition to, the Original Collateral, or may comprise less Original Collateral than the amount held by it on the Issue Date. Where the Issuer holds other or additional assets, the types of assets that may comprise Collateral may be diverse and may be less liquid and more volatile than the Original Collateral.

If Notes redeem other than on a final redemption on the Maturity Date, the Collateral 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 at that time since the market value of such Collateral will be affected by a number of factors, including, but not limited to, (i) the creditworthiness of the issuers and obligors of the Collateral, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral and (iv) the liquidity of the Collateral. Accordingly, the price at which such Collateral is sold or Liquidated may be at a discount, which could be substantial, to the market value of the Collateral on the Issue Date and the proceeds of any such sale or Liquidation when taken together with the proceeds of termination of any related Swap Agreement and Repo Agreement and any other assets available to the Issuer that relate to the relevant Series of Notes may not be sufficient to repay the full amount of principal of and interest on the relevant Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their Maturity Date.

The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information to any Noteholder, the Issuer, the Trustee or any of the Transaction Parties.

Risks relating to the Swap Counterparty and the Swap Agreement

The ability of the Issuer to meet its obligations under the Notes may depend on the receipt by it of payments under the Swap Agreement (if any). Consequently, the Issuer is exposed not only to the occurrence of an Original Collateral Default in relation to the Original Collateral, the volatility in the market value of the Collateral and the occurrence of a default by the Repo Counterparty under the Repo Agreement, but also to the ability of the Swap Counterparty to perform its obligations under the Swap Agreement. Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

If, on the termination of the Swap Agreement, an amount is payable by the Swap Counterparty to the Issuer (for the avoidance of doubt, taking into account any collateral posted between the parties pursuant to the terms of any Credit Support Annex to the Swap Agreement), then the Issuer shall have an unsecured claim against the Swap Counterparty for such amount.

The receipt by the Issuer of payments and/or deliveries under the Swap Agreement is also dependent on the timely payment and/or delivery by the Issuer of its obligations under the Swap Agreement. The ability of the Issuer to make timely payment and/or delivery of its obligations under the Swap Agreement depends on receipt by it of the scheduled payments and/or deliveries under the Original Collateral and under any Repo Agreement entered into by it in connection with the Notes. Consequently, the Issuer is also exposed to the ability of the issuers and guarantors of the Original Collateral to perform their respective payment and/or obligations and the ability of the Repo Counterparty to perform its obligations under any such Repo Agreement.

In the circumstances specified in any Swap Agreement entered into by the Issuer in connection with the Notes, the Issuer or the Swap Counterparty may terminate all outstanding Swap Transactions under the Swap Agreement in full, as described in the section of this Base Prospectus headed "The Swap Agreement". Any termination of the Swap Transactions under a Swap Agreement will result in a redemption in full of the relevant Series of Notes at their Early Redemption Amount. Upon any such redemption, the amount paid or delivered to Noteholders to redeem such Notes may be significantly less than the Noteholder's original investment in such Notes and may be zero.

Where the applicable Final Terms or Series Prospectus specify that the Pass-through Note Terms Product Supplement applies to a Series of Notes, unless otherwise specified in such Final Terms or Series Prospectus, the Issuer will not enter into a Swap Agreement.

Risks relating to the Repo Counterparty and Repo Agreement

The ability of the Issuer to meet its obligations under the Notes may depend on the receipt by it of payments under the Repo Agreement (if any). Consequently, the Issuer is exposed not only to the occurrence of an Original Collateral Default in relation to the Original Collateral, the volatility in the market value of the Collateral and the occurrence of a default by the Swap Counterparty under the Swap Agreement, but also to the ability of the Repo Counterparty to perform its obligations under the Repo Agreement. Default by the Repo Counterparty may result in the termination of the Repo Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

If upon the termination of the Repo Agreement an amount is payable by the Repo Counterparty to the Issuer (for the avoidance of doubt, taking into account and including any collateral posted between the parties pursuant to the terms of the Repo Agreement and any requirement to re-transfer such collateral), then the Issuer shall have an unsecured claim against the Repo Counterparty for such amount.

The receipt by the Issuer of payments and/or deliveries under the Repo Agreement is also dependent on the timely payment and/or deliveries by the Issuer of its obligations under the Repo Agreement. The ability of the Issuer to make timely payment and/or deliveries of its obligations under the Repo Agreement depends on receipt by it of the scheduled payments and/or deliveries under the Original Collateral and under any Swap Agreement entered into by it in connection with the Notes. Consequently, the Issuer is also exposed to the ability of the issuers and guarantors of the Original Collateral to perform their respective payment and/or delivery obligations and the ability of the Repo Counterparty to perform its obligations under any such Repo Agreement.

In the circumstances specified in any Repo Agreement entered into by the Issuer in connection with the Notes, the Issuer or the Repo Counterparty may terminate all outstanding Transactions under the Repo Agreement in full, as described in the section of this Base Prospectus headed “The Repo Agreement”. Any termination of the Transactions under a Repo Agreement will result in a redemption in full of the relevant Series of Notes at their Early Redemption Amount. Upon any such redemption, the amount paid or delivered to Noteholders to redeem such Notes may be significantly less than the Noteholder’s original investment in such Notes and may be zero.

Where the applicable Final Terms or Series Prospectus specify that the Pass-through Note Terms Product Supplement applies to a Series of Notes, the Issuer will not enter into a Repo Agreement.

Risks relating to the Custodian

Custodian risk

Collateral in the form of cash or transferable securities will be held in an account of, and in the name of, the Custodian, with State Street Bank and Trust Company acting as sub-custodian to the Custodian. Where the Collateral consists of assets other than cash or transferable securities, it may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee.

The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held). Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee and will be a bank deposit. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian’s assets.

Sub-Custodians, Depositaries and Clearing Systems

Credit risk

Under the Agency Agreement, in addition to the appointment by the Custodian of State Street Bank and Trust Company as sub-custodian, the Issuer authorises the Custodian to hold the Collateral in the Custodian's account or accounts with any other sub-custodian, any securities depositary or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise the Collateral.

Where the Collateral is held with a sub-custodian (including State Street Bank and Trust Company) the Custodian will remain liable for the performance of the duties and powers delegated by it to such sub-custodian. Where the Collateral is held with a securities depositary or clearing system (whether via the Custodian, a sub-custodian or otherwise), the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held) and, in turn, the Custodian (and any applicable sub-custodian) will be dependent (in whole or in part) upon receipt of payments from such securities depositary or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral and the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes (and any obligations of any sub-custodian under or pursuant to the Agency Agreement or otherwise), but also on the creditworthiness of any securities depositary or clearing system holding the Collateral duly appointed by the Custodian or any sub-custodian.

Lien/Right of set-off

Pursuant to their terms of engagement, sub-custodians (including State Street Bank and Trust Company), securities depositaries or clearing systems may have liens or rights of set-off with respect to the Collateral held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depositary or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Collateral, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes.

Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held) but will also be dependent on any sub-custodian, securities depositary or clearing system not exercising any lien or right of set-off in respect of any Collateral that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, securities depositary or clearing system (or the ability of the Issuer to pay such amounts due to the Custodian and/or the sub-custodian, securities depositary or clearing system).

Risks relating to the Issuing and Paying Agent

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

If the Issuing and Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Issuing and Paying Agent. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all (or any part) of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on

the creditworthiness of the Issuing and Paying Agent in respect of the performance of its obligations under the Agency Agreement for the Notes to make or facilitate payments to Noteholders.

Risks relating to the Disposal Agent

Liquidation

Where the Notes are to be redeemed other than on the Maturity Date, or where the Collateral has a stated maturity falling after the Maturity Date of the Notes, the Disposal Agent is generally required to sell or otherwise Liquidate the Collateral. Except as otherwise set out in the Conditions, the Disposal Agent is permitted to sell all or any part of the Collateral at any time or at different times during the relevant period or in stages in respect of smaller portions, and will not have any liability for so doing if a higher price could have been obtained had such sale taken place at a different time during such specified period and/or had or had not been effected in stages in respect of smaller portions.

Replacement Disposal Agent

Upon the occurrence of a Disposal Agent Bankruptcy Event, the Disposal Agent's appointment will be automatically terminated and the Issuer will be required to appoint a replacement institution to take its place. Such replacement will be chosen either by the Noteholders acting by Extraordinary Resolution or by the Issuer with the consent of the Swap Counterparty, the Repo Counterparty and the Trustee, provided that if either the Swap Counterparty or Repo Counterparty are subject to a Counterparty Bankruptcy Credit Event, Swap Counterparty Event or Repo Counterparty Event as applicable, the approval of the party or parties so affected shall not be required. Arranging for and appointing any such replacement may delay any required Liquidation of the Collateral and related payments on the Notes.

Risks relating to all Agents

The application of FATCA withholding to interest, principal or other amounts payable under or in respect of the Notes is not clear (see "Potential FATCA withholding" above). If an amount in respect of FATCA withholding were to be deducted or withheld from interest, principal or other payments payable under or in respect of the Notes, neither the Issuer nor any Agent nor any other person would, pursuant to the Conditions, be required to pay additional amounts as a result of such FATCA withholding. In such circumstances, Noteholders might receive less than otherwise expected.

Conflicts of Interest

General

For the purposes of this section, references to "Collateral" shall also include Original Collateral to the extent that such Original Collateral has been transferred to the Swap Counterparty or the Repo Counterparty under the Swap Agreement or the Repo Agreement, as the case may be.

NatWest Markets Plc and any of its affiliates may act in a number of capacities in connection with any issue of Notes. NatWest Markets Plc or any such affiliate, as the case may be, 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. NatWest Markets Plc and any of its affiliates may enter into business dealings relating to the Notes or the Collateral or any asset to which the Notes or Collateral are exposed, including the acquisition of the Notes, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

NatWest Markets Plc 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 which information and/or opinions might, if known by a Noteholder, affect decisions made by it

with respect to its investment in the Notes. Notwithstanding this, none of NatWest Markets Plc or any of its affiliates shall have any duty or obligation to notify the Noteholders or the Issuer or any other Transaction Parties (including any directors, officers or employees thereof) of such information and/or opinions.

NatWest Markets Plc and any of its affiliates may deal in any obligation of the issuer or obligor of any Collateral 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 and may act with respect to such transactions in the same manner as if the relevant Swap Agreement, Repo Agreement and the Notes 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, the Issuer, the Swap Counterparty, the Repo Counterparty or the holders of the Notes of the relevant Series.

NatWest Markets Plc 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 NatWest Markets Plc 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 Notes or any Collateral. Notwithstanding this, none of NatWest Markets Plc or any of its affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Notes when effecting transactions in such markets.

One or more of NatWest Markets Plc and its affiliates or any Transaction Party 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;
- (b) act as trustee, paying agent and in other capacities in connection with certain of the Collateral or other classes of securities issued by an issuer of, or obligor with respect to, the Collateral or an affiliate thereof;
- (c) be a counterparty to issuers of, or obligors with respect to, certain of the Collateral under a swap or other derivative agreements;
- (d) lend (on a secured or unsecured basis and whether under a repo agreement, or otherwise) to certain of the issuers of, or obligors with respect to, the Collateral 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 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 their respective affiliates.

When acting as a trustee, paying agent or in other service capacities with respect to the Collateral, the Transaction Parties may be entitled to fees and expenses senior in priority to payments on such Collateral. When acting as a trustee for other classes of securities issued by the issuer of any Collateral or an affiliate thereof, a Transaction Party will 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 is a part. As a counterparty under swaps and other derivative agreements, a 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 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 in bankruptcy or demanding payment on a loan guarantee or under other credit enhancements. The Issuer's acquisition, holding and sale of the Collateral may enhance the profitability or value of investments made by a Transaction Party in the issuers thereof or obligors in respect thereof. As a result of all such transactions or arrangements between a Transaction Party and issuers of, and obligors with respect to, the Collateral or their respective affiliates, a Transaction Party may have interests that are contrary to the interests of the Issuer and the Noteholders.

The Trustee

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of Notes of any Series, assume any duty or responsibility to any of the Swap Counterparty, the Repo Counterparty, the Custodian, the Issuing and Paying Agent or any other Secured Creditor or any other 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 other than in respect of any obligations it may have to Secured Creditors in respect of any enforcement of the Security) and shall have regard solely to the interests of the Noteholders and (save where expressly provided otherwise in the Transaction Documents to which the Trustee is a party) shall not be obliged to act on any directions of any Secured Creditor or Transaction Party if this would in the Trustee's opinion be contrary to the interests of the Noteholders. However, in certain circumstances, such as a direction to enforce security, the Trustee may be obliged to act on the directions of the Swap Counterparty and/or the Repo Counterparty.

The Swap Counterparty and the Repo Counterparty

Prospective investors should be aware that, where either the Swap Counterparty or Repo Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of the Swap Agreement or Repo Agreement respectively (including any right to terminate the Swap Agreement or Repo Agreement), in respect of the terms and conditions or otherwise in respect of the Notes, then unless specified to the contrary therein, the Swap Counterparty or Repo Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising their respective discretions or deciding upon a course of action, prospective investors should expect and understand that the Swap Counterparty and the Repo Counterparty may attempt to maximise the beneficial outcome for themselves (that is maximise any payments due to them and minimise any payments due from them) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to them or any of their respective affiliates that may result directly or indirectly from any such selection.

Regulatory Bail-Ins

The EU Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**") was published in the EU Official Journal on 12 June 2014. The BRRD was implemented with effect in all European Member States on 1 January 2015, with the exception of the bail-in powers which were implemented on 1 January 2016. The aim of the BRRD is to provide national supervisory authorities with tools and powers

to pre-emptively address potential banking crises in order to promote financial stability and minimise taxpayers' exposure to losses.

Prospective investors should note that NatWest Markets Plc may be subject to recovery and resolution measures pursuant to the BRRD. These measures are intended to be used prior to the point at which any insolvency proceedings with respect to NatWest Markets Plc could have been initiated. Recovery and resolution measures available to a resolution authority (being a relevant regulator of NatWest Markets Plc) include the ability to modify contractual arrangements in certain circumstances, powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and powers for a resolution authority to disapply or modify laws (with possible retrospective effect). A resolution authority may also exercise the "bail-in tool" to enable it to recapitalise an institution in resolution by allocating losses to its shareholders and unsecured creditors (which potentially includes the Issuer) in a manner that is consistent with shareholders and creditors not receiving a less favourable treatment than they would have received in ordinary insolvency proceedings of the relevant entity (known as the "no creditor worse off" safeguard). The bail-in tool also includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant entity under resolution and the power to convert a liability from one form or class to another.

The Issuer is not within scope of the BRRD because it is not a bank or investment firm or an affiliate of such. However, the exercise of any resolution power by a resolution authority with respect to NatWest Markets Plc, including exercise of the bail-in tool, or any suggestion of any such exercise, could:

- (a) materially adversely affect the rights of the holders of the Notes or the price or value of their investment in the Notes; and/or
- (b) result in the cancellation or deferral of all, or a portion, of any amounts owed to the Issuer by NatWest Markets Plc under the Swap Agreement and/or the Repo Agreement; and/or
- (c) impair the ability of the Issuer to satisfy its obligations under the Notes; and/or
- (d) lead to the holders of the Notes losing some or all of the value of their investment in such Notes.

A resolution authority is not required to provide any advance notice to the Issuer or to the holders of the Notes of its decision to exercise any resolution power in relation to NatWest Markets Plc. Therefore, holders of the Notes may not be able to anticipate a potential exercise of any such powers nor the potential effect of any exercise of such powers on NatWest Markets Plc (and indirectly on the Issuer and the Notes). The Issuer, the Trustee and the holders of the Notes may have only very limited rights to challenge and/or seek a suspension of any decision of a resolution authority to exercise its resolution powers or to have that decision reviewed by a judicial or administrative process or otherwise. Furthermore, even in circumstances where a claim for compensation is established under the "no creditor worse off" safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Issuer (and indirectly by the holders of the Notes) in the resolution and there can be no assurance that the Issuer (and indirectly the holders of the Notes) would recover such compensation promptly.

Risk Factors relating to the market

Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List and admit them to trading on the regulated market of Euronext Dublin, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite

period of time or until redemption of the Notes. If NatWest Markets Plc begins making a market for the Notes, it is under no obligation to continue to do so and may stop making such a market at any time.

Listing may be discontinued

The Issuer may discontinue any listing of the Notes or the Notes may be listed on another stock exchange or exchanges (which may or may not be EEA Regulated Markets and may or may not be in Western Europe). This could have adverse consequences for the Noteholders from a tax, liquidity or other perspective.

Credit Ratings

The Notes will not be rated. However, a Noteholder should take such steps as it considers necessary to evaluate the on-going risks and merits of a continued investment in such Note. For example, market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues.

Risks relating to global events

For the purposes of this section, references to “Collateral” shall also include Original Collateral to the extent that such Original Collateral has been transferred to either the Swap Counterparty or the Repo Counterparty under the Swap Agreement or the Repo Agreement, as the case may be.

General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. By mid-2007, concerns about the value of mortgage assets held by global commercial banks, investment banks, government sponsored entities, hedge funds, structured investment vehicles and institutional investors led to a general tightening of available credit and liquidity in the global financial markets.

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.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the U.K. and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

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 any steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful or that any recovery will continue. 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. There can be no assurance that government actions or the actions of international or supra-national bodies to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. 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 Notes. 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. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

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 Notes, the value of the Collateral, the value of the Swap Agreement or the value of the Repo Agreement, both in terms of the assets or indices referenced therein and in terms of the value of the obligations of the Swap Counterparty and/or the Repo Counterparty. In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Collateral and the termination value of the Swap Agreement and the Repo Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Custodian, the Issuing and Paying Agent and the other Paying Agents may also impact the value of the Notes.

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 Notes or of the amount of payments and/or deliveries due in respect of 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 Collateral (or any guarantor or credit support provider in respect thereof), the Swap Counterparty and the Repo Counterparty. Prospective investors should also consider the impact of a default by a Custodian, Issuing and Paying Agent or Paying Agent and possible delays and costs in being able to access property held with a failed custodian, sub-custodian, security depository or clearing system.

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 Notes, the Arranger, the Swap Counterparty, the Repo Counterparty and the other 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 obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the Swap Counterparty, the Repo Counterparty or any other person or entity connected with the Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note.

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 Arranger, the Dealer(s), the Trustee, the Swap Counterparty, the Repo Counterparty the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (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.

SFTR (Article 15) Title Transfer Collateral Arrangements Risk Disclosure

In respect of any Series of Notes, the Issuer may enter into one or more “title transfer collateral arrangements” (as defined in Article 2(1) of Directive 2002/47/EC) (each such arrangement, a “**Title Transfer Arrangement**”) with a counterparty (each such counterparty, a “**Title Transfer Counterparty**”), as specified in the Issue Deed in respect of the relevant Series of Notes. The Title Transfer Arrangement may take the form of a credit support annex to an ISDA Master Agreement, a global master repurchase agreement as published by the International Capital Market Association and Securities Industry and Financial Markets Association or a global master securities lending agreement as published by the International Securities Lending Association, or another form that provides for collateralisation on a title transfer basis.

Under Article 15 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time) (“**SFTR**”), the transferee of securities under any Title Transfer Arrangement is required to inform the transferor of such securities of the general risks and consequences that may be involved in entering into a Title Transfer Arrangement. Such risks are described below and are also relevant for Noteholders even though they will not be directly party to any Title Transfer Arrangement, particularly in circumstances where the Issuer is a transferor of securities under a Title Transfer Arrangement.

In the section below, the person that transfers securities under a Title Transfer Arrangement is referred to as the “**Transferor**”, the person to whom such securities are transferred is referred to as the “**Transferee**” and the securities so transferred are referred to as the “**Securities Collateral**”.

Loss of proprietary rights in Securities Collateral

The rights, including any proprietary rights, that a Transferor has in Securities Collateral transferred to a Transferee will be replaced (subject to any security granted by the Transferee) by an unsecured contractual claim for delivery of equivalent Securities Collateral, subject to the terms of the Title Transfer Arrangement. If the Transferee becomes insolvent or defaults under the Title Transfer Arrangement, the Transferor’s claim for delivery of equivalent Securities Collateral will not be secured and will be subject to the terms of the Title Transfer Arrangement and applicable law. Consequently, the Transferor may not receive such equivalent Securities Collateral (although the Transferor’s exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement or other agreement can be netted or set-off against the obligation of the Transferee to deliver equivalent Securities Collateral to the Transferor).

Where the Issuer is the Transferor, upon transfer of the Securities Collateral, such securities will cease to form part of the Mortgaged Property so Noteholders will no longer have the benefit of security over such securities. In the event of the Title Transfer Counterparty (as Transferee) becoming insolvent or otherwise defaulting, the Mortgaged Property will not include equivalent Securities Collateral which the Issuer might otherwise have been expecting to receive. In these circumstances, Noteholders should be aware that the net proceeds of realisation of the Mortgaged Property may be insufficient to cover amounts that would otherwise be due under the Notes and consequently the Noteholders are exposed to the credit risk of the Title Transfer Counterparty (as Transferee).

Where the Title Transfer Counterparty is the Transferor, upon transfer of the Securities Collateral, the Issuer’s obligations to transfer equivalent Securities Collateral in respect of the Title Transfer Arrangement, amongst other things, will be secured by the Mortgaged Property in respect of the relevant Series of Notes. The Title Transfer Counterparty will not have any proprietary rights in the Securities Collateral transferred to the Issuer. If the Issuer defaults under the Title Transfer Arrangement, although

the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will benefit from the Security granted by the Issuer, the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will, as a result of the applicable payment waterfall, be subordinated to prior ranking claims of certain other secured parties in respect of the Mortgaged Property. Consequently, the Transferor may not receive the equivalent Securities Collateral (although the Transferor's exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement or other agreement can be netted or set-off against an obligation on the Transferee to deliver equivalent Securities Collateral to the Transferor).

Stay of proceedings following resolution process

In the event that a resolution process (i.e. the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion) is commenced by a resolution authority under any relevant resolution regime in relation to the Transferee, then (i) any rights that the Transferor may have to take any action against the Transferee, such as to terminate the Title Transfer Arrangement, may be subject to a stay by the relevant resolution authority and (ii) the Transferor's claim for delivery of equivalent Securities Collateral may be reduced (in part or in full) or converted into equity or (iii) a transfer of assets or liabilities may result in the Transferor's claim against the Transferee being transferred to different entities, although the Transferor may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights.

Where the Issuer is the Transferor, this means that the Issuer may not be able to immediately enforce its rights against the Title Transfer Counterparty and its rights may be altered by operation of law or contract. Noteholders will be exposed to the risk of such delay and alteration of rights against the Title Transfer Counterparty.

Loss of voting rights in respect of Securities Collateral

The Transferor in respect of any Securities Collateral will not be entitled to exercise, or direct the Transferee to exercise any voting, consent or similar rights attached to the Securities Collateral.

Noteholders should be aware that where the Transferor is the Issuer, the Noteholders will not have any right under the Trust Deed to direct the Issuer to exercise any voting, consent or similar rights attached to the Securities Collateral.

No information provided in respect of Securities Collateral

The Transferee will have title to any Securities Collateral and may or may not continue to hold such Securities Collateral and as such it will have no obligation to inform the Transferor of any corporate events or actions in relation to any Securities Collateral.

Where the Issuer is the Transferor, this means that no assurance can be given to Noteholders that they will be informed of events affecting any Securities Collateral.

DOCUMENTS INCORPORATED BY REFERENCE

Any statement contained herein or in a document all or the relative portion of which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any subsequent document all or the relative portion of which is or is deemed to be read in conjunction with this Base Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

For the avoidance of doubt, any websites referred to in this Base Prospectus and the contents thereof do not form part of this Base Prospectus and shall not be deemed to be incorporated herein.

The Irish Issuer's audited financial statements in respect of the period ending on 31 December 2017 and in respect of the period ending on 31 December 2016 have been filed with Euronext Dublin and are incorporated by reference herein.

Copies of the Irish Issuer's audited financial statements for the year ended 31 December 2017 may be obtained from the website of Euronext Dublin at:

https://www.ise.ie/debt_documents/Lunar%20Funding%20VII%20%20Plc%2031.12.17%20Final%20with%20AR%20-%201._14d13ac3-a52a-45cb-b735-e30034e55da2.pdf

Copies of the Irish Issuer's audited financial statements for the year ended 31 December 2016 may be obtained from the website of Euronext Dublin at:

http://www.ise.ie/debt_documents/Lunar%20Funding%20VII%20plc%20-%20FS%20YE%2031%20DEC%202016_1641f367-4a37-430d-8823-a15383ae6bd9.PDF

MASTER CONDITIONS

The following is the text of the Master Conditions applicable to the Notes issued under the Programme. Such Master Conditions, as modified and supplemented by any Additional Conditions set out in any Product Supplement that is specified as being applicable in the applicable Final Terms or Series Prospectus and further subject to completion and amendment and as supplemented and/or varied in accordance with the provisions of the applicable Final Terms or Series Prospectus, shall be applicable to the Notes. Either (i) the full text of these Master Conditions together with the relevant Additional Conditions and the relevant provisions of the applicable Final Terms or Series Prospectus or (ii) these Master Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on any Bearer Note or on any Certificate relating to a Registered Note. In respect of the Notes, “**Final Terms**” means the Final Terms completed by the Issuer which specifies the issue details of the Notes. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to Notes are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are constituted and secured by the Trust Deed entered into between the Issuer and the Trustee. These Master Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below.

An Agency Agreement has been entered into in relation to the Notes between the Issuer, the Trustee, Deutsche Bank AG, London Branch as initial issuing and paying agent and the other agents named in it.

The issuing and paying agent, the calculation agent, the custodian and account bank, the disposal agent, the registrar and the paying agents and transfer agents for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Calculation Agent**”, the “**Custodian**” (which expression shall include such party acting as custodian and as an account bank, as applicable), the “**Disposal Agent**”, the “**Registrar**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent) and the “**Transfer Agents**” (which expression shall include the Registrar) and collectively as the “**Agents**”.

Copies of the Programme Deed, the execution of which constitutes the Principal Trust Deed and the Agency Agreement, together with any amendments and/or supplements to such Programme Deed that are relevant to the Notes and the applicable versions of the master terms documents incorporated into the Programme Deed, are available for inspection during usual business hours at the registered office of the Issuer and the principal office of the Trustee and at the Specified Offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by and are deemed to have notice of all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

As used in the Conditions, “**Tranche**” means Notes that are identical in all respects.

1 Definitions and interpretation

Definitions: All capitalised terms that are not defined in the Conditions will have the meanings given to them in the Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Notes. In the event of any inconsistency between the terms of the Issue Deed relating to the Notes

and the terms of the Principal Trust Deed, the terms of the Issue Deed shall prevail. In the event of any inconsistency between the terms of the Principal Trust Deed, the terms of the relevant Issue Deed and the terms of the applicable Final Terms or Series Prospectus, the terms of the applicable Final Terms or Series Prospectus shall prevail. In the event of any inconsistency between these Master Conditions and the terms of the applicable Final Terms or Series Prospectus, the terms of the applicable Final Terms or Series Prospectus shall prevail. In addition, the following expressions have the following meanings:

“Actual Currency Proceeds” means the Available Proceeds as of the Early Valuation Date (but excluding any amount paid by the Swap Counterparty to the Issuer as a result of the termination of all outstanding Swap Transactions under the Swap Agreement relating to the Notes and/or any amount paid by the Repo Counterparty to the Issuer as a result of the termination of all outstanding Repo Transactions under the Repo Agreement relating to the Notes) provided that if any Collateral has not been Liquidated by the Early Valuation Date then the Actual Currency Proceeds in respect of such Collateral not then Liquidated shall be deemed to be the fair market value of such Collateral as of the Early Valuation Date (as determined by the Calculation Agent) net of any taxes, costs or charges that would be incurred on the sale of the Collateral.

“Additional Conditions” has the meaning given to it in the applicable Product Supplement (if any).

An **“Additional Redemption Event”** shall occur if the Calculation Agent determines on any day, that any of the events specified as **“Additional Redemption Events”** in the applicable Series Prospectus has occurred.

“Administrator/Benchmark Event” means, in respect of a Relevant Benchmark, the occurrence or existence, as determined by the Calculation Agent, of any of the following events in respect of such Relevant Benchmark:

- (i) a **“Non-Approval Event”**, being any of the following:
 - (A) any authorisation, registration, recognition, endorsement, equivalence decision or approval in respect of the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not obtained;
 - (B) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register; or
 - (C) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark does not fulfil any other legal or regulatory requirement applicable to the Relevant Benchmark,

in each case, if required in order for either the Issuer, the Swap Counterparty, the Calculation Agent or the Original Collateral Obligor to perform its or their respective obligations in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) in compliance with the Benchmark Regulation. For the avoidance of doubt, a Non-Approval Event shall not occur if the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended if, at the time of such suspension, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) under the Benchmark Regulation during the period of such suspension; or

- (ii) a **“Rejection Event”**, being the relevant competent authority or other relevant official body rejects or refuses any application for authorisation, registration, recognition, endorsement, an equivalence decision, approval or inclusion in any official register which, in each case, is required in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark for the Issuer, the Swap Counterparty, the Calculation Agent or the Original Collateral Obligor to perform

its or their respective obligations in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) in compliance with the Benchmark Regulation; or

(iii) a **“Suspension/Withdrawal Event”**, being any of the following:

- (A) the relevant competent authority or other relevant official body suspends or withdraws any authorisation, registration, recognition, endorsement, equivalence decision or approval in relation to the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark which is required in order for the Issuer, the Swap Counterparty, the Calculation Agent or the Original Collateral Obligor to perform its or their respective obligations in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) in compliance with the Benchmark Regulation; or
- (B) the Relevant Benchmark or the administrator or sponsor of the Relevant Benchmark is removed from any official register where inclusion in such register is required in order for the Issuer, the Swap Counterparty, the Calculation Agent or the Original Collateral Obligor to perform its or their respective obligations in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) in compliance with the Benchmark Regulation.

For the avoidance of doubt, a Suspension/Withdrawal Event shall not occur if such authorisation, registration, recognition, endorsement, equivalence decision or approval is suspended or where inclusion in any official register is withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Relevant Benchmark is permitted in respect of the Notes, the Swap Agreement or the Original Collateral (as the case may be) under the Benchmark Regulation during the period of such suspension or withdrawal; or

(iv) a **“Benchmark Cessation Event”**, being the occurrence, with respect to a Relevant Benchmark, of any of the following:

- (A) a public statement or publication of information by or on behalf of the administrator of the Relevant Benchmark announcing that it has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark;
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Relevant Benchmark, the central bank for the currency of the Relevant Benchmark, an insolvency official with jurisdiction over the administrator for the Relevant Benchmark, a resolution authority with jurisdiction over the administrator for the Relevant Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Relevant Benchmark, which states that the administrator of the Relevant Benchmark has ceased or will cease to provide the Relevant Benchmark permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the Relevant Benchmark; or
- (C) any event which otherwise constitutes an “index cessation event” (regardless of how it is actually defined or described in the definition of the Relevant Benchmark) in relation to which a Priority Fallback is specified.

“Affiliate” means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person or any entity, directly or indirectly, under common control with that person. For this purpose **“control”** means ownership of a majority of the voting power of the entity or person.

“Agency Agreement” means the agency agreement entered into by the Issuer, Deutsche Bank AG, London Branch as initial issuing and paying agent and other agents by execution of the Programme Deed.

“Agents” has the meaning given to it in the recitals to these Master Conditions.

“Aggregate Nominal Amount” means on the Issue Date the aggregate nominal amount of the Notes of such Series specified in the applicable Final Terms or Series Prospectus and on any date thereafter the aggregate nominal amount of the Notes of such Series outstanding on such date (taking into account the aggregate nominal amount of the Notes of such Series on the Issue Date and any amortisations, partial redemptions or further issues of the Notes of such Series on or prior to such date).

“Available Proceeds” means, with respect to a Liquidation Event or Enforcement Event and as of a particular day:

- (i) all cash sums derived from any Liquidation of the Collateral for the Notes, any amount paid by the Swap Counterparty to the Issuer as a result of the termination of all outstanding Swap Transactions under the Swap Agreement relating to the Notes, any amount paid by the Repo Counterparty to the Issuer as a result of the termination of all outstanding Repo Transactions under the Repo Agreement, any amounts realised by the Trustee on enforcement of the Security and all other cash sums available to the Issuer or the Trustee, as the case may be, derived from the Mortgaged Property for such Series; less
- (ii) any cash sums which have already been applied by or on behalf of the Issuer pursuant to Master Condition 15(a) on any Issuer Application Date or by the Trustee pursuant to Master Condition 15(b) on any Trustee Application Date, as the case may be.

For the avoidance of doubt, where a Physical Redemption Amount is payable by the Issuer in respect of any Notes, the Collateral comprised in such Physical Redemption Amount shall not, in any way, constitute Available Proceeds.

“Bank” has the meaning given to it in Master Condition 10(a).

A **“Bankruptcy Credit Event”** shall occur if, a Credit Event occurs as a result of Bankruptcy, and with each of **“Credit Event”** and **“Bankruptcy”** having the meaning given to them in the ISDA Credit Derivatives Definitions.

“Bearer Notes” has the meaning given to it in Master Condition 2.

“Benchmark Regulation” means Regulation (EU) 2016/1011 of the European Parliament and the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending directives 2008/48/EC and 2014/17/EU and Regulation (EU) 596/2014 (as may be amended from time to time), including any subsidiary legislation or rules and regulations and associated guidance.

“Broken Amount” shall have the meaning given to it in the applicable Final Terms or Series Prospectus.

“Business Centre” means any business centre specified as such in the applicable Final Terms or Series Prospectus.

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of euro, a day on which the TARGET System is open for the settlement of payments in euro (a **“TARGET Business Day”**);

- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in such Business Centres or, if no currency is indicated, generally in each of such Business Centres; and/or
- (iv) any other day specified as such in the applicable Final Terms or Series Prospectus.

“Calculation Agent” has the meaning given to it in the recitals to these Master Conditions.

A **“Calculation Agent Bankruptcy Event”** shall occur if, (i) the Calculation Agent (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive), (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Calculation Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions and/or (iii) the Calculation Agent is an Affiliate of the Swap Counterparty or the Repo Counterparty and a Counterparty Bankruptcy Credit Event has occurred with respect to such Swap Counterparty or Repo Counterparty, as the case may be.

“Calculation Amount” means, in respect of a Note and an Interest Accrual Period, the amount specified in the applicable Final Terms or Series Prospectus.

“Calculation Amount Factor” means, in respect of a Note, the number equal to the Specified Denomination of such Note divided by the Calculation Amount.

“Calculation Period” has the meaning given to it in the definition of Day Count Fraction.

“Cash Redemption Portion” has the meaning given to it in Master Condition 13(b)(ii)(III).

“Cayman AML Compliance” means compliance with the Anti-Money Laundering Regulations (2018 Revision) and The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, each as amended and revised from time to time.

A **“CDS Spread Event”** shall occur if the Calculation Agent determines that the prevailing credit default swap spread with respect to the Original Collateral Obligor specified in the applicable Series Prospectus has equalled or exceeded the CDS Spread Trigger Percentage specified in the applicable Series Prospectus.

“CDS Spread Trigger Percentage” has the meaning given to it in the applicable Series Prospectus.

“Certificates” has the meaning given to it in Master Condition 2.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Collateral” means, in connection with the issue of the Notes, the Issuer’s rights, title and/or interests in and to:

- (i) the Original Collateral (other than any Original Collateral that the Issuer may have sold, posted or otherwise disposed of under the terms of the Credit Support Annex and/or the Repo Agreement); and
- (ii) from time to time, any CSA Posted Collateral or Repo Posted Collateral held by the Issuer; and
- (iii) any other securities, cash or other assets or property transferred or delivered to the Issuer pursuant to the Credit Support Annex or the Repo Agreement.

The term **“Collateral”** shall include the rights, title and/or interests in and to (x) any further Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes, (y) any Collateral acquired by the Issuer by way of substitution or replacement of any Collateral previously held by it and (z) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Collateral is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Collateral for or on behalf of the Issuer) by virtue of its holding thereof.

“Collateral Obligor” means any person that has an obligation or duty to the Issuer (or any relevant person holding such Collateral for or on behalf of the Issuer) in respect of the Collateral pursuant to the terms of such Collateral.

“Conditions” means, in respect of the Notes, the Master Conditions as modified and supplemented by any Additional Conditions set out in any Product Supplement that is specified as being applicable in the applicable Final Terms or Series Prospectus and further subject to completion and amendment, and as supplemented and/or varied in accordance with the provisions of Part A of the applicable Final Terms or the additional conditions included in the Series Prospectus. References to a particularly numbered Condition shall be construed as a reference to the Condition so numbered in the Master Conditions.

To the extent that the Notes are represented by a Global Note or Global Certificate, as the case may be, the Master Conditions shall be as defined above but as completed, amended, supplemented and/or varied by the terms of the Global Note or Global Certificate, as the case may be. See the section of this Base Prospectus headed “Overview of the Programme” for a description thereof.

A **“Counterparty Bankruptcy Credit Event”** shall occur if, (i) the Swap Counterparty or the Repo Counterparty (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other

similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive), and/or (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Swap Counterparty and/or the Repo Counterparty, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement of the ISDA Credit Derivatives Definitions.

“Couponholders” has the meaning given to it in the recitals to these Master Conditions.

“Coupons” has the meaning given to it in the recitals to these Master Conditions.

“Credit Derivatives Determinations Committee” has the meaning given to it in the ISDA Credit Derivatives Definitions.

“Credit Support Annex” has the meaning given to it in the definition of Master Agreement in this Master Condition 1.

“CSA Posted Collateral” means any securities, cash or other assets or property transferred by the Swap Counterparty to the Issuer pursuant to the Credit Support Annex that are Eligible Credit Support comprising the Credit Support Balance of the Swap Counterparty (as such terms are defined in the Swap Agreement).

“Custodian” has the meaning given to it in the recitals to these Master Conditions.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified in the applicable Final Terms or Series Prospectus, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified in the applicable Final Terms or Series Prospectus, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified in the applicable Final Terms or Series Prospectus, the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified in the applicable Final Terms or Series Prospectus, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms or Series Prospectus, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30; and

(vii) if “**Actual/Actual-ICMA**” is specified in the applicable Final Terms or Series Prospectus:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year.

“**Dealer Agreement**” means the dealer agreement entered into by the Issuer, NatWest Markets Plc as arranger and initial dealer and any other parties thereto by execution of the Programme Deed.

“**Default Interest**” has the meaning given to it in Master Condition 7(d).

“**Delivery Instruction Certificate**” means, in respect of any delivery of Collateral to a Noteholder under the Master Conditions, a delivery instruction certificate substantially in the form set out in the Principal Trust Deed, validly completed and executed by the relevant Noteholder.

“**Determination Date**” means each date specified as such in the applicable Final Terms or Series Prospectus or, if none is so specified, each Interest Payment Date.

“**Determination Period**” means the period from and including one Determination Date to but excluding the next Determination Date.

“**Disposal Agent**” has the meaning given to it in the recitals to these Master Conditions.

A “**Disposal Agent Bankruptcy Event**” shall occur if, (i) the Disposal Agent (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or is not dismissed, discharged, stayed or

restrained in each case within 30 days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive), (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Disposal Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement to the ISDA Credit Derivatives Definitions and/or (iii) the Disposal Agent is an Affiliate of the Swap Counterparty or the Repo Counterparty and a Counterparty Bankruptcy Credit Event has occurred with respect to such Swap Counterparty or Repo Counterparty, as the case may be.

“Disposal Agent Fees” has the meaning given to it in Master Condition 13(d).

“Early Cash Redemption Amount” means, in respect of each Note outstanding on the relevant Early Redemption Date, the amount specified as such in the applicable Final Terms or Series Prospectus (or the amount determined in accordance with the formula or method for determining such amount specified therein) or, if no such amount is specified in the applicable Final Terms or Series Prospectus:

- (i) where the Early Redemption Settlement Method specified in the applicable Final Terms or Series Prospectus is **“Cash Settlement”** or where the Early Redemption Settlement Method specified in the applicable Final Terms is **“Noteholder Settlement Option”** and all Noteholders have elected or have been deemed to have elected to receive the Early Cash Redemption Amount, an amount determined by the Calculation Agent to be an amount per Note equal to that Note’s *pro rata* share of (i) the Specified Currency Proceeds as at the relevant Early Redemption Date plus (ii) any Termination Payment in respect of the Swap Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) minus (iii) any Termination Payment in respect of the Swap Agreement that is payable by the Issuer to the Swap Counterparty (together, if applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable by the Issuer to the Repo Counterparty (together, if applicable, with any interest payable thereon);
- (ii) where the Early Redemption Settlement Method specified in the applicable Final Terms or Series Prospectus is **“Noteholder Settlement Option”** and one or more of the Noteholders has not elected or has not been deemed to have elected to receive the Early Cash Redemption Amount, an amount determined by the Calculation Agent to be an amount per Note equal to (i) that Note’s *pro rata* share (amongst only those Notes in respect of which an Early Cash Redemption Amount is payable (if any)) of the Cash Redemption Portion and (ii) an amount of cash equal to such Note’s *pro rata* share (amongst all Notes outstanding on the relevant Early Redemption Date) of (a) the Specified Currency Proceeds as at the relevant Early Redemption Date less (b) the Cash Redemption Portion, plus (c) any Termination Payment in respect of the Swap Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) minus (d) any Termination Payment in respect of the Swap Agreement that is payable by the Issuer to the Swap Counterparty (together, if

applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable by the Issuer to the Repo Counterparty (together, if applicable, with any interest payable thereon).

“Early Redemption Amount” has the meaning given to it in Master Condition 8(q).

“Early Redemption Date” means:

- (i) for all purposes other than in respect of Master Conditions 8(f), 8(g) and 8(h), the 15th Reference Business Day following the relevant Early Redemption Trigger Date;
- (ii) for the purposes of Master Conditions 8(f) and 8(g), the day designated as such by the Calculation Agent (which shall, for the avoidance of doubt, be a day no less than seven and no more than 30 calendar days following the relevant Administrator/Benchmark Event Notes Determination Date or Administrator/Benchmark Event Original Collateral Determination Date, as applicable); and
- (iii) for the purposes of Master Condition 8(h), the day that falls 15 Reference Business Days after the later of the Original Collateral Early Payment Date and the relevant Early Redemption Trigger Date (provided that if all of the Collateral has been redeemed and/or Liquidated on or before the third Reference Business Day prior to such date, the Early Redemption Date shall be the third Reference Business Day after the later of (x) the Early Redemption Trigger Date and (y) the date on which all proceeds of such redemption and/or Liquidation of the Collateral have been received by or on behalf of the Issuer).

“Early Redemption Notice” means an irrevocable notice from the Issuer to Noteholders in accordance with Master Condition 22 (or, in the case of Master Condition 8(p), from the Trustee to the Issuer) and that specifies that the Notes are to be redeemed pursuant to Master Condition 8 or Master Condition 8(p), as the case may be. An Early Redemption Notice given pursuant to Master Condition 8 (including, for the avoidance of doubt, Master Condition 8(p)) must contain a description in reasonable detail of the facts relevant to the determination that the Notes are to be redeemed and, in the case of an Early Redemption Notice given by the Issuer, must specify which of Master Conditions 8(c) to (p) (inclusive), as the case may be, is applicable. A copy of any Early Redemption Notice shall also be sent by the Issuer (or, in the case of Master Condition 8(p), the Trustee) to all Transaction Parties, save that any failure to deliver a copy shall not invalidate the relevant Early Redemption Notice.

“Early Redemption Settlement Method” means either “Cash Settlement” or “Noteholder Settlement Option”, as specified in the relevant Final Terms or Series Prospectus.

“Early Redemption Trigger Date” means, in respect of any of the events described in Master Condition 8(p) to (p) inclusive, the date on which the relevant Early Redemption Notice is deemed to be given.

“Early Termination Date” has the meaning given to it in the Swap Agreement and/or the Repo Agreement, as applicable.

“Early Valuation Date” means the third Reference Business Day prior to the Early Redemption Date.

An **“Enforcement Event”** shall occur upon the occurrence of one or more of the following events:

- (i) the Issuer fails to pay (a) the Final Redemption Amount and/or (b) any interest or Instalment Amount that has become due and payable on the Maturity Date, and, in each case, has not paid any such amount (together with any Default Interest accrued thereon) on or by the Relevant Payment Date;
- (ii) following the occurrence of an Early Redemption Trigger Date, payment in respect of the Early Redemption Amount in respect of the Notes is not made on the Early Redemption Date;

- (iii) following payment in full by the Issuer of any amount that has become due and payable to the Noteholders and the Couponholders (whether before or after the Maturity Date), the failure by the Issuer to pay any amount due and payable to the Swap Counterparty on the relevant due date for payment under the Swap Agreement; or
- (iv) following payment in full by the Issuer of any amount that has become due and payable to the Noteholders and the Couponholders (whether before or after the Maturity Date), the failure by the Issuer to pay any amount due and payable to the Repo Counterparty on the relevant due date for payment under the Repo Agreement.

“Enforcement Notice” has the meaning given to it in Master Condition 14(b).

“Equivalent Obligations” means any Obligations that are issued in fungible form and that share common terms and conditions.

“Event of Default” has the meaning given to it in Master Condition 8(p).

“Exercised Note” means a Note in respect of which the relevant option pursuant to the election of “Noteholder Settlement Option” in the applicable Final Terms has been exercised or is deemed to have been exercised, as the case may be. An Exercised Note may not be withdrawn without the Issuer’s consent.

“Exercise Notice” means an exercise notice in or substantially in the form set out in the Principal Trust Deed.

“FATCA” means (i) sections 1471 to 1474 of the Code, any similar or successor legislation and any regulations or guidance thereunder, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code and (ii) any IGA, together with any fiscal or regulatory legislation, rules or practices adopted pursuant to any IGA including the Ireland IGA and the Cayman Islands IGA.

“FATCA Withholding Tax” means any deduction or withholding imposed or required pursuant to FATCA.

“Final Liquidation Commencement Date” means, where “Long-Dated Collateral” is specified in the Final Terms, the date specified as such in the Final Terms.

“Final Redemption Amount” means, in respect of a Note, an amount determined by the Calculation Agent equal to (i) the amount specified as such in the applicable Final Terms or Series Prospectus (or the amount determined in accordance with the formula or method for determining such amount specified therein), (ii) if “Physical Settlement” is specified in the applicable Final Terms or Series Prospectus, the Physical Redemption Amount, or (iii) if no amount is so specified, the outstanding nominal amount of such Note.

“Final Terms” means the final terms completed by the Issuer in respect of the Notes.

“Fixed Coupon Amount” shall have the meaning given to it in the applicable Final Terms or Series Prospectus.

“Government” means any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of an Original Collateral Obligor or of the jurisdiction of organisation of an Original Collateral Obligor.

“Identical Collateral” means, in respect of Original Collateral in the form of securities, shares or any other assets which can be issued in fungible form, any such securities, shares or other assets that, immediately prior to the event in question, were part of the same issuance or series of fungible issuances

of securities, shares or assets, shared common terms and conditions and ranked *pari passu* with such securities, shares or assets.

“IGA” means any intergovernmental agreements (or similar mutual understandings) with the United States, or other countries, to facilitate the implementation of sections 1471 to 1474 of the Code, any similar or successor legislation, any current or future regulations or official interpretations thereof, or any agreement entered into pursuant to Section 1471(b) of the Code.

“IGA Legislation” has the meaning given to it in Master Condition 12.

An **“Illegality Event”** shall occur if, due to the adoption of, or any change in, any applicable law after the Issue Date, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes, any Transaction Document or any other agreement entered into in connection with the Notes, (ii) to hold any Collateral or to receive a payment or delivery in respect of any Collateral or (iii) to comply with any other material provision of any agreement entered into in connection with the Notes.

“Initial Issuer Application Date” has the meaning given to it in the definition of “Issuer Application Date” in this Master Condition 1.

“Instalment Amount” means, in respect of a Note and an Instalment Date, an amount determined by the Calculation Agent equal to the amount specified as such in the applicable Series Prospectus or the amount determined in accordance with the formula or method for determining such amount specified therein.

“Instalment Date” means, in respect of a Note, each date specified as such in the applicable Series Prospectus.

“interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Master Condition 7.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the applicable Final Terms or Series Prospectus, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Final Terms or Series Prospectus as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the applicable Final Terms or Series Prospectus.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the applicable Final Terms or Series Prospectus, or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling, (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period

if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Payment Date” means:

- (i) in respect of Fixed Rate Notes, each date specified as an Interest Payment Date in the applicable Final Terms or Series Prospectus; and
- (ii) in respect of all Notes other than Fixed Rate Notes:
 - (a) each date specified as a Specified Interest Payment Date in the applicable Final Terms or Series Prospectus; or
 - (b) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms or Series Prospectus, each date which falls the number of months (or other period) specified in the applicable Final Terms or Series Prospectus as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the applicable Final Terms or Series Prospectus.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“ISDA Credit Derivatives Definitions” means the 2014 ISDA Credit Derivatives Definitions, as published by ISDA .

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., and, in respect of each Series, as amended and supplemented up to and including the Issue Date of the first Tranche of such Series, unless otherwise specified in the applicable Final Terms or Series Prospectus.

“ISDA Rate” has the meaning given to it in Master Condition 7(b)(ii).

“Issue Deed” means the issue deed entered into by the Transaction Parties and such other parties specified therein in relation to the Notes which, amongst other things, supplements and, to the extent agreed amongst the parties thereto, amends the Trust Deed and the other Transaction Documents in respect of such Notes only (but provided that where one or more further Tranches of Notes are issued in accordance with Master Condition 21 so as to be consolidated and form a single series with the Notes, and where the context so requires, references to the Issue Deed shall be deemed to include the Issue Deed entered into in respect of such further Tranche or Tranches).

“Issuer Application Date” means each of:

- (i)
 - (a) where no Physical Redemption Amount is payable in respect of any Notes, the Early Redemption Date or Relevant Payment Date, as applicable or, if later, the third Reference Business Day after the earliest date on which the amount owing to or from the Swap Counterparty under the Swap Agreement, the amount owing to or from the Repo Counterparty under the Repo Agreement and the Early Redemption Amount, the Final Redemption Amount and any interest or Instalment Amount that has become due and

payable on the Maturity Date, as applicable, have been determined pursuant to the Conditions and/or the terms of the relevant Transaction Document(s); or

- (b) where a Physical Redemption Amount is payable in respect of any Notes, the Early Redemption Date or Relevant Payment Date, as applicable or, if later, the later of (a) the date falling three Reference Business Days after all the Collateral required to be liquidated has been liquidated in full and the cash proceeds have been received by or on behalf of the Issuer and (b) the third Reference Business Day after the earliest date on which the amount owing to or from the Swap Counterparty under the Swap Agreement, the amount owing to or from the Repo Counterparty under the Repo Agreement and the Early Redemption Amount, the Final Redemption Amount and any interest or Instalment Amount that has become due and payable on the Maturity Date, as applicable, have been determined pursuant to the terms of the Conditions and/or the relevant Transaction Document(s), as applicable

(the Issuer Application Date pursuant to sub-paragraph (i) (a) or (b), as the case may be, the **"Initial Issuer Application Date"**); and

- (ii) in respect of each sum received by the Issuer from the Mortgaged Property that has not already been applied on the Initial Issuer Application Date, the date falling three Reference Business Days following receipt by the Issuer of such sum.

"Issuing and Paying Agent" has the meaning given to it in the recitals to these Master Conditions.

"Liquidation" means, in respect of any Collateral, the realisation of such Collateral for cash proceeds whether by way of sale, early redemption, early repayment or agreed termination or by such other means as the Disposal Agent determines appropriate or in any other manner specified in the applicable Series Prospectus and **"Liquidate"**, **"Liquidated"** and **"Liquidating"** shall be construed accordingly.

"Liquidation Commencement Date" means the later of (i) the day on which the Disposal Agent receives a Liquidation Commencement Notice, (ii) where the Repo Agreement requires the Issuer to return any non-cash Collateral to the Repo Counterparty upon termination thereof, the date on which the Issuer transfers such non-cash Collateral to the Repo Counterparty, (iii) if "Noteholder Settlement Option" is specified in the applicable Final Terms or Series Prospectus, the Settlement Option Cut-off Date, and (iv) to the extent **"Long-Dated Collateral"** is specified as applicable in the Final Terms or Series Prospectus, the Final Liquidation Commencement Date.

"Liquidation Commencement Notice" means a notice from the Issuer in writing to the Disposal Agent, the Custodian and the Trustee of the occurrence of a Liquidation Event. Any Early Redemption Notice and/or Swap Termination Notice and/or Repo Termination Notice given or copied to the Disposal Agent shall constitute a Liquidation Commencement Notice.

A **"Liquidation Event"** shall occur if:

- (i) default is made in the payment of (a) the Final Redemption Amount or (b) any interest or Instalment Amount that has become due and payable on the Maturity Date;
- (ii) the occurrence of an Early Redemption Trigger Date; or
- (iii) where "Long-Dated Collateral" is specified as applicable in the Final Terms or Series Prospectus, the occurrence of the Final Liquidation Commencement Date.

"Liquidation Expenses" has the meaning given to it in Master Condition 13(d).

"Master Agreement" means (a) where the Swap Counterparty for the Notes is specified in the applicable Final Terms or Series Prospectus to be NatWest Markets Plc, the agreement entered into between the Issuer and NatWest Markets Plc by execution of the Programme Deed and which is in the form of an

ISDA 2002 Master Agreement together with a schedule (the “**Schedule**”) thereto and which, if so specified in the applicable Final Terms or Series Prospectus, shall include a credit support annex to the Schedule to the ISDA 2002 Master Agreement in the form of the ISDA Credit Support Annex (Bilateral Form – Transfer) (the “**Credit Support Annex**”) or (b) where the Swap Counterparty for the Notes is specified in the applicable Series Prospectus to be an entity other than NatWest Markets Plc, the agreement defined as such in the applicable Series Prospectus.

“**Master Conditions**” means these master conditions, as set out in Part C of Schedule 2 of the Principal Trust Deed.

“**Maturity Cut-off Date**” has the meaning given to it in Master Condition 15(e).

“**Maturity Date**” means, in respect of a Note, the date specified as such in the applicable Final Terms or Series Prospectus.

“**Maximum Redemption Amount**” has the meaning given to it in the applicable Final Terms or Series Prospectus.

“**Mortgaged Property**” means:

- (i) the Collateral and all property, assets and sums derived therefrom;
- (ii) all cash (if any) held by the Issuer in respect of the Series;
- (iii) the rights and interest of the Issuer in and under the Swap Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from the Swap Agreement;
- (iv) the rights and interest of the Issuer in and under the Repo Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from the Repo Agreement;
- (v) the rights and interest of the Issuer under the Agency Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from the Agency Agreement; and
- (vi) the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer (other than the Issuer’s share capital, any fees received by the Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), and any other moneys received by the Issuer for the administration and management of the Issuer which do not relate to a specific Series and which are segregated from the assets of each Series) from time to time charged or assigned or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Security Documents, as the case may be,

in each case securing the Secured Payment Obligations and includes, where the context permits, any part of that Mortgaged Property.

“**NAV**” means, in respect of any day, an amount in the Specified Currency equal to the sum of (i) the then market value of the Original Collateral and (ii) the Swap MTM as determined by the Calculation Agent.

A “**NAV Event**” shall occur if the Calculation Agent determines on any day that the NAV on that day is equal to or lower than the NAV Trigger Amount.

“**NAV Trigger Amount**” means, in respect of any day, an amount in the Specified Currency equal to the product of (i) the NAV Trigger Percentage specified in the applicable Series Prospectus and (ii) the outstanding Aggregate Nominal Amount of the Notes (as such term is defined in the applicable Final Terms or Series Prospectus).

“**NAV Trigger Percentage**” shall have the meaning given to it in the applicable Series Prospectus.

"Non-Permitted AML Noteholder" means any Noteholder that fails to provide or update information requested in accordance with Master Condition 10(h).

"Non-Physically Deliverable Collateral" means, in respect of all Notes in respect of which an Early Cash Redemption Amount is payable, the aggregate amount of each such Note's *pro rata* share (amongst all Notes outstanding on the relevant Early Redemption Date) of all Remaining Original Collateral.

"Noteholder" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be) and **"holder"** (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

"Note Tax Event" has the meaning given to it in Master Condition 8(d)(i).

"Obligation" means any obligation of the Issuer for the payment or repayment of borrowed money, which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security and any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

"Original Collateral" means, in connection with the issue of the Notes:

- (i) in relation to Notes issued by way of Final Terms, senior, unsecured bonds or loans issued by NatWest Markets Plc and admitted to trading on a regulated market or equivalent market, as further specified in the applicable Final Terms; or
- (ii) one or more transferable securities specified in the applicable Series Prospectus as forming part of the Original Collateral and issued by or representing obligations of one or more persons; and/or
- (iii) loans, deposits, shares, partnership interests, units in unit trusts or any other asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) specified in the applicable Series Prospectus as forming part of the Original Collateral and representing obligations of one or more persons.

The term **"Original Collateral"** shall include (x) any further Original Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes, (y) any Original Collateral acquired by the Issuer by way of substitution or replacement of any Original Collateral previously held by it (except where such Original Collateral has been substituted or replaced by CSA Posted Collateral or Repo Posted Collateral pursuant to the Credit Support Annex or the Repo Agreement, respectively) and (z) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Original Collateral is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Original Collateral for or on behalf of the Issuer) by virtue of its holding thereof. For the avoidance of doubt Original Collateral shall not include any CSA Posted Collateral or Repo Posted Collateral or any other securities, cash or other assets or property transferred or delivered to the Issuer pursuant to the Credit Support Annex or the Repo Agreement.

"Original Collateral Call" means notice is given that any of the Original Collateral is called for redemption or repayment (whether in whole or in part) prior to its scheduled maturity date, including following the occurrence of a tax event (however described) in respect of the Original Collateral, but excluding where the Original Collateral is called for redemption or repayment (whether in whole or in part) in exercise of a call option where the first call date falls on or after the 10th Reference Business Day prior to the Maturity Date of the Notes.

"Original Collateral Conditions" means the terms and conditions of the Original Collateral as at the Issue Date of the Notes.

“Original Collateral Default” means:

- (i) where the specified Original Collateral Default Type in the Series Prospectus is “Credit Event”:
 - (A) in respect of any Original Collateral Obligor Obligation:
 - (a) an Original Collateral Obligor Failure to Pay;
 - (b) an Original Collateral Obligor Obligation Acceleration;
 - (c) an Original Collateral Obligor Repudiation/Moratorium; or
 - (d) an Original Collateral Obligor Restructuring; or
 - (B) in respect of the Original Collateral and/or any Identical Collateral, an Original Collateral Obligor Obligation Default; or
 - (C) in respect of any Original Collateral Obligor, an Original Collateral Obligor Bankruptcy; or
- (ii) where the specified Original Collateral Default Type in the Final Terms or Series Prospectus is “Collateral Event”, any event as a result of which the Original Collateral becomes due for redemption or repayment prior to its scheduled date of redemption including following the occurrence of an event of default or other similar condition or event (however described) in respect of the Original Collateral but excluding redemption of the Original Collateral following an Original Collateral Call.

“Original Collateral Default Type” shall have the meaning given to it in the applicable Final Terms or Series Prospectus.

“Original Collateral Early Payment Date” means, following the occurrence of a Original Collateral Call, the day on which the Original Collateral that is the subject of the Original Collateral Call is scheduled to redeem or repay early.

“Original Collateral Obligor” means:

- (i) in relation to Notes issued by way of Final Terms, NatWest Markets Plc; and
- (ii) in relation to Notes issued by way of Series Prospectus, any person that is an obligor in respect of the Original Collateral pursuant to the Original Collateral Conditions, including for the avoidance of doubt, the issuer of such Original Collateral and any guarantor of the Original Collateral.

“Original Collateral Obligor Bankruptcy” means an Original Collateral Obligor:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
 - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof;

- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian, examiner or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) above.

“Original Collateral Obligor Default Requirement” means zero in respect of the Original Collateral or any Identical Collateral, and in respect of any other Original Collateral Obligor Obligations means U.S.\$10,000,000 or its equivalent in the currency or currencies in which the relevant Original Collateral Obligor Obligation(s) are denominated as of the occurrence of the relevant Original Collateral Default.

“Original Collateral Obligor Failure to Pay” means:

- (i) in respect of any Original Collateral or Identical Collateral, the failure by the relevant Original Collateral Obligor to make, when and where due, any payments under one or more of such Original Collateral or Identical Collateral, in accordance with the terms of such Original Collateral or Identical Collateral in effect as of the later of the Issue Date of the Notes to which such Original Collateral or Identical Collateral relates, the issue date of such Original Collateral or Identical Collateral and the date on which such Original Collateral or Identical Collateral was first acquired by the Issuer; and
- (ii) in respect of any other Original Collateral Obligor Obligations, after the expiration of any applicable Original Collateral Obligor Grace Period (after the satisfaction of any conditions precedent to the commencement of such Original Collateral Obligor Grace Period), the failure by the relevant Original Collateral Obligor to make, when and where due, any payments in an aggregate amount of not less than the Original Collateral Obligor Payment Requirement under one or more of such Original Collateral Obligor Obligations, in accordance with the terms of such Original Collateral Obligor Obligations at the time of such failure.

“Original Collateral Obligor Grace Period” shall not apply to the Original Collateral or any Identical Collateral, and in respect of any other Original Collateral Obligor Obligations means the greater of (i) the applicable grace period with respect to payments under the relevant Original Collateral Obligor Obligation under the terms of such Original Collateral Obligor Obligation in effect as of the later of the Issue Date and the date as of which such Original Collateral Obligor Obligation is issued or incurred and (ii) three Original Collateral Obligor Grace Period Business Days.

“Original Collateral Obligor Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose under the relevant Original Collateral Obligor Obligation and, if a place or places are not so specified, a Business Day for the currency or currencies in which the relevant Original Collateral Obligor Obligation is denominated (but disregarding for such purpose paragraph (iii) of the definition of “Business Day” above).

“Original Collateral Obligor Obligation” means, in respect of an Original Collateral Obligor, any Original Collateral, any Identical Collateral or any other obligation of such Original Collateral Obligor

(excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“Original Collateral Obligor Obligation Acceleration” means one or more Original Collateral Obligor Obligations in an aggregate amount of not less than the Original Collateral Obligor Default Requirement has become due and payable before it or they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of an Original Collateral Obligor under one or more Original Collateral Obligor Obligations.

“Original Collateral Obligor Obligation Default” means one or more Original Collateral Obligor Obligations forming part of the Original Collateral and/or Identical Collateral has become capable of being declared due and payable before it or they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of an Original Collateral Obligor under one or more Original Collateral Obligor Obligations forming part of the Original Collateral and/or Identical Collateral.

“Original Collateral Obligor Payment Requirement” means, in respect of any Original Collateral Obligor Obligation other than the Original Collateral and any Identical Collateral, U.S.\$1,000,000 or its equivalent in the currency or currencies in which the relevant Original Collateral Obligor Obligation is denominated as of the occurrence of the relevant Original Collateral Default.

“Original Collateral Obligor Repudiation/Moratorium” means the occurrence of both of the following events:

- (i) an authorised officer of an Original Collateral Obligor or a Government:
 - (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Original Collateral Obligor Obligations in an aggregate amount of not less than the Original Collateral Obligor Default Requirement; or
 - (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Original Collateral Obligor Obligations in an aggregate amount of not less than the Original Collateral Obligor Default Requirement; and
- (ii) an Original Collateral Obligor Failure to Pay, determined without regard to the Original Collateral Obligor Payment Requirement, or an Original Collateral Obligor Restructuring, determined without regard to the Original Collateral Obligor Default Requirement, with respect to any such Original Collateral Obligor Obligation occurs on or prior to the later of:
 - (A) the date that is 60 days after the occurrence of the relevant event described in paragraph (i) above; and
 - (B) where such Original Collateral Obligor Obligation is in the form of, or represented by, a bond, note (other than notes delivered pursuant to term loan agreements, revolving loan agreements or other similar credit agreements), certificated debt security or other debt security, the first payment date under such Original Collateral Obligor Obligation after the occurrence of the relevant event described in paragraph (i) above (or, if later, the expiration date of any applicable Original Collateral Obligor Grace Period in respect of such payment date).

“Original Collateral Obligor Restructuring” means that, with respect to one or more Original Collateral Obligor Obligations and in relation to an aggregate amount of not less than the Original Collateral Obligor

Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Original Collateral Obligor Obligation, is agreed between the Original Collateral Obligor or a Government and a sufficient number of holders of such Original Collateral Obligor Obligation to bind all holders of the Original Collateral Obligor Obligation or is announced (or otherwise decreed) by an Original Collateral Obligor or a Government in a form that binds all holders of such Original Collateral Obligor Obligation, and such event is not expressly provided for under the terms of such Original Collateral Obligor Obligation in effect as of the later of the Issue Date and the date as of which such Original Collateral Obligor Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either:
 - (A) the payment or accrual of interest; or
 - (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Original Collateral Obligor Obligation, causing the subordination of such Original Collateral Obligor Obligation to any other Original Collateral Obligor Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal.

Notwithstanding the above, none of the following shall constitute an Original Collateral Obligor Restructuring:

- (A) the payment in euro of interest or principal in relation to an Original Collateral Obligor Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended;
- (B) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (C) the occurrence of, agreement to or announcement of any of the events described in paragraphs (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Original Collateral Obligor.

“Original Collateral Tax Event” has the meaning given to it in Master Condition 8(d)(i).

“outstanding” has the meaning given to it in the Principal Trust Deed.

“Paying Agents” has the meaning given to it in the recitals to these Master Conditions.

“Physical Redemption Amount” means, in respect of each Note outstanding on the relevant Early Redemption Date (where the Physical Redemption Amount is the Early Redemption Amount) or the Maturity Date (where the Physical Redemption Amount is the Final Redemption Amount), as the case may be, in respect of which a Physical Redemption Amount is payable, (i) an amount of the Remaining Original Collateral equal to such Note’s *pro rata* share (amongst only those Notes in respect of which a Physical Redemption Amount is payable) of the Remaining Original Collateral; and (ii) an amount of cash equal to such Note’s *pro rata* share (amongst all Notes outstanding on the relevant Early Redemption Date) of (a) the Specified Currency Proceeds, less (b) the Cash Redemption Portion, plus (c) any

Termination Payment in respect of the Swap Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable to the Issuer (together, if applicable, with any interest payable thereon) less (d) any Termination Payment in respect of the Swap Agreement that is payable by the Issuer to the Swap Counterparty (together, if applicable, with any interest payable thereon) and any Termination Payment in respect of the Repo Agreement that is payable by the Issuer to the Repo Counterparty (together, if applicable, with any interest payable thereon).

“Physical Settlement” shall have the meaning given to it in the applicable Final Terms or Series Prospectus.

“Pre-Conditions to Delivery” has the meaning given to it in Master Condition 8(r)(ii).

“principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, the Final Redemption Amount, any Early Redemption Amount and all other amounts in the nature of principal payable pursuant to Master Condition 8.

“Principal Trust Deed” means the principal trust deed entered into by the Issuer, Deutsche Trustee Company Limited and others by execution of the Programme Deed.

“Priority Fallback” means, if the definition or description of the Relevant Benchmark includes a reference to a concept defined or otherwise described as an “index cessation event” (regardless of the contents of that definition or description), any fallback specified in that definition or description to apply following such an event.

“Proceedings” has the meaning given to it in Master Condition 25(b).

“Product Supplement” means any product supplement which is specified as a “Product Supplement” in the Final Terms or Series Prospectus.

“Programme” means a programme for the issuance of secured notes, which programme was established by the Issuer by execution of the Programme Deed.

“Programme Deed” means an agreement entered into by the Issuer and other parties on the Programme Establishment Date and the execution of which created the Principal Trust Deed, the Agency Agreement, the Master Agreement and certain other documentation in respect of the Programme.

“Programme Establishment Date” means, in respect of the Issuer, the date on which the Issuer and the other parties thereto entered into the Programme Deed in order to establish the Programme to which these Master Conditions relate.

“Rate of Interest” means the rate of interest payable from time to time in respect of a Note and that is either specified in, or calculated in accordance with the provisions of, the applicable Final Terms or Series Prospectus.

“Receipts” has the meaning given to it in the recitals to these Master Conditions.

“Record Date” has the meaning given to it in Master Condition 10(b)(ii).

“Reference Business Day” means (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in each of the places specified for that purpose in the applicable Final Terms or Series Prospectus under “Reference Business Day” and/or (ii) if “TARGET” or “TARGET Settlement Day” is specified under “Reference Business Day” in the applicable Final Terms or Series Prospectus, a TARGET Settlement Day.

“Register” has the meaning given to it in Master Condition 2.

“Registered Notes” has the meaning given to it in Master Condition 2.

“Registrar” has the meaning given to it in the recitals to these Master Conditions.

A **“Regulatory Requirement Event”** shall occur if, in the determination by the Calculation Agent, as a result of (i) any enactment of, or supplement or amendment to, or a change in, a Relevant Regulatory Law, or the official interpretation of a Relevant Regulatory Law, or (ii) the implementation or application of any rule, technical guidelines, regulatory technical standards or further relevant regulations related to a Relevant Regulatory Law or (iii) any official communication, interpretation, guidance or official rules of procedures or determination made by any relevant regulatory authority with respect related to a Relevant Regulatory Law, the Issuer or a Transaction Party is no longer able to perform its obligations under or in connection with the Notes or a Transaction Document or is no longer able to enter into new business (as issuer of notes or as a transaction counterparty to the Issuer).

“Relevant Benchmark” means any index, benchmark or price source by reference to which any amount payable under the Notes or the Original Collateral (as the case may be) is determined.

“Relevant Date” means, in respect of any Note, Receipt or Coupon, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate), Receipt or Coupon being made in accordance with the Master Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Payment Date” means, in the case of a Liquidation relating to a Liquidation Event arising due to the failure to pay the Final Redemption Amount or any interest or Instalment Amount that became due and payable on the Maturity Date, the day which falls 15 Reference Business Days after the Maturity Date.

“Relevant Regulatory Law” means any relevant law applicable to a Transaction Party and/or any affiliate thereof from time to time, including without limitation (i) Dodd-Frank, the Bank Holding Company Act, the Federal Reserve Act and the Consumer Protection Act, (ii) EU Financial Regulation and (iii) any other similar legislation applicable in other jurisdictions, in each case as may be in force as at the Issue Date of the relevant Series, or that comes into force or is due to come into force at any time after such Issue Date.

“Remaining Original Collateral” has the meaning given to it in Master Condition 13(b)(ii)(II).

“Replacement Benchmark” means, in respect of a Relevant Benchmark, an index, benchmark or other price source that the Calculation Agent determines to be a reasonable alternative for such Relevant Benchmark which would have the effect of substantially preserving the economic effect to the Noteholders (in respect of their holding of the Notes) and the Swap Counterparty (in respect of its position under the Swap Agreement).

“Repo Agreement” means if “Repo Agreement” is specified as applicable in the applicable Series Prospectus, (a) where the Repo Counterparty for the Notes is specified in the applicable Series Prospectus to be NatWest Markets Plc, the agreement entered into between the Issuer and NatWest Markets Plc by execution of the Programme Deed and which is in the form of the TBMA/ISMA Global Master Repurchase Agreement (2000 Version) and the Annexes thereto, together with all Repo Transactions entered into thereunder in respect of the Notes or (b) where the Repo Counterparty for the Notes is specified in the applicable Series Prospectus to be an entity other than NatWest Markets Plc, the agreement specified as such in the applicable Series Prospectus, together with all Repo Transactions entered into thereunder.

“Repo Counterparty” means if “Repo Agreement” is specified as applicable in the applicable Series Prospectus, the Repo Counterparty specified in such Series Prospectus.

A **“Repo Counterparty Event”** shall occur if an Event of Default under (and as defined in) the Repo Agreement has occurred in respect of which the Issuer has the right to designate an Early Termination Date under the Repo Agreement.

“Repo Posted Collateral” means securities, cash or other assets or property transferred by the Repo Counterparty to the Issuer pursuant to the Repo Agreement, but excluding any Original Collateral being returned to the Issuer pursuant to the Repo Agreement.

A **“Repo Termination Event”** shall occur if an Early Termination Date is designated or deemed to have been designated by the Issuer or a Repo Counterparty, as applicable, under the Repo Agreement for any reason other than as a result of the occurrence of an Early Redemption Trigger Date in respect of the Notes other than pursuant to Master Condition 8(j).

“Repo Termination Notice” means a notice of termination given under the Repo Agreement by the Issuer or the Repo Counterparty, as the case may be, in connection with which an Early Termination Date is designated or is deemed to have been designated in respect of all outstanding Repo Transactions thereunder.

“Repo Transaction” means a securities repurchase transaction entered into between the Issuer and the Repo Counterparty.

“Residual Amount” means, with respect to an application of Available Proceeds in connection with a Liquidation Event or an Enforcement Event, as applicable, all remaining proceeds (if any) after the application of the Available Proceeds to satisfy the payments set out in Master Condition 15(a)(i) to (vi) or 15(b)(i) to (vi), as applicable.

“Resolved” has the meaning given to it in the ISDA Credit Derivatives Definitions.

“Sanctions” means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other government agency of the United States, the United Nations, the European Union, Her Majesty's Treasury or any other relevant authority, provided that this definition shall not include any sanctions which, if the Issuer or any Transaction Party were to take any action in respect thereof, the Issuer or Transaction Party (as applicable) would breach (i) the Council Regulation (EC) No 2271/96 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); or (ii) any UK legislation protecting against the effects of extra-territorial legislation.

A **“Sanctions Event”** shall occur if, in the determination of the Calculation Agent (i) on any day, any Note, Noteholder, the Issuer, the Original Collateral, the issuer or obligor of the Original Collateral, a Transaction Party and/or any entity referenced under the Swap Agreement (including a reference entity under any credit default swap), has become subject to Sanctions, and (ii) as a result of such Sanctions, it becomes unlawful or otherwise prohibited for the Issuer or any Transaction Party to perform any of its obligations under the Notes or any Transaction Document or such performance may result in the Issuer or any Transaction Party or any affiliate of a Transaction Party becoming subject to Sanctions.

“Schedule” has the meaning given to it in the definition of “Master Agreement” in this Master Condition 1.

“Secured Creditor” means each person that is entitled to the benefit of Secured Payment Obligations.

“Secured Payment Obligations” means the payment obligations of the Issuer under the Trust Deed, the Swap Agreement, the Repo Agreement and each Note, Coupon, Receipt and Talon, together with any obligation of the Issuer to make payment to the Disposal Agent or any other Agent pursuant to Master Condition 15(a) or 15(b), as the case may be.

“Secured Property” means the assets and contractual rights in respect of the agreements comprising the property on which the Series of Notes is secured, as specified in the Issue Deed.

“Security” means the security constituted by the Trust Deed and any other Security Documents (as the case may be).

“Security Document” means the Trust Deed or any other security document in respect of the Notes which creates or purports to create security in favour of the Trustee for the benefit of the Secured Creditors.

“Settlement Option Cut-off Date” has the meaning given to it in Master Condition 8(q).

“Specified Currency” means the currency specified as such in the applicable Final Terms or Series Prospectus or, if none is specified, the currency in which the Notes are denominated.

“Specified Currency Proceeds” means the Actual Currency Proceeds, provided that where all or part of such Actual Currency Proceeds are not denominated in the Specified Currency, such amount (or each such part thereof, as the case may be) shall be converted into the Specified Currency at a rate determined by the Disposal Agent to be representative of the spot foreign exchange rates prevailing for sale of the relevant non-Specified Currency and purchase of the Specified Currency.

“Specified Denomination” means, in respect of a Note, the amount specified in the applicable Final Terms or Series Prospectus.

“Specified Interest Payment Date(s)” means, in respect of a Note (other than a Fixed Rate Note), each date(s) specified as such in the applicable Final Terms or Series Prospectus.

“Specified Office” means, in relation to an Agent, the office identified with its name in the applicable Final Terms or any other office approved by the Trustee and notified to the Noteholders in accordance with the Principal Trust Deed.

“Swap Agreement” means, in respect of the Notes, an agreement comprising the Master Agreement with respect to the relevant Swap Counterparty together with all Swap Transactions entered into between the Issuer and that Swap Counterparty in respect of the Notes.

“Swap Counterparty” means NatWest Markets Plc or as otherwise specified in the applicable Series Prospectus, or any successor thereto.

A **“Swap Counterparty Event”** shall occur if, in accordance with the terms of the Swap Agreement, an Event of Default (as defined in the Swap Agreement) has occurred with respect to the Swap Counterparty or a Termination Event (as defined in the Swap Agreement) has occurred where the Issuer has the right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement.

“Swap MTM” means, in respect of any day, the mark-to-market value of the Swap Agreement as determined by the Calculation Agent acting in a commercially reasonable manner, with any mark-to-market value in favour of the Issuer being expressed as a positive number and any mark-to-market value in favour of the Swap Counterparty being expressed as a negative number, provided that if the value so determined is not in the Specified Currency the Calculation Agent shall convert it into the Specified Currency at the prevailing spot rates on such day.

A **“Swap Termination Event”** shall occur if an Early Termination Date in respect of all outstanding Swap Transactions has been designated or deemed to have been designated by the Issuer or the Swap Counterparty, as applicable, under the Swap Agreement for any reason other than as a result of the occurrence of an Early Redemption Trigger Date in respect of the Notes other than pursuant to Master Condition 8(i).

“Swap Termination Notice” means a notice of termination given under the Swap Agreement by the Issuer or the Swap Counterparty, as the case may be, in connection with which an Early Termination Date is designated or is deemed to have been designated in respect of all outstanding Swap Transactions thereunder.

“Swap Transaction” means a derivative transaction entered into between the Issuer and the Swap Counterparty in relation to the Notes.

“Talons” has the meaning given to it in the recitals to these Master Conditions.

“TARGET Settlement Day” means any day on which the TARGET System is open.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

“Termination Payment” means, in the case of the Swap Agreement, any Early Termination Amount (as defined in the Swap Agreement) due under the Swap Agreement and in the case of the Repo Agreement the balance determined pursuant to paragraph 10(c) thereof.

“Transaction Document” means, in respect of the Notes, each of the Security Document(s), the Issue Deed, the Agency Agreement, the Dealer Agreement, the Swap Agreement, the Repo Agreement and any other agreement specified as such in the applicable Final Terms or Series Prospectus.

“Transaction Party” means each party to a Transaction Document other than the Issuer and any other person specified as a Transaction Party in the applicable Series Prospectus.

“Transfer Agents” has the meaning given to it in the recitals to these Master Conditions.

“Trust Deed” means the Principal Trust Deed together with the provisions of the Issue Deed relating to the relevant Series which are expressed therein as forming part of the Trust Deed.

“Trustee” means Deutsche Trustee Company Limited as initial trustee, but which definition shall include all persons for the time being acting as the trustee or trustees under the Trust Deed.

“Trustee Application Date” means each date on which the Trustee determines to apply the Available Proceeds in accordance with the Conditions and the provisions of the Trust Deed.

Interpretation: With respect to the Notes, references to the Principal Trust Deed, the Agency Agreement, the Master Agreement, the Dealer Agreement or any other Transaction Document created by the execution of the Programme Deed are to those documents as amended or supplemented from time to time (whether by way of any supplements to, or amendment and restatements of, the Programme Deed or otherwise) in relation to the Programme as they stand as of the Issue Date of the Notes (including any amendments or supplements made with respect only to that particular issue of Notes, whether in the Issue Deed or otherwise) and as they may then be subsequently amended, supplemented or replaced in respect of the Notes as permitted by the Conditions and the Trust Deed with respect to the Notes. Notwithstanding the foregoing, where one or more further Tranches of Notes are issued in accordance with Master Condition 21 so as to be consolidated and form a single series with the Notes, the reference to Issue Date in this paragraph shall be to the Issue Date of the first Tranche of Notes.

2 Form, Specified Denomination and Title

The Notes are issued in bearer form (**“Bearer Notes”**) or in registered form (**“Registered Notes”**), in each case in the Specified Denomination(s) specified in the applicable Final Terms or Series Prospectus.

All Registered Notes shall have the same Specified Denomination.

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or Instalment Notes, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis specified in the applicable Final Terms or Series Prospectus.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes, in which case references to interest (other than in relation to Default Interest), Coupons and Talons in the Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to Bearer Notes and Receipts, Coupons and Talons shall pass by delivery. Title to Registered Notes shall pass by registration in the register that the Issuer shall procure will be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

3 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes are not exchangeable for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfers of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the Specified Office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed, and any such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be subject to and effected in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Master Condition 3(b) shall be available for delivery within three business days of the surrender of the relevant Certificate together with the relevant form of transfer and relevant evidence required by the Registrar or Transfer Agent. Delivery of the new Certificate(s) 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 or 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 or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Master Condition 3(d), “**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 (as the case may be).
- (e) **Transfers Free of Charge:** Transfers of Notes and Certificates pursuant to Master Condition 3(b) 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 (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered: (i) during the period of 15 days ending on the Maturity Date, or the due date for payment of any Instalment Amount in respect of that Note; (ii) after the occurrence of any Early Redemption Trigger Date and/or any Liquidation Event in relation to such Note; or (iii) during the period of seven days ending on (and including) any Record Date.

4 Constitution, Status, Collateral and Non-Applicability

- (a) **Constitution and Status of Notes:** The Notes are constituted and secured by the Trust Deed. The Notes are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Master Condition 5 and recourse in respect of which is limited in the manner described in Master Conditions 15, 16 and 17(a).
- (b) **Collateral:** In connection with the issue of the Notes, the Issuer may acquire rights, title and/or interests in and to the Collateral. The Original Collateral shall be NatWest Markets Original Collateral, or as otherwise specified in the applicable Series Prospectus. In addition or in the alternative to its acquisition of rights, title and/or interests in and to the Collateral, the Issuer may enter into a Swap Agreement with respect to the Notes as specified in the applicable Final Terms or Series Prospectus relating to the Notes and/or may enter into a Repo Agreement as specified in the applicable Series Prospectus.
- (c) **Non-applicability:** Where no reference is made in the Issue Deed and the Final Terms or Series Prospectus to any Collateral, references in the Conditions to any such Collateral, to any Secured Payment Obligation relating to such Collateral and to any related Original Collateral Obligor or Secured Creditor relating to such Collateral, as the case may be, shall not be applicable. Where no reference is made in the Issue Deed and the applicable Final Terms or Series Prospectus to any Swap Agreement, Swap Counterparty (or any Credit Support Annex thereto), Repo Agreement and/or Repo Counterparty references in the Conditions thereto shall not be applicable.

5 Security

- (a) **Security:** Unless otherwise specified in the Issue Deed, the Secured Payment Obligations are secured in favour of the Trustee, pursuant to the Trust Deed, by:
- (i) a first fixed charge over the Collateral and all property, assets and sums derived therefrom (from time to time);
 - (ii) an assignment by way of security of all the Issuer's rights, title and interest attaching or relating to the Collateral and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
 - (iii) an assignment by way of security of the Issuer's rights, title and interest against the Custodian, to the extent that they relate to the Collateral;
 - (iv) an assignment by way of security of the Issuer's rights, title and interest under the Swap Agreement;
 - (v) an assignment by way of security of the Issuer's rights, title and interest under the Repo Agreement;
 - (vi) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, to the extent that they relate to any assets held by the Custodian in respect of the Notes;
 - (vii) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent) to the extent that such rights relate to the Collateral;
 - (viii) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Payment Obligation and (B) any sums received by the Issuing and Paying Agent under the Swap Agreement and/or the Repo Agreement; and
 - (ix) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral.

Notwithstanding the above, investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, sums and assets, as the case may be, rather than a charge over such Collateral and/or property, sums and assets derived therefrom themselves.

Additionally, the Secured Payment Obligations of the Issuer may be secured pursuant to a Security Document other than the Trust Deed as specified in the relevant Issue Deed.

- (b) **Issuer's rights as beneficial owner of Collateral:** Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian and any Disposal Agent appointed at that time), the Issuer may, with the sanction of an Extraordinary Resolution or with the prior written consent of the Trustee:
- (i) take such action in relation to the Collateral as it may think expedient; and

- (ii) exercise any rights incidental to the ownership of the Collateral and, in particular (but without limitation and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

The Issuer will not exercise any rights with respect to Collateral unless it has the consents referred to above or is directed to do so by an Extraordinary Resolution and, if such direction or consent is given, the Issuer will act only in accordance with such direction or consent.

- (c) **Disposal Agent's right following Liquidation Event:** Notwithstanding the above, following the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties), the Disposal Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by the Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance thereof or ancillary thereto as they relate to the Mortgaged Property, without requiring any sanction referred to therein. Pursuant to the terms of the Trust Deed, upon the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent, the Security described in Master Condition 5(a) will automatically be released without further action on the part of the Trustee to the extent necessary to effect the Liquidation of the Mortgaged Property, provided that nothing in this Master Condition 5(c) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Mortgaged Property.
- (d) **Credit Support Annex:** If "Credit Support Annex" is specified as applicable in the Final Terms or Series Prospectus then the Issuer will enter into a Credit Support Annex under the Swap Agreement pursuant to which the Issuer shall, if required in accordance with the terms of the Credit Support Annex, transfer some or all of the Collateral to the Swap Counterparty. Collateral transferred by the Issuer pursuant to the Credit Support Annex will be deemed to be released by the Trustee from the Security immediately prior to the delivery or transfer of such Collateral by or on behalf of the Issuer to the Swap Counterparty.
- (e) **Repo Agreement:** If "Repo Agreement" is specified as applicable in the Series Prospectus then the Issuer will enter into a Repo Agreement with the Repo Counterparty pursuant to which the Issuer shall, if required in accordance with the terms of the Repo Agreement, transfer some or all of the Collateral to the Repo Counterparty. Collateral transferred by the Issuer pursuant to the Repo Agreement will be deemed to be released by the Trustee from the Security immediately prior to the delivery or transfer of such Collateral by or on behalf of the Issuer to the Repo Counterparty.

6 Restrictions

So long as any Note remains outstanding, the Issuer shall not, without the prior consent in writing of the Trustee and the Swap Counterparty and the Repo Counterparty, but subject to the provisions of Master Condition 13 and, except as provided for or contemplated in the Conditions or any Transaction Document:

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that:
 - (i) such Obligations are secured on assets of the Issuer other than the Issuer's share capital, any fees received by the Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), any other moneys received by the Issuer for the administration and management of the Issuer which does not relate to a specific Series and which is segregated from the assets of each Series and any assets securing any other Obligations (other than Equivalent Obligations); and

- (ii) such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof (other than as contemplated by the Conditions, the Trust Deed, any other Security Document and/or any other Transaction Document);
- (c) cause or permit the Swap Agreement or the Repo Agreement or the priority of the Security created by the Trust Deed or any other Security Document to be amended, terminated or discharged (other than as contemplated by the Swap Agreement, the Repo Agreement, the Conditions, the Trust Deed, any other Security Document and/or any other Transaction Document);
- (d) release any party to the Swap Agreement, the Repo Agreement, the Principal Trust Deed, the Issue Deed or any other Security Document from any existing obligations thereunder (other than as contemplated by the Conditions, the Trust Deed, any other Security Document and/or any other Transaction Document);
- (e) have any subsidiaries;
- (f) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of the Swap Agreement, the Repo Agreement, the Conditions, the Principal Trust Deed, the Issue Deed, any other Security Document or any other Transaction Document (other than as contemplated by the Swap Agreement, the Repo Agreement, the Conditions, the Trust Deed, any applicable Security Document and/or any other Transaction Document);
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions, including, without limitation, in connection with the substitution of the Issuer under the Notes, the Swap Agreement and the Repo Agreement);
- (h) have any employees;
- (i) issue any shares (other than such shares as are in issue at the date hereof) or make any distribution to its shareholders;
- (j) open or have any interest in any account with a bank or financial institution unless (i) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security over the Issuer's interest in such account or (ii) such account is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose (including, without limitation and for the avoidance of doubt, the Issuer's issued share capital and any fees paid to the Issuer for agreeing to issue, or enter into, any Obligations (by way of corporate benefit and for its own account)) are credited to it;
- (k) declare any dividends;
- (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (m) 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;

- (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
 - (o) except as required in connection with the issuance or entry into of Obligations and other than as contemplated by the Swap Agreement, the Repo Agreement, the Conditions, the Trust Deed, any applicable Security Document and/or any other Transaction Document, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, to any other entity or person; or
 - (p) approve, sanction or propose any amendment to its constitutional documents,
- provided that nothing in this condition shall limit the ability of the Issuer from complying with FATCA.

7 Interest

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Master Condition 7(f).
- (b) **Interest on Floating Rate Notes:**
 - (i) **Interest Payment Dates:** Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Master Condition 7(f).
 - (ii) **Rate of Interest for Floating Rate Notes:** The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate, subject as provided in Master Condition 7(e) below unless an alternative method of determination is specified in any applicable Series Prospectus. For the purposes of this Master Condition 7(b)(ii), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (A) the Floating Rate Option is as specified in the applicable Final Terms or Series Prospectus;
 - (B) the Designated Maturity is a period specified in the applicable Final Terms or Series Prospectus; and
 - (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms or Series Prospectus.

For the purposes of this Master Condition 7(b)(ii), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified in the applicable Final Terms or Series Prospectus to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount.

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption save that if, upon due presentation, payment of the full amount of principal and/or interest due on such due date for redemption is improperly withheld or refused, interest will accrue daily on the unpaid amount of principal and/or interest (after as well as before judgment and regardless of the Interest Basis) from and including the due date for redemption to but excluding the Relevant Date at (i) the rate for each day in that period equal to the rate for deposits in the currency in which the payment is due to be made as published on the Reuters Screen “**LIBOR01**” or “**EURIBOR01**” for a period of one day, as applicable, (or such successor screen page thereto determined by the Calculation Agent), or if such rate does not appear on the relevant Reuters Screen (or any successor screen page thereto), the rate determined by the Calculation Agent or (ii) such other rate as may be specified for such purposes in the applicable Final Terms or Series Prospectus. Such interest (the “**Default Interest**”) shall be compounded daily with respect to the overdue sum at the above rate.
- (e) **Margin:** If any Margin is specified in the applicable Final Terms or Series Prospectus (either (x) generally or (y) in relation to one or more Interest Accrual Periods), then an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rate(s) of Interest for the specified Interest Accrual Period(s), in the case of (y), calculated in accordance with Master Condition 7(b) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to this Master Condition 7(e).
- (f) **Interest Payable:** The interest payable in respect of any Note for a relevant period shall be an amount determined by the Calculation Agent equal to the product of the amount of interest payable per Calculation Amount, as determined in accordance with this Master Condition 7(f), and the Calculation Amount Factor of the relevant Note. The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

8 Redemption and Purchase

- (a) **Final Redemption:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, each Note shall become due and payable on the Maturity Date at its Final Redemption Amount or, in the case of a Note falling within Master Condition 8(b), its final Instalment Amount.
- (b) **Redemption by Instalments:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, each Note that provides in the applicable Series Prospectus for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding nominal amount of each such Note shall be reduced by the relevant Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of

the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

- (c) **Redemption upon Original Collateral Default:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Original Collateral Default (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Original Collateral Default has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of an Original Collateral Default, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (d) **Redemption for Taxation Reasons:**

- (i) Subject to Master Condition 8(d)(ii) and provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware of (whether by notice thereof from the Calculation Agent or otherwise) the occurrence of a Note Tax Event and/or an Original Collateral Tax Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

A **“Note Tax Event”** will occur if:

- (A) either the Issuer or the Calculation Agent determines that on the due date for any payment in respect of the Notes, the Issuer will be required by any applicable law to withhold, deduct or account for an amount for any present or future taxes, duties or charges of whatsoever nature or would suffer the same in respect of its income so that it would be unable to make in full the payment in respect of the Notes in respect of such due date; or
- (B) on the due date for any payment in respect of the Notes, such a withholding, deduction or account is actually made in respect of any payment in respect of the Notes,

other than (i) where such event constitutes an Original Collateral Tax Event or (ii) such withholding deduction or accounting is on account of FATCA.

An “**Original Collateral Tax Event**” will occur if (x) whilst there is no Repo Agreement in place, the Issuer, in its or the Calculation Agent’s determination:

- (A) is or will be unable to receive any payment due in respect of any Original Collateral in full on the due date therefor without a deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by any authority of any jurisdiction;
- (B) is or will be required to pay any tax, duty or charge of whatsoever nature imposed by any authority of any jurisdiction in respect of any payment received in respect of any Original Collateral; and/or
- (C) is or will be required to comply with any reporting requirement of any authority of any jurisdiction in respect of any payment received in respect of any Original Collateral,

provided that the Issuer, using reasonable efforts prior to the due date for the relevant payment, is (or would be) unable to avoid such deduction(s), payment(s) and/or reporting requirements described in sub-paragraphs (A) to (C) of this definition by filing a valid declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it. If the action that the Issuer would be required to undertake so as to avoid any such deduction(s), payment(s) and/or reporting requirements would involve any material expense or is, in the sole opinion of the Issuer, unduly onerous the Issuer shall not be required to take any such action and (y) for so long as a Repo Agreement is in place, if the Issuer is or will be unable to receive any payment due from the Repo Counterparty in respect of income on any of the Original Collateral sold to the Repo Counterparty thereunder in full on the due date therefor as a result of the Repo Counterparty being only required to pay to the Issuer a sum of money or property equivalent to (and in the same currency as) the type or amount of income that would have been received by the Issuer in respect of such Original Collateral assuming such Original Collateral had not been sold to the Repo Counterparty and was instead retained by the Issuer on the relevant second date for payment. Without prejudice to the generality of the foregoing, a FATCA Withholding Tax imposed on payments in respect of any Original Collateral shall constitute an Original Collateral Event. For the purposes of this definition, if on the date falling 60 days prior to the earliest date on which FATCA Withholding Tax could apply to payments under, or in respect of sales proceeds of, the relevant Original Collateral (such 60th day prior being the “**FATCA Test Date**”), the Issuer is a “nonparticipating foreign financial institution” (as such term is used under section 1471 of the Code or in any regulations or guidance thereunder), the Issuer will be deemed on the FATCA Test Date to be unable to receive a payment due in respect of such Original Collateral in full on the due date therefor without deduction for or on account of any withholding tax and, therefore, an Original Collateral Tax Event will have occurred on the FATCA Test Date.

- (ii) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature referred to in Master Condition 8(d)(i) above arises solely as a result of:
 - (A) any Noteholder’s or Couponholder’s connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof;
 - (B) any relevant Noteholder’s or Couponholder’s failure to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax including, without limitation, any requirement to provide information or

documentation requested by or on behalf of the Issuer in relation to FATCA or to provide any waiver required by FATCA; or

- (C) the presentation for payment of any Bearer Note, Receipt or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bearer Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union,

then, to the extent possible, the Issuer shall deduct such taxes, duties or charges, as applicable, from the amount(s) payable to such Noteholder or Couponholder, and provided that payments to other Noteholders or Couponholders would not be impaired, the Issuer shall not give an Early Redemption Notice pursuant to Master Condition 8(d)(i). Any such deduction shall not constitute an Event of Default under Master Condition 8(p), a Liquidation Event under Master Condition 13 or an Enforcement Event under Master Condition 14.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Note Tax Event or Original Collateral Tax Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Issuer effectively gives a valid notice to the Trustee of the occurrence of a Note Tax Event or Original Collateral Tax Event, the Trustee and/or the Calculation Agents, as the case may be, shall be entitled to rely on such notice without further investigation.

- (e) **Redemption at the Option of the Issuer:** If “Call Option” is specified as applicable in the relevant Final Terms or Pricing Supplement, the Issuer may, on giving not less than 5 Business Days’ irrevocable notice to the Noteholders (copying each other Transaction Party), substantially in the form set out in schedule 8 to the Master Trust Terms (the “**Call Option Exercise Notice**”) (or such other notice period as may be specified in the relevant Final Terms or Pricing Supplement), redeem all or, if so provided, some of the Notes on the relevant Optional Redemption Date(s). Each Note so redeemed shall be redeemed at its Issuer Call Option Redemption Amount. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms or Pricing Supplement, and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms or Pricing Supplement. The date on which a Call Option Exercise Notice is deemed to have been given shall be an “**Early Redemption Trigger Date**”.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in the relevant Call Option Exercise Notice in accordance with this Master Condition 8(e).

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holders of such Registered Notes, to be redeemed which shall have been drawn in such place and in such manner as the Issuer deems appropriate, subject to compliance with any applicable laws, stock exchange or other relevant authority requirements.

When the Notes are listed and/or admitted to trading on any stock exchange and the rules of the relevant stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, file a notice specifying the outstanding Aggregate Nominal Amount of the Notes and a list of the Notes drawn for redemption but not surrendered.

- (f) **Redemption following an Administrator/Benchmark Event in respect of Notes:** If the Calculation Agent (acting in good faith and in a commercially reasonable manner) determines on

any day that an Administrator/Benchmark Event has occurred in respect of a Relevant Benchmark by reference to which amounts payable under the Notes are calculated (such Relevant Benchmark, the “**Affected Relevant Benchmark**” and such day, the “**Administrator/Benchmark Event Notes Determination Date**”) and:

- (i) it (x) is or would be unlawful under any applicable law or regulation or (y) would contravene any applicable licensing requirements, for the Calculation Agent to determine a Replacement Benchmark for the Affected Relevant Benchmark (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time); or
- (ii) the Calculation Agent determines that the Replacement Benchmark which would otherwise be selected by the Calculation Agent to replace the Affected Relevant Benchmark is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake; or
- (iii) the Calculation Agent determines (in its absolute discretion) that there is no Replacement Benchmark which would be a reasonable alternative to the Affected Relevant Benchmark and which would have the effect of substantially preserving the economic effect to the Noteholders and the Swap Counterparty,

(A) then the Calculation Agent shall:

- (I) as soon as reasonably practicable, designate a day no less than seven and no more than 30 calendar days following the Administrator/Benchmark Event Notes Determination Date as the Early Redemption Date (for the avoidance of doubt, such Early Redemption Date may fall after the Maturity Date in circumstances where the Administrator/Benchmark Event Notes Determination Date occurs within 30 calendar days of the Maturity Date); and
 - (II) as soon as reasonably practicable, notify the Issuer, the Noteholders, the Trustee, the Swap Counterparty, the Repo Counterparty and each Agent of the occurrence of the Administrator/Benchmark Event and of the designation of the Early Redemption Date; and,
- (B) provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after receiving the notification referred to in paragraph (II) above, give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “Early Redemption Trigger Date”.

- (g) **Redemption following an Administrator/Benchmark Event in respect of the Original Collateral:** If the Calculation Agent (acting in good faith and in a commercially reasonable manner) determines at any time that an Administrator/Benchmark Event has occurred in respect of a Relevant Benchmark by reference to which amounts payable under the Original Collateral are calculated (such time, the “**Administrator/Benchmark Event Original Collateral Determination Date**”):

- (i) the Calculation Agent shall:

- (A) as soon as reasonably practicable, designate a day no less than seven and no more than 30 calendar days following the Administrator/Benchmark Event Original Collateral Determination Date as the Early Redemption Date (for the avoidance of doubt, such Early Redemption Date may fall after the Maturity Date in circumstances where the Administrator/Benchmark Event Original Collateral Determination Date occurs within 30 calendar days of the Maturity Date); and
 - (B) as soon as reasonably practicable, notify the Issuer, the Noteholders, the Trustee, the Swap Counterparty, the Repo Counterparty and each Agent of the occurrence of the Administrator/Benchmark Event and of the designation of the Early Redemption Date; and,
- (ii) provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after receiving the notification referred to in paragraph (B) above, give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “Early Redemption Trigger Date”.
- (h) **Redemption for an Original Collateral Call:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Original Collateral Call (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Trigger Date**”.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Original Collateral Call has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of an Original Collateral Call, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (i) **Redemption for Termination of Swap Agreement:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a Swap Termination Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Trigger Date**”.

If, prior to the Maturity Date:

- (i) pursuant to the terms of the Swap Agreement the Issuer becomes aware that it is able to exercise a right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement pursuant to the occurrence of a Swap Counterparty Event and such right is then continuing;
- (ii) no Early Termination Date has already been designated or occurred under the Swap Agreement; and
- (iii) no Early Redemption Trigger Date or Early Redemption Date has occurred under any other Condition,

the Issuer shall, as soon as is practicable after becoming aware of the same (or, in any case, within one Reference Business Day thereof), notify the Noteholders in accordance with Master Condition 22 and the Trustee in writing of the same. Following delivery of such notice from the Issuer, the Trustee shall, if so directed by an Extraordinary Resolution, provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, give notice to the Issuer that the Issuer is to exercise its right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement.

Subject to the Issuer still having such designation right, the Issuer shall, as soon as is reasonably practicable, designate an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement and shall then notify the Noteholders in accordance with Master Condition 22 and the Trustee in writing of the same. Such notice shall constitute an Early Redemption Notice for purposes of the first paragraph of this Master Condition 8(i).

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Swap Termination Event or Swap Counterparty Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a Swap Termination Event or Swap Counterparty Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (j) **Redemption for Termination of Repo Agreement:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a Repo Termination Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Trigger Date**”.

If, prior to the Maturity Date:

- (i) pursuant to the terms of the Repo Agreement the Issuer becomes aware that it is able to exercise a right to designate an Early Termination Date in respect of all outstanding Repo Transactions under the Repo Agreement pursuant to the occurrence of a Repo Counterparty Event and such right is then continuing;

- (ii) no Early Termination Date has already been designated or occurred under the Repo Agreement; and
- (iii) no Early Redemption Trigger Date or Early Redemption Date has occurred under any other Condition,

the Issuer shall, as soon as is practicable after becoming aware of the same (or, in any case, within one Reference Business Day thereof), notify the Noteholders in accordance with Master Condition 22 and the Trustee in writing of the same. Following delivery of such notice from the Issuer, the Trustee shall, if so directed by an Extraordinary Resolution, provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, give notice to the Issuer that the Issuer is to exercise its right to designate an Early Termination Date in respect of all outstanding Repo Transactions under the Repo Agreement.

Subject to the Issuer still having such designation right, the Issuer shall, as soon as is reasonably practicable, designate an Early Termination Date in respect of all outstanding Repo Transactions under the Repo Agreement and shall then notify the Noteholders in accordance with Master Condition 22 and the Trustee in writing of the same. Such notice shall constitute an Early Redemption Notice for purposes of the first paragraph of this Master Condition 8(j).

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Repo Termination Event or Repo Counterparty Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a Repo Termination Event or Repo Counterparty Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (k) **Redemption for a Counterparty Bankruptcy Credit Event:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, if so directed by an Extraordinary Resolution resolving that a Counterparty Bankruptcy Credit Event has occurred and that a notice of redemption in respect of the Notes is to be given by or on behalf of the Issuer, give an Early Redemption Notice to the Noteholders as soon as is practicable upon being so directed (or, in any case, within one Reference Business Day thereof) and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

Notwithstanding anything to the contrary in Master Condition 19 or the Trust Deed, any holder of a Note then outstanding may deliver a request in writing to the Issuer, the Calculation Agent and the Trustee for a meeting of Noteholders to be convened to consider an Extraordinary Resolution to resolve that a Counterparty Bankruptcy Credit Event has occurred and to instruct the Issuer to deliver an Early Redemption Notice in respect of the Notes. Any such request must (i) describe the Counterparty Bankruptcy Credit Event alleged to have occurred, and (ii) contain information that reasonably confirms that the Counterparty Bankruptcy Credit Event has occurred which in the sole opinion of the Issuer is satisfactory evidence of the occurrence of the Counterparty Bankruptcy Credit Event. Upon receipt of a valid request from a Noteholder satisfying the requirements outlined in the preceding sentence, the Issuer shall convene a meeting of Noteholders in accordance with the provisions of the Trust Deed.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Counterparty Bankruptcy Credit Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a Counterparty Bankruptcy Credit Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (l) **Redemption following an Illegality Event:** Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Illegality Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Illegality Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of an Illegality Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (m) **Redemption following an Additional Redemption Event:** If **“Additional Redemption Event”** is specified as applicable in the Series Prospectus, provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of an Additional Redemption Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Additional Redemption Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of an Additional Redemption Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (n) **Redemption following a NAV Event:** If **“NAV Event”** is specified as applicable in the Series Prospectus, provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a NAV Event (or, in any case, within one Reference Business Day thereof), give an

Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any NAV Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a NAV Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (o) **Redemption following a CDS Spread Event:** If “CDS Spread Event” is specified as applicable in the Series Prospectus, provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a CDS Spread Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note, and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an **“Early Redemption Trigger Date”**.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any CDS Spread Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a CDS Spread Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

- (p) **Redemption following the occurrence of an Event of Default:** If any of the following events (each an **“Event of Default”**) occurs, provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to this or any other Condition, the Trustee at its discretion may, and if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give an Early Redemption Notice to the Issuer that all but not some only of the Notes shall become due and payable at the Early Redemption Amount (which, subject to the provisions of the Trust Deed, shall be paid pursuant to Master Condition 15(a) or Master Condition 15(b), as applicable, and which shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon) on the Early Redemption Date:

- (i) default is made for more than 14 days in the payment of any interest or Instalment Amount in respect of the Notes or any of them, other than any interest or Instalment Amount due and payable on the Maturity Date, and other than where any such default occurs as a result of an Original Collateral Default, a Note Tax Event, an Original Collateral Tax Event, an Original Collateral Call, a Swap Termination Event, a Swap Counterparty Event, a Counterparty Bankruptcy Credit Event, a Repo Termination Event or a Repo Counterparty Event;

- (ii) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee such default is capable of remedy, is not in the opinion of the Trustee remedied within 30 days after valid notice of such default shall have been effectively given to the Issuer by the Trustee; or
- (iii) the Issuer: (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or by an Extraordinary Resolution); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (3) save to the extent contemplated in the Trust Deed, makes a general assignment, arrangement or composition with or for the benefit of the Noteholders; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation, or is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Deed; (7) other than the Trustee (except in circumstances where the Trustee is enforcing the Security pursuant to the Trust Deed) or the Custodian, has a secured party take possession of any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Deed or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive).

For the purposes of the Conditions and the Transaction Documents, in relation to any Events of Default, the date on which the related Early Redemption Notice is deemed to be given shall be an **"Early Redemption Trigger Date"**.

The Issuer has undertaken in the Principal Trust Deed that, in January of each year and within 14 days of any request from the Trustee, it will send to the Trustee a certificate signed by a Director to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date not more than five days prior to the date of the certificate, no Event of Default or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate, become an Event of Default has occurred since the certification date of the last such certificate or (if none) the date of such Principal Trust Deed or, if such an event had occurred, giving details thereof.

- (q) **Definition of Early Redemption Amount:** The **"Early Redemption Amount"** shall be:
 - (i) where "Cash Settlement" is specified as the Early Redemption Settlement Method or if no method is specified, the Early Cash Redemption Amount; and

- (ii) where “Noteholder Settlement Option” is specified as the Early Redemption Settlement Method, each Noteholder may, by depositing not later than the second Business Day following the related Early Redemption Notice (or such other period as may be agreed by the Issuer, the Swap Counterparty and/or the Repo Counterparty) (the “**Settlement Option Cut-off Date**”), the relevant Exercised Notes at the Specified Office of the Paying Agent or Transfer Agent, together with an Exercise Notice, elect whether to receive the Early Cash Redemption Amount or the Physical Redemption Amount (provided that, if (i) no valid election is made as to Early Cash Redemption Amount or Physical Redemption Amount by a Noteholder by the Settlement Option Cut-off Date, (ii) the Pre-Conditions to Delivery are not satisfied by such Noteholder on or prior to the Settlement Option Cut-off Date, and/or (iii) the Collateral is not comprised of any Original Collateral on the Settlement Option Cut-off Date, then such Noteholder will be deemed to have elected to receive the Early Cash Redemption Amount).
- (r) **Physical Redemption Amounts:** If an obligation under the Notes may be satisfied by the delivery of a Physical Redemption Amount:
 - (i) upon satisfaction of the Pre-Conditions to Delivery, the Issuer will cause to be delivered on or as soon as practicable after the date on which such Early Redemption Amount is due, the Physical Redemption Amount for the Notes specified in the related Delivery Instruction Certificate, in accordance with the instructions contained therein; and
 - (ii) a Noteholder will not be entitled to any Physical Redemption Amount unless (a) it has surrendered the relevant Notes (in the case of Bearer Notes) or the Certificate representing such Notes (in the case of Registered Notes) and delivered a Delivery Instruction Certificate at the Issuing and Paying Agent's Specified Office (b) it has paid all costs and expenses (including any stamp or other taxes) payable in connection with the delivery of the Physical Redemption Amount to such Noteholder and (c) delivery of the same to such Noteholder is permitted by all relevant laws, rules and regulations and the terms of the relevant Remaining Original Collateral (the “**Pre-Conditions to Delivery**”). As receipt for such Note or Certificate, as the case may be, the Issuing and Paying Agent will issue the Noteholder with a stamped, dated copy of such Delivery Instruction Certificate. The records of the Issuing and Paying Agent will be conclusive evidence of any Noteholder's entitlement to a Physical Redemption Amount.
- (s) **Purchases:** The Issuer may purchase Notes (provided that all unmatured Receipts and Coupons and un-exchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. Such Notes may be held, re-issued, resold or, at the option of the relevant Issuer and subject to the consent of the Trustee surrendered to any Paying Agent or the Registrar for cancellation. The consent of the Trustee in such circumstances shall be dependent upon the Issuer satisfying the Trustee that the Issuer has made arrangements for the realisation of no more than the equivalent proportion of the Collateral and/or for the reduction in the notional amount of the Swap Agreement and the repurchase of a proportion of the Original Collateral under the Repo Agreement in connection with the proposed purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof.
- (t) **Cancellation:** All Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to or to the order of the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to or to the order of the Registrar and, in each case, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes

so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

- (u) **Effect of Redemption, Purchase and Cancellation:** Upon any of the Notes being redeemed or purchased and cancelled, Master Conditions 8(a) to 8(p) (inclusive) shall no longer apply to such Notes. In addition, and for the avoidance of doubt, Master Conditions 8(c) to 8(p) (inclusive) shall have no effect on or after the Maturity Date.

9 Calculations and Determinations, Rounding and Business Day Convention

- (a) **Determination and Publication of Rates of Interest, Interest Amounts, any Final Redemption Amount, any Early Redemption Amount and any Instalment Amounts:** The Calculation Agent shall, as soon as is practicable on each Interest Determination Date and on each date the Calculation Agent is required to calculate any rate or amount, obtain any quotation or make any determination or calculation under the Conditions or any Transaction Document, as the case may be, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period and Interest Payment Date, calculate the Final Redemption Amount, Early Redemption Amount, Instalment Amount or other amount, obtain such quotation and/or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, any Final Redemption Amount, Early Redemption Amount, Instalment Amount or other amount, to be notified to the Trustee, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual Period or Interest Period, as the case may be, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount or (ii) in all other cases, the earlier of the date on which any relevant payment is due (if determined prior to such time) and the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Master Condition 9(d), the Interest Amount(s) and the Interest Payment Date(s) so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

If in respect of any due date for redemption, payment of the full amount of principal due for redemption is not made, no publication of the rates determined in accordance with this Master Condition 9(a) to be used in the calculation of any Default Interest need be made unless the Trustee notifies the Calculation Agent to the contrary in writing. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all Noteholders, Couponholders, Transaction Parties and all other parties. If the Calculation Agent at any time does not make any determination or calculation or take any action that it is required to do pursuant to the Conditions, it shall forthwith notify the Issuer, the Trustee, the Issuing and Paying Agent, Swap Counterparty and/or the Repo Counterparty.

- (b) **Determination or Calculation by Trustee:** If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, any Instalment Amount, the Final Redemption Amount, the Early Redemption Amount or any other amount, then the Trustee may (but shall not be obliged to) make such determinations and calculations in place of the Calculation Agent (or may appoint an agent on its behalf to do so). Any such determination or calculation so made by the Trustee (or its agent) shall, for the purposes

of the Conditions and the Transaction Documents, be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the provisions of the Conditions and/or the relevant Transaction Document(s) with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. In the absence of wilful misconduct, negligence or fraud, no liability shall attach to the Trustee for any calculation so made by it or its agent and the Trustee may, in good faith, rely on the advice of a professional adviser in making such calculation.

- (c) **Rounding:** For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up to 0.00001) and (y) all currency amounts that fall due and payable shall be rounded, if necessary, to the nearest unit of such currency (with one half of the lowest unit of the currency being rounded up for example GBP0.005 being rounded to GBP0.01), save in the case of Japanese Yen or Korean Won, which shall be rounded down to the nearest yen or won respectively. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency (e.g. one cent or one pence).
- (d) **Business Day Convention:** If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (e) **Administrator/Benchmark Event – Notes:** If at any time after the Issue Date the Calculation Agent determines that an Administrator/Benchmark Event has occurred with respect to a Relevant Benchmark by reference to which amounts payable under the Notes are calculated (such Relevant Benchmark, the “**Affected Relevant Benchmark**”) then the Calculation Agent shall use reasonable endeavours to determine a Replacement Benchmark for such Affected Relevant Benchmark provided however that if:
 - (i) it (x) is or would be unlawful under any applicable law or regulation or (y) would contravene any applicable licensing requirements, for the Calculation Agent to determine such Replacement Benchmark (or it would be unlawful or would contravene those licensing requirements were a determination to be made at such time); or
 - (ii) the Calculation Agent determines that the Replacement Benchmark which would otherwise be selected by the Calculation Agent to replace the Affected Relevant Benchmark is or would be a benchmark, index or other price source whose production, publication, methodology or governance would subject the Calculation Agent to material additional regulatory obligations which it is unwilling to undertake; or
 - (iii) the Calculation Agent determines (in its absolute discretion) that there is no Replacement Benchmark which would be a reasonable alternative to the Affected Relevant Benchmark

and which would have the effect of substantially preserving the economic effect to the Noteholders and the Swap Counterparty,

then the Calculation Agent shall notify the Issuer of the existence of any of the circumstances described in (i), (ii) or (iii) above and the provisions of Master Condition 8(f) shall apply.

If the Calculation Agent determines a Replacement Benchmark for the Affected Relevant Benchmark then (x) the Calculation Agent shall notify the Issuer and the Trustee of such determination and (y) such Replacement Benchmark shall replace the Affected Relevant Benchmark with effect from such date as is determined by the Calculation Agent. The Calculation Agent may propose to the Issuer and the Trustee such adjustments (which adjustments shall be deemed to be of a formal, minor or technical nature) that it determines to be appropriate, if any, to any one or more of the Conditions of the Notes, including without limitation, any Condition relevant to the settlement or payment under the Notes, as the Calculation Agent determines appropriate to account for such replacement and the Issuer and the Trustee shall use all reasonable endeavours to effect such adjustments promptly. For the avoidance of doubt, in determining a Replacement Benchmark, the Calculation Agent shall not be obliged to act solely in the interests of the Noteholders.

- (f) **Modifications upon a Regulatory Requirement Event or Sanctions Event:** Notwithstanding any provisions of this Master Condition 9 to the contrary, the Calculation Agent may, following the occurrence of a Regulatory Requirement Event or a Sanctions Event, notify the Issuer and the Transaction Parties of any modifications that are required to be made to the Conditions and/or a Transaction Document (each a “**Regulatory Modification**”) in order to cause (i) the transactions contemplated by the Conditions and the Transaction Documents to be compliant with all Relevant Regulatory Laws and any laws relating to Sanctions, (ii) the Issuer and each Transaction Party to be compliant with all Relevant Regulatory Laws and any laws relating to Sanctions, (iii) the Issuer and each Transaction Party to be able to continue to transact future business in compliance with all Relevant Regulatory Laws and any laws relating to Sanctions, and (iv) in the case of a Sanctions Event, the Issuer and each Transaction Document to be in compliance with any industry wide initiative (including any protocol published by ISDA) established to address such Sanctions Event. The Issuer will, without the need for the consent of either Trustee or Noteholders (unless such Regulatory Modification imposes more onerous obligations upon either Trustee or any Agent or reduces or removes the protections given to either Trustee or any Agent pursuant to the Conditions or any Transaction Document, in which case the consent of the affected Trustee or the Agents (as applicable) shall be required), agree to the Regulatory Modifications, if:
- (i) no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition as a result of such Regulatory Requirement Event or Sanctions Event; and
 - (ii) such Regulatory Modification will not, in the determination of the Calculation Agent, (A) materially alter the economic substance of the scheduled payments under the transaction constituted by the Conditions or the Transaction Documents when considered as a whole, or (B) result in the Issuer incurring any material liability or expense (whether by way of tax or otherwise), (C) result in the occurrence of a termination event or an event of default (howsoever defined) in respect of the Notes or any Transaction Document, or (D) affect the operation of Master Condition 17(a) or similar provisions in any Transaction Document,

and following the proposal of such Regulatory Modification by the Calculation Agent, the Issuer and each Transaction Party shall use their reasonable endeavours to take such action and execute all documentation as the Calculation Agent may reasonably require, to effect such Regulatory Modification.

Any modification to the Conditions which is a Regulatory Modification shall be binding on the Noteholders and will be notified to them by the Issuer if the Trustee so requires.

10 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its related Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Master Condition 10(e)(v)) or Coupons (in the case of interest, save as specified in Master Condition 10(e)(v)), as the case may be, at the Specified Office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank nominated by such holder presenting such Bearer Note, Receipts and/or Coupons, as the case may be. “Bank” means a bank in the principal financial centre for such currency or in the case of euro in a city in which banks have access to the TARGET System.
- (b) **Registered Notes:**
 - (i) Payments of principal (which for the purposes of this Master Condition 10(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the Specified Office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest (which for the purposes of this Master Condition 10(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the “Record Date”). Payments of interest on each Registered Note shall be made in the relevant currency by transfer to an account nominated by such person shown in the Register in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the Specified Office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with Specified Offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws to which the Issuer agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commission or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.
- (e) **Unmatured Coupons and Receipts and unexchanged Talons:**
 - (i) Upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (ii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Bearer Note that provides that the relative unmatured Receipts and/or Coupons are to become void upon the due date for redemption of these Notes is presented for redemption without all unmatured Receipts, unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.
- (vi) Default Interest on any Note shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be.
- (f) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the Specified Office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Master Condition 18).
- (g) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Financial Centres” in the applicable Final Terms or Series Prospectus and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.
- (h) **Cayman AML Compliance:** In respect of any Registered Notes in definitive form issued by the Cayman Issuer which are not held through a Clearing System, each Noteholder is requested by the Cayman Issuer and will provide the Cayman Issuer or its agents with such information and documentation that may be required for the Cayman Issuer to achieve Cayman AML Compliance and shall update or replace such information or documentation, as may be necessary.
- (i) **Non-Permitted AML Noteholders:** In respect of any Registered Notes in definitive form issued by the Cayman Issuer which are not held through a Clearing System, if the Cayman Issuer determines at any time that any Noteholder is a Non-Permitted AML Noteholder, the Cayman Issuer shall have the right to: (i) compel the relevant Noteholder to sell or transfer its interest in such Notes; or (ii) sell such interest on such Noteholder’s behalf. The Cayman Issuer shall not

compel sales or transfers for failure to provide such information or documentation requested or required in accordance with Master Condition 10(h) unless the Cayman Issuer reasonably determines the Noteholder's acquisition, holding or transfer of an interest in such Notes could result in a materially adverse effect on the Cayman Issuer.

11 Agents

- (a) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent and the Calculation Agent initially appointed by the Issuer and their respective Specified Offices are listed in the applicable Final Terms or Series Prospectus. Subject to the provisions of the Agency Agreement, the Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee (except that the approval of the Trustee shall not be required for the appointment of a replacement Disposal Agent or Calculation Agent where Noteholders direct the Issuer to appoint such replacement pursuant to this Condition) to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Custodian, the Disposal Agent or the Calculation Agent and to appoint additional or other Paying Agents, Transfer Agents, Custodian(s), Disposal Agent(s), Calculation Agent(s) or such other agents as may be required provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Disposal Agent, (v) a Calculation Agent, (vi) a Custodian, (vii) a Paying Agent having its Specified Office in a major European city and (viii) such other agents as may be required by any stock exchange on which the Notes may be listed, in each case as approved by the Trustee (subject as provided above).

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Master Condition 10(c).

Notice of any such change or any change of any Specified Office shall promptly be given by the Issuer to the Noteholders in accordance with Master Condition 22.

- (b) **Appointment of Calculation Agent:** Subject to the automatic termination of the appointment of the Calculation Agent as a result of the occurrence of a Calculation Agent Bankruptcy Event, the Issuer shall procure that there shall at all times be a Calculation Agent for so long as any Note is outstanding (as defined in the Trust Deed). If the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or to make any other calculation or determination required of it under the Conditions or the Agency Agreement, as the case may be, or fails to comply with any other material requirement under the Conditions, the Agency Agreement or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Calculation Agent Bankruptcy Event occurs, then:
- (i) the Issuer shall with the prior approval of the Trustee and, provided no Counterparty Bankruptcy Credit Event, Swap Counterparty Event or Repo Counterparty Event has occurred, the Swap Counterparty or Repo Counterparty, use its reasonable endeavours (provided that it has funds available for such purpose) appoint a leading bank or financial institution engaged in the interbank, money, swap or over-the-counter index options market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market), to act as such in its place; or

- (ii) if a Counterparty Bankruptcy Credit Event, Swap Counterparty Event or Repo Counterparty Event has occurred, and if the Issuer has been instructed in writing by an Extraordinary Resolution resolving that the Issuer appoint a replacement Calculation Agent and the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any initial or on-going costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Calculation Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), the Issuer shall use its reasonable endeavours (provided that it has funds available for such purpose) to appoint the person nominated in such instruction as Calculation Agent in respect of the Notes.
- (c) **Appointment of Disposal Agent:** Subject to the automatic termination of the appointment of the Disposal Agent as a result of the occurrence of a Disposal Agent Bankruptcy Event, the Issuer shall procure that there shall at all times be a Disposal Agent for so long as any Note is outstanding (as defined in the Trust Deed). If the Disposal Agent fails duly to establish any rate, amount or value required to be determined by it under the Conditions or any Transaction Document or to take the steps required of it under the Conditions or the Agency Agreement to Liquidate the Collateral, as the case may be, or fails to comply with any other material requirement of it pursuant to the Conditions, the Agency Agreement or any other Transaction Document, or a Disposal Agent Bankruptcy Event occurs:
 - (i) the Issuer shall use its reasonable endeavours (provided it has sufficient funds available for such purpose) to appoint a leading bank or financial institution engaged in the interbank market or other appropriate market to act as such in its place with the prior approval of the Trustee, the Swap Counterparty and the Repo Counterparty, provided that if either the Swap Counterparty or the Repo Counterparty are subject to a Counterparty Bankruptcy Credit Event, Swap Counterparty Event or Repo Counterparty Event, as applicable, the approval of the party(ies) so affected shall not be required; or
 - (ii) if a Counterparty Bankruptcy Credit Event, Swap Counterparty Event or Repo Counterparty Event, and if the Issuer has been instructed in writing by an Extraordinary Resolution resolving that the Issuer appoint a replacement Disposal Agent and the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any initial or on-going costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Disposal Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), the Issuer shall use its reasonable endeavours (provided it has sufficient funds available for such purpose) to appoint the person nominated in such instruction as Disposal Agent in respect of the Notes.

12 Taxation

- (a) **Withholding and Deduction:** Without prejudice to Master Condition 8(d), all payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer or any Agent is required by applicable law to make. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction. For the purposes of this Master Condition 12(a), any FATCA Withholding Tax shall be deemed to be required by applicable law.
- (b) **FATCA Information:** Each holder and beneficial owner of Notes shall provide the Issuer and/or any agent acting on behalf of the Issuer with such documentation, information or waiver as may be requested by the Issuer and/or any agent acting on behalf of the Issuer in order for the Issuer

or any such agent to comply with any obligations any such party may have in connection with the Notes under FATCA and under any agreement entered into by the Issuer and/or any agent acting on behalf of the Issuer pursuant to, or in respect of, FATCA. Each holder and beneficial owner of the Notes further agrees and consents that in respect of FATCA the Issuer may, but is not obliged and owes no duty to any person to, enter into an agreement with the U.S. Internal Revenue Service (the “**IRS**”) in such form, or to comply with any local legislation applicable to the Issuer enacted in furtherance of any IGA (“**IGA Legislation**”), in each case, as may be required to avoid the imposition of FATCA Withholding Tax on payments made to the Issuer. In connection therewith, the Issuer may make such amendments to the Notes and the Swap Agreement as are necessary to enable the Issuer to enter into, or comply with the terms of, any such agreement or legislation. Any such amendment will be binding on the Noteholders and Couponholders. In addition, each Noteholder agrees that the Issuer may provide information to the IRS, the Tax Information Authority of Ireland or the Cayman Islands or any other non-U.S. taxing authority regarding such Noteholder's investment in Notes, including any information relevant to the Issuer's compliance with FATCA (including, but not limited to, as necessary so that no Tax will be imposed or withheld thereunder in respect of payments to or for the benefit of the Issuer).

- (c) **Information to be provided by Noteholders:** Each purchaser and subsequent transferee of the Notes or interest therein will agree or be deemed to agree to (i) provide the Cayman Issuer and/or any applicable agent on its behalf with the holder's FATCA and/or common reporting standards information and/or self-certification and (ii) permit the Cayman Issuer, applicable agent, administrator or the Trustee (in each case on behalf of the Issuer) to (x) share such information with the IRS and any other taxing authority to the extent disclosure may be required by law, any regulatory or governmental authority.

13 Liquidation

- (a) **Liquidation Event:** Upon the Issuer becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a Liquidation Event, it shall provide a Liquidation Commencement Notice to the Disposal Agent, the Custodian and the Trustee thereof as soon as is reasonably practicable, provided that if at such time there is no Disposal Agent, then if a replacement Disposal Agent is appointed pursuant to Master Condition 11, such notice shall be provided to such replacement Disposal Agent (if any) upon its appointment as Disposal Agent.

Neither the Disposal Agent nor the Trustee shall be required to monitor, enquire or satisfy itself as to whether a Liquidation Event has occurred. Prior to receipt by it of a Liquidation Commencement Notice, the Disposal Agent may assume that no such event has occurred.

The Disposal Agent shall be entitled to rely on a Liquidation Commencement Notice without investigation of whether the relevant Liquidation Event has occurred.

Any Liquidation Commencement Notice delivered by the Issuer shall not be valid and the Disposal Agent shall not take any action in relation thereto if the Disposal Agent has already received (i) a valid Liquidation Commencement Notice in respect of the same or a prior Liquidation Event or (ii) a valid Enforcement Notice from the Trustee.

- (b) **Liquidation Process:** Following receipt by it of a valid Liquidation Commencement Notice the Disposal Agent shall, and if it otherwise determines (in its sole and absolute discretion) that a Liquidation Event has occurred (and has so notified the Trustee and the Issuer in writing), may, on behalf of the Issuer, so far as is practicable in the circumstances and to the extent that the relevant Collateral is outstanding:
 - (i) where the related Liquidation Commencement Date is not the Final Liquidation Commencement Date and the Early Redemption Settlement Method specified in the

applicable Final Terms or Series Prospectus is (a) “Cash Settlement” or (b) “Noteholder Settlement Option” and all Noteholders have elected or have been deemed to have elected to receive the Early Cash Redemption Amount, effect an orderly Liquidation of the Collateral commencing on the Liquidation Commencement Date with a view to Liquidating all the Collateral on or prior to the Early Valuation Date or the third Reference Business Day prior to the Relevant Payment Date, as applicable, and provided that the Disposal Agent and the Issuer shall have no liability if the Liquidation of all Collateral has not been effected by such date. If the Collateral has not been Liquidated in full by such date, the Disposal Agent shall continue in its attempts to effect a Liquidation of the Collateral until such time (if any) as it is instructed by the Issuer to the contrary or until receiving a valid Enforcement Notice from the Trustee;

- (ii) (a) where the related Liquidation Commencement Date is not the Final Liquidation Commencement Date, the Early Redemption Settlement Method specified in the applicable Final Terms or Series Prospectus is “Noteholder Settlement Option” and one or more of the Noteholders has not elected nor been deemed to have elected to receive the Early Cash Redemption Amount, or (b) where the related Liquidation Commencement Date is the Final Liquidation Commencement Date, effect an orderly Liquidation of the Collateral commencing on the Liquidation Commencement Date in the following manner:
 - (I) first, by Liquidating, as soon as reasonably practicable, an amount of Collateral (other than Original Collateral) sufficient to satisfy the obligations of the Issuer ranking in priority to the Noteholders pursuant to Master Condition 15(a) or 15(b), as the case may be;
 - (II) secondly, to the extent the proceeds available following a Liquidation under subparagraph (I) above are insufficient to satisfy the obligations of the Issuer ranking in priority to the Noteholders pursuant to Master Condition 15(a) or 15(b), as the case may be, by Liquidating, as soon as reasonably practicable, an amount of Original Collateral sufficient to satisfy the remainder of such obligations (the amount of Original Collateral comprising Collateral following such Liquidation, the “**Remaining Original Collateral**”);
 - (III) thirdly, by Liquidating all Non-Physically Deliverable Collateral on or prior to the Early Valuation Date or the third Reference Business Day prior to the Relevant Payment Date, as applicable (all proceeds of the Liquidation of the Non-Physically Deliverable Collateral, the “**Cash Redemption Portion**”); and
 - (IV) fourthly, by liquidating any remaining Collateral other than the Original Collateral comprised in any Physical Redemption Amount payable in respect of one or more of the Notes,

and provided, in each case, that the Disposal Agent shall have no liability if the Liquidation of all such Collateral has not been effected by the date or within the times specified above. If any Collateral that is required to be Liquidated has not been so Liquidated in full by the date or within the times specified above, the Disposal Agent shall continue in its attempts to effect a Liquidation of such Collateral until such time (if any) as it is instructed by the Issuer to the contrary or until receiving a valid Enforcement Notice from the Trustee.

The Disposal Agent may take such steps as it considers appropriate in order to effect any such Liquidations, including but not limited to selecting the method of Liquidating any Collateral. The Disposal Agent must effect any Liquidation as soon as reasonably practicable within the available timeframe and in a commercially reasonable manner, even where a larger amount could possibly be received in respect of such Collateral if any such Liquidation were to be delayed. Subject to

such requirement, the Disposal Agent shall be entitled to effect any Liquidation by way of one or multiple transactions on a single or multiple day(s). In accordance with the terms of the Trust Deed and Master Condition 5(c), following the occurrence of a Liquidation Event and effective delivery of a valid Liquidation Commencement Notice, the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the Collateral. Nothing in this Master Condition 13(b) or Master Condition 5(c) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Collateral. The Disposal Agent shall not be liable to the Issuer, the Trustee, the Swap Counterparty, the Repo Counterparty, the Noteholders, the Couponholders, holders of Receipts or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Disposal Agent selected a different method of Liquidating any such Collateral.

In determining whether or not to take any action as a result of its determination that a Liquidation Event has occurred, the Disposal Agent (i) shall have complete discretion, (ii) shall have no duty or obligation to the Issuer, any Noteholder or any other person to take any such action or make any such determination and (iii) shall not be liable for any such determination or decision or the timing thereof.

(c) **Proceeds of Liquidation:** The Disposal Agent shall not be liable:

- (i) to account for anything except actual proceeds of the Collateral received by it (after deduction of the amounts (if any) described in Master Condition 13(d)) and which shall, upon receipt, automatically become subject to the Security created by the Trust Deed; or
- (ii) for any taxes, costs, charges, losses, damages, liabilities, fees, commissions or expenses arising from or connected with any Liquidation or from any act or omission in relation to the Collateral or otherwise unless such taxes, costs, charges, losses, damages, liabilities or expenses shall be caused by its own fraud or wilful default.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder, interest on any proceeds from any Liquidation held by it at any time.

(d) **Costs and Expenses:** The Issuer acknowledges that in effecting the Liquidation, Liquidation Expenses may be incurred. The Issuer agrees that any such Liquidation Expenses shall be borne by the Issuer and that the Disposal Agent shall only be required to remit the proceeds of such Liquidation net of such Liquidation Expenses. Where the Disposal Agent makes such net remittance to the Issuer but has itself received the relevant payment on a gross basis, the Disposal Agent agrees to apply the relevant amount retained by it in payment of such Liquidation Expense.

"Liquidation Expenses" means (i) any taxes and (ii) any reasonable transaction fees or commissions applicable to such Liquidation, including any brokerage or exchange commissions, provided that such transaction fees or commissions are limited to and no higher than those that would necessarily and routinely be charged by the third party market participant to whom such fees or commissions are payable for a sale transaction of that type to third parties on an arm's length basis. Save for such reasonable transaction fees or commissions, Liquidation Expenses shall not include any fee charged by, or any other amounts owed to, the Disposal Agent for the performance of its duties specified in, or incidental to, the Conditions (the **"Disposal Agent Fees"**). Such Disposal Agent Fees shall be paid to the Disposal Agent in accordance with Master Condition 15.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder, interest on any proceeds from any Liquidation held by it at any time.

- (e) **Good Faith of Disposal Agent:** In effecting any Liquidation, the Disposal Agent shall act in good faith and, subject as provided above, in respect of any sale, early repayment, early redemption or agreed termination in respect of the Collateral, shall agree a price that it reasonably believes to be representative of or better than the price available in the market for the sale of such Collateral in the appropriate size taking into account the total amount of Collateral to be sold, repaid, redeemed or terminated.
- (f) **Disposal Agent to use all Reasonable Care:** The Disposal Agent shall use all reasonable care in the performance of its duties but shall not be responsible for any loss or damage suffered by any party as a result thereof save that the Disposal Agent's liability to the Issuer shall not be so limited where the loss or damage results from the negligence, wilful default or fraud of the Disposal Agent.
- (g) **No Relationship of Agency or Trust:** The Disposal Agent shall not have any obligations towards or relationship of agency or trust with any Noteholder, Couponholder or other Transaction Party.
- (h) **Consultations on Legal Matters:** The Disposal Agent may consult on any legal matter any reputable legal adviser of international standing selected by it, who may be an officer of or adviser to the Issuer, and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.
- (i) **Reliance on Documents:** The Disposal Agent shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties.
- (j) **Entry into Contracts and other Transactions:** The Disposal Agent may enter into any contracts or any other transactions or arrangements with any of the Issuer, any other Transaction Party, any Noteholder, any Couponholder or any Collateral Obligor or any Affiliate of any of them (whether in relation to the Notes, the Collateral, the Security, an Obligation or any other transaction or obligation whatsoever) and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Collateral forms a part and other assets, obligations or agreements of any Collateral Obligor in respect of the Collateral. The Disposal Agent shall not be required to disclose any such contract, transaction or arrangement to any Noteholder, any Couponholder or other Transaction Party and shall be in no way accountable to the Issuer or (save as otherwise provided in the Agency Agreement and the Conditions) to any Noteholder, any Couponholder or any other Transaction Party for any profits or benefits arising from any such contract(s), transaction(s) or arrangement(s) and shall resolve any conflict of interest arising out of or in relation thereto in such manner as it deems appropriate, in its sole and absolute discretion.
- (k) **Illegality:** The Disposal Agent shall not be liable to effect a Liquidation of any of the Collateral if it determines, in its sole and absolute discretion, that any such Liquidation of some or all of the Collateral in accordance with this Master Condition 13 would or might require or result in a violation of any applicable law or regulation of the jurisdiction in which the Issuer is domiciled or any other relevant jurisdiction, including any insolvency prohibition or moratorium on the disposal of assets, or that for any other reason it is not possible for it to dispose of the Collateral (even at zero), and the Disposal Agent notifies the Issuer and the Trustee of the same.

- (l) **Sales to Affiliates:** In effecting any Liquidation, the Disposal Agent may sell any Collateral to Affiliates of itself or Affiliates of the Swap Counterparty or Repo Counterparty provided that the Disposal Agent sells at a price that it reasonably believes to be a fair market price.
- (m) **Notification of Enforcement Event:** Upon the Trustee giving a valid Enforcement Notice to the Disposal Agent following the occurrence of an Enforcement Event, the Disposal Agent shall cease to effect any further Liquidation of any Collateral and shall take no further action to Liquidate any Collateral, save that any transaction entered into in connection with the Liquidation on or prior to the effective date of any such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and actions necessary to settle such transaction and/or which is incidental thereto.
- (n) **Transfer of Collateral:** In effecting any Liquidation, the Disposal Agent may sell any Collateral to itself (subject to Master Condition 13(m)) or to any third party, provided that the price for such Collateral is paid to the Custodian or to the order of the Issuer. The Disposal Agent shall not have the right to transfer the Collateral to itself or to any of its Affiliates other than in connection with a sale thereof to itself or one of its Affiliates, as applicable, and provided that such sale is executed on a delivery versus payment basis.

14 Enforcement of Security

- (a) **Trustee to Enforce Security:** At any time after the Trustee becomes aware of the occurrence of an Enforcement Event, it may, and (i) if so directed by an Extraordinary Resolution or (ii) if so directed in writing by the Swap Counterparty and/or the Repo Counterparty (whichever shall be the first to so request or direct, as the case may be), shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that the Trustee has delivered a valid Enforcement Notice to the Issuer, the Custodian and the Disposal Agent) enforce the Security constituted by the Trust Deed and/or any other Security Documents (if applicable).
- (b) **Enforcement Notice:** Prior to taking any steps to enforce the Security, the Trustee shall notify the Issuer, the Custodian and any Disposal Agent appointed at that time (such notice being an “**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security constituted by the Trust Deed and/or any other Security Documents (if applicable) and (ii) the Disposal Agent is to cease to effect any further Liquidation of the Collateral (if such Liquidation is taking place) save that any transaction entered into in connection with the Liquidation on or prior to the effective date of such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto.
- (c) **Enforcement of Security:** In order to enforce the Security the Trustee may:
 - (i) sell, call in, collect and convert the Mortgaged Property into money in such manner and on such terms as it shall think fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable;
 - (ii) take such action, step or proceeding against any Collateral Obligor as it deems appropriate but without any liability to the Noteholders or Couponholders or any other Secured Creditor as to the consequence of such action and without having regard to the effect of such action, step or proceeding on individual Noteholders or Couponholders or any other Secured Creditor; and
 - (iii) take any such other action or step or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession of all or any of the Mortgaged Property and/or appointing a receiver) as are permitted under the terms of the Trust Deed and/or any other Security Documents (if applicable).

The Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction.

15 Application of Available Proceeds

- (a) **Application of Available Proceeds of Liquidation:** Following Liquidation in full of the Collateral as a result of a Liquidation Event, the Issuer shall, on each Issuer Application Date, apply the Available Proceeds as they stand on each such date as follows, provided that in circumstances only where, immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty's Credit Support Balance (in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount (as determined by the party responsible for determining such amounts under the Swap Agreement) equal to all amounts owing to the Swap Counterparty under the Swap Agreement has been paid to the Swap Counterparty:
- (i) first, in payment or satisfaction of all taxes owing by the Issuer;
 - (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee under the Trust Deed (including any taxes required to be paid and the Trustee's remuneration);
 - (iii) thirdly, in payment or satisfaction of the Disposal Agent Fees (if any);
 - (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of (A) payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Mortgaged Property, and/or (B) costs or expenses incurred by the Custodian and/or its affiliates in the circumstances described in clause 18.5 of the Agency Agreement, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and (III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;
 - (v) fifthly, *pari passu* in payment of:
 - (A) any amounts owing to the Swap Counterparty under the Swap Agreement; but provided that where:
 - (I) the Swap Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
 - (II) in addition to amounts owing to the Swap Counterparty under the Swap Agreement there are also amounts that are owed by the Swap Counterparty under the Swap Agreement and which remain unpaid or there are obligations that were required to be settled by delivery from the Swap Counterparty to the Issuer and which have not been so settled,there shall be no payment to the Swap Counterparty under this limb and no payment to any person ranking junior to the Swap Counterparty under this Master Condition 15(a) until such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;
 - (B) any amounts owing to the Repo Counterparty under the Repo Agreement; but provided that where:

- (I) the Repo Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
- (II) in addition to amounts owing to the Repo Counterparty under the Repo Agreement there are also amounts that are owed by the Repo Counterparty under the Repo Agreement and which remain unpaid or there are obligations that were required to be settled by delivery from the Repo Counterparty to the Issuer and which have not been so settled,

there shall be no payment to the Repo Counterparty under this limb and no payment to any person ranking junior to the Repo Counterparty under this Master Condition 15(a) until such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;

- (vi) sixthly, *pari passu* in payment of (I) any Early Redemption Amount or Issuer Call Option Redemption Amount, then due and payable, (II) any Final Redemption Amount then due and payable and/or (III) any interest or Instalment Amount that became due and payable on the Maturity Date and that remains due and payable, as applicable, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (vii) seventhly, in payment rateably of the Residual Amount to the Issuer,

save that no such application shall be made at any time following a valid Enforcement Notice having been delivered by the Trustee following the occurrence of an Enforcement Event.

Notwithstanding the above, if, upon a Counterparty Bankruptcy Credit Event, the Swap Counterparty or the Repo Counterparty (as the case may be) or any of their respective agents or representatives has indicated that it disagrees with any calculations or determinations made in respect of the Swap Agreement or the Repo Agreement (as the case may be) or the Issuer has reasonable grounds for anticipating that there will be such a disagreement (and, for this purpose, the mere fact that a Counterparty Bankruptcy Credit Event has occurred or that the Swap Counterparty or the Repo Counterparty (as relevant) is subject to an insolvency or analogous event shall not, of itself, constitute reasonable grounds), the Issuer may prior to any payment made under this Master Condition 15(a): (i) require to be indemnified and/or secured and/or pre-funded to its satisfaction in respect of any payment that might be required to be made to the Swap Counterparty or the Repo Counterparty (as relevant) should the relevant determination or determinations be found or agreed to be incorrect, and/or (ii) make such retention as seems reasonable to it in order to provide for any payments that might be required to be made by or on behalf of the Issuer should the relevant calculations or determinations be found or agreed to be incorrect.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

If, following the Initial Issuer Application Date, the Issuer receives any sum from the Mortgaged Property, the Issuer shall send a notice to the Trustee, the Issuing and Paying Agent, the Disposal Agent (where there is one), the Swap Counterparty and the Repo Counterparty of the same as soon as is reasonably practicable upon receiving any such sum.

- (b) **Application of Available Proceeds of Enforcement of Security:** Subject to and in accordance with the terms of the Security Documents, with effect from the date on which any valid Enforcement Notice is delivered by the Trustee following the occurrence of an Enforcement Event, the Trustee will hold the Available Proceeds received by it under the Trust Deed on trust to apply them as they stand on each Trustee Application Date as follows, provided that in circumstances

only where, immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty's Credit Support Balance (in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount (as determined by the Swap Counterparty or the party responsible for determining such amounts under the Swap Agreement) equal to all amounts owing to the Swap Counterparty under the Swap Agreement has been paid to the Swap Counterparty:

- (i) first, in payment or satisfaction of all taxes owing by the Issuer;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the cost of realising any Security and the Trustee's remuneration);
- (iii) thirdly, in payment or satisfaction of the Disposal Agent Fees incurred in respect of any Liquidation prior to such Trustee Application Date and which have not already been paid to the Disposal Agent pursuant to Master Condition 13(a) (if any);
- (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of (A) payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Mortgaged Property, and/or (B) costs or expenses incurred by the Custodian and/or its affiliates in the circumstances described in clause 18.5 of the Agency Agreement, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and (III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;
- (v) fifthly, *pari passu* in payment of:

(A) any amounts owing to the Swap Counterparty under the Swap Agreement; but provided that where:

- (I) the Swap Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
- (II) in addition to amounts owing to the Swap Counterparty under the Swap Agreement there are also amounts that are owed by the Swap Counterparty under the Swap Agreement and which remain unpaid or there are obligations that were required to be settled by delivery from the Swap Counterparty to the Issuer and which have not been so settled,

there shall be no payment to the Swap Counterparty under this limb and no payment to any person ranking junior to the Swap Counterparty under this Master Condition 15(b) until such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;

(B) any amounts owing to the Repo Counterparty under the Repo Agreement; but provided that where:

- (I) the Repo Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
- (II) in addition to amounts owing to the Repo Counterparty under the Repo Agreement there are also amounts that are owed by the Repo Counterparty under the Repo Agreement and which remain unpaid or there are obligations

that were required to be settled by delivery from the Repo Counterparty to the Issuer and which have not been so settled,

there shall be no payment to the Repo Counterparty under this limb and no payment to any person ranking junior to the Repo Counterparty under this Master Condition 15(b) until such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;

- (vi) sixthly, *pari passu* in payment of (I) any Early Redemption Amount then due and payable, (II) any Final Redemption Amount then due and payable and/or (III) any interest or Instalment Amount that became due and payable on the Maturity Date and that remains due and payable, as applicable, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (vii) seventhly, in payment rateably of the Residual Amount to the Issuer.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

- (c) **Insufficient Proceeds:** If, following a Liquidation Event or an Enforcement Event, the available cash sums pursuant to Master Condition 15(a) or 15(b) or assets available for delivery, as the case may be, are insufficient for the holders of Notes to receive payment in full of (A) any Early Redemption Amount that has become due and payable or deliverable, (B) any Final Redemption Amount that has become due and payable or deliverable and/or (C) any interest or Instalment Amount that has become due and payable on the Maturity Date, as applicable, and, in each case, any interest accrued thereon, the holders of Notes will receive an amount which is less than any such amount, and the provisions of Master Condition 17 will apply.
- (d) **Foreign Exchange Conversion:** To the extent that any proceeds payable to any party pursuant to this Master Condition 15 are not in the Specified Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Disposal Agent (prior to the Trustee enforcing the Security pursuant to the Security Documents and as described in Master Condition 14) or the Trustee (following the Trustee enforcing the Security pursuant to the Security Documents and as described in Master Condition 14), but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Issuer, the Noteholders, the Couponholders, the Swap Counterparty, the Repo Counterparty and the Custodian.
- (e) **Non-Payment under Swap Agreement and/or Repo Agreement after Maturity:** If, on or after the day falling five Reference Business Days after the Maturity Date of the Notes (such fifth Reference Business Day, the “**Maturity Cut-off Date**”):
 - (i) there are amounts that have become payable under the Swap Agreement by the Swap Counterparty and/or under the Repo Agreement by the Repo Counterparty and which remain unpaid as at the Maturity Cut-off Date or there are obligations that were required to be settled by delivery from the Swap Counterparty and/or the Repo Counterparty to the Issuer on or prior to the Maturity Date and which have not been so settled as at the Maturity Cut-off Date;
 - (ii) no Early Termination Date has already been designated or occurred under the Swap Agreement and/or the Repo Agreement; and
 - (iii) no Early Redemption Trigger Date or Early Redemption Date or Redemption at the Option of the Issuer has occurred under any other Condition,

then the Issuer shall, as soon as is reasonably practicable after becoming aware of the same, notify the Noteholders in accordance with Master Condition 22 and the Trustee in writing of the same. Following delivery of such notice from the Issuer, the Issuer shall, if so directed by Extraordinary Resolution of the Noteholders, exercise its right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement and/or all outstanding Repo Transactions under the Repo Agreement.

16 Enforcement of Rights or Security

- (a) **Notes:** Subject always to the terms of the Trust Deed, only the Trustee may pursue the remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons and no Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, 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. In respect of any failure by the Issuer to make payment of the Final Redemption Amount and/or any interest or Instalment Amount that became due and payable on the Maturity Date, the Trustee may not pursue any remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons in relation to such failure until after the Relevant Payment Date.
- (b) **Security:** Only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed.
- (c) **Indemnity, Security and/or Pre-funding:** The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed, any other Security Document or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

17 Limited Recourse and Non-Petition

- (a) **General Limited Recourse:** The obligations of the Issuer to pay any amounts due and payable in respect of a Series of Notes and to the other Transaction Parties at any time in respect of a Series shall be limited to the proceeds available out of the Mortgaged Property in respect of such Series at such time to make such payments in accordance with Master Condition 15. Notwithstanding anything to the contrary contained herein, or in any Transaction Document, in respect of the Notes, the Transaction Parties, the Noteholders and the Couponholders shall have recourse only to the Mortgaged Property in respect of the Series, subject always to the Security, and not to any other assets of the Issuer. If after (i) the Mortgaged Property in respect of the Series is exhausted (whether following Liquidation or enforcement of the Security or otherwise) and (ii) application of the Available Proceeds as provided in Master Condition 15, any outstanding claim, debt or liability against the Issuer in relation to the Notes of the Series or the Transaction Documents relating to the Notes of the Series remains unpaid, then such outstanding claim, debt or liability shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Master Condition 17(a), none of the Transaction Parties, the Noteholders, the Couponholders 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, members, incorporators, 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 or any of its officers, shareholders, members, incorporators, corporate service providers or directors in respect of such further sum in respect of the Series.
- (b) **Non-Petition:** None of the Transaction Parties (save for the Trustee who may lodge a claim in liquidation of the Issuer which is initiated by another party or take proceedings to obtain a declaration or judgment as to the obligations of the Issuer), the Noteholders, the Couponholders

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 officers, shareholders, members, incorporators, corporate service providers or directors 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 notes issued by the Issuer (save for any further notes which form a single series with the Notes) or Obligations of the Issuer or any other assets of the Issuer (other than the Mortgaged Property in respect of the relevant Series).

- (c) **Corporate Obligation:** In addition, none of the Transaction Parties, the Noteholders, the Couponholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of these Master Conditions, the Trust Deed or any other Transaction Documents.
- (d) **Survival:** The provisions of this Master Condition 17 shall survive notwithstanding any redemption of the Notes or the termination or expiration of any Transaction Document.

18 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

19 Meetings of Noteholders, Modification, Waiver and Substitution

- (a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of the Master Conditions or any provisions of the Trust Deed and give any authority, direction or sanction required by, *inter alia*, Master Condition 5 or Master Condition 8 to be given by Extraordinary Resolution. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding, or as provided in Master Conditions 8(i) and 8(k). The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) to vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount or the Issuer Call Option Redemption Amount, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception, (viii) to modify Master Condition 5 or to hold an Extraordinary Resolution for purposes of Master Condition 5(b), (ix) to modify Master Conditions 16 and 18 or (x) to modify Master Conditions 8(b) to 8(p), in which case the necessary quorum ("**Special Quorum**") shall be two or more persons holding or

representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding in accordance with the Trust Deed. In circumstances in which there is only one Noteholder in respect of all the Notes outstanding, the quorum for all purposes shall be one. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at or participated in the meeting at which such resolution was passed) and on the holders of Coupons, Receipts and Talons.

The Trust Deed provides that (i) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (a **“Written Resolution”**) or (ii) where the Notes are held by or on behalf of a clearing system or clearing systems, approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in aggregate nominal amount of the Notes then outstanding (**“Electronic Consent”**) shall, in each case for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied) be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such a Written Resolution and/or Electronic Consent will be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Written Resolution or Electronic Consent.

- (b) **Modification of the Conditions and/or any Transaction Document:** The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any of the Master Conditions or any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error and (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 Master Conditions or any of the provisions of the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. In connection with the appointment or replacement of any Agent, the Issuer may, subject to the foregoing, make such amendments to the Master Conditions and/or the Transaction Documents as it determines necessary to reflect such appointment or replacement. Any such modification, authorisation or waiver as is made or given under this Master Condition 19(b) shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as is practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Noteholders or the Couponholders but subject to the prior written consent of the Swap Counterparty the Repo Counterparty and/or, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes, the Receipts, the Coupons and the Talons, as applicable. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed and/or any other Transaction Document provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Master Condition 19) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from their being for any purpose

domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or otherwise to the tax consequences thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

20 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the Specified Office of the Issuing and Paying Agent in the applicable Final Terms or Series Prospectus (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Master Condition 22, in each case on payment by the claimant of the fees and costs 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 Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Receipt, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

21 Further Issues

The Issuer may from time to time without the consent of the Noteholders or the Couponholders but subject to Master Condition 6 create and issue further notes or other Obligations either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. Any such further notes shall only form a single series with the Notes (unless otherwise approved by an Extraordinary Resolution) if the Issuer provides additional assets (as security for such further notes) which are fungible with, and have the same proportionate composition as, those forming part of the Mortgaged Property for the Notes and in the same proportion as the proportion that the nominal amount of such new notes bears to the Notes and/or the Issuer enters into an additional or supplemental Swap Agreement and/or Repo Agreement extending the terms of any existing Swap Agreement and/or Repo Agreement to the new notes (or amends and restates any existing Swap Agreement and/or Repo Agreement) on terms no less favourable than such existing documents and agreements, as applicable. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new notes and the existing Notes shall be secured by the same Mortgaged Property and references in the Master Conditions to **“Notes”**, **“Original Collateral”**, **“Collateral”**, **“Mortgaged Property”**, the **“Swap Agreement”**, **“Repo Agreement”**, **“Secured Payment Obligations”** and **“Secured Creditor”** shall be construed accordingly. The Trust Deed contains provisions for convening a single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

22 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the day it is delivered in the case of recorded delivery and three days (excluding Saturdays and Sundays) in the case of inland post or seven days (excluding Saturdays and Sundays) in the case of overseas post after despatch or if earlier when delivered, save

that for purposes only of determining any Early Redemption Trigger Date the relevant Early Redemption Notice shall be deemed to have been given on the date despatched. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Europe and for so long as Notes are listed on a stock exchange, published in accordance with the rules of such stock exchange. If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Master Condition 22.

In addition, if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange.

23 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral and for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Mortgaged Property. The Trustee is not obliged or required to take any step, action or proceeding under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any Affiliate of the Trustee are entitled to enter into business transactions with the Issuer, any Collateral Obligor, the Swap Counterparty, the Repo Counterparty or any of their subsidiaries, holding or associated companies without accounting to the Noteholders or Couponholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless and until it has actual knowledge to the contrary.

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee does not assume any duty or responsibility to the Swap Counterparty, the Repo Counterparty, the Disposal Agent, the Custodian or the Issuing and Paying Agent or any other Transaction Party (other than to pay to any of such parties any moneys received and repayable to it and to act in accordance with the provisions of Master Conditions 5 and 15) and shall have regard solely to the interests of the Noteholders.

24 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

25 Governing Law and Jurisdiction

- (a) **Governing Law:** The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by English law.
- (b) **Jurisdiction:** The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons

or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

- (c) **Service of Process:** The Issuer has irrevocably appointed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

PASS-THROUGH NOTE TERMS PRODUCT SUPPLEMENT

1 Incorporation and Interpretation

- (a) **Applicable Product Supplement:** This Product Supplement is the “**Pass-through Note Terms Product Supplement**”. If in the applicable Final Terms or Series Prospectus the Applicable Product Supplement is specified as the “Pass-through Note Terms Product Supplement” the terms and conditions of the Notes shall be the Master Conditions, as amended and supplemented by the additional conditions set out in this Pass-through Note Terms Product Supplement (the “**Additional Conditions**”) and the applicable Final Terms or Series Prospectus. Other than with respect to Master Condition 17, to the extent of any inconsistency between (a) the Master Conditions and the Additional Conditions, the Additional Conditions will prevail; and (b) the Additional Conditions and the applicable Final Terms or Series Prospectus, the Final Terms or Series Prospectus will prevail.
- (b) **Defined Terms:** Capitalised terms used but not defined in this Pass-through Note Terms Product Supplement shall have the meaning given to them in the Master Conditions or the applicable Final Terms or Series Prospectus. In the event of any inconsistency, the Final Terms or Series Prospectus shall prevail over the Master Conditions.

2 Additional Provisions

- (a) **Interest:** On the day falling two Reference Business Day after each date on which interest is due and payable to the Issuer in respect of the Original Collateral in accordance with the terms and conditions thereof (subject to adjustment in accordance with any business day convention specified in the terms and conditions of the Original Collateral) (each such date, an “**Interest Payment Date**”), an amount shall be payable in respect of each Note (an “**Interest Amount**”) equal to such Note’s *pro rata* share of the aggregate interest amount due and payable to the Issuer in respect of the Original Collateral held by or on behalf of the Issuer on the Reference Business Day prior to such Interest Payment Date.
- (b) **Early Redemption:**
 - (i) Master Conditions 8(c) and 8(h) shall not apply to the Notes.
 - (ii) Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Master Condition, the Issuer shall, as soon as is reasonably practicable after becoming aware (whether by notice thereof from the Calculation Agent or otherwise) of the occurrence of a Pass-through Notes Event (or, in any case, within one Reference Business Day thereof), give an Early Redemption Notice to the Noteholders and each Note shall become due and payable on the related Early Redemption Date at its Early Redemption Amount (which shall be the only amount payable and there will be no separate payment of any unpaid accrued interest thereon). The date on which such Early Redemption Notice is deemed to have been given shall be an “**Early Redemption Trigger Date**”.

For the avoidance of doubt, none of the Issuer, the Trustee or the Calculation Agent shall be required to monitor whether any Pass-through Notes Event has occurred. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer. If the Issuer gives a valid notice to the Trustee and/or the Calculation Agent of the occurrence of a Pass-through Notes Event, the Trustee and/or Calculation Agent, as the case may be, shall be entitled to rely on such notice without further investigation.

For such purposes:

- (I) a **"Pass-through Notes Event"** will occur if any Original Collateral becomes payable or repayable, or becomes capable of being declared due and payable or repayable, prior to its stated date of maturity for whatever reason or there is a payment default in respect of any of the Original Collateral in accordance with its terms and conditions;
 - (II) this Additional Condition 2(b)(ii) shall be deemed to constitute part of Master Condition 8 for the purposes of the definition of Early Redemption Notice and such definition shall be construed so as to also refer to this Additional Condition 2(b)(ii) immediately after the reference to Master Condition 8(p) therein;
 - (III) Master Condition 8(u) shall be construed so as to also refer to this Additional Condition 2(b)(ii) immediately after the reference to Master Condition 8(p) in both the first and second sentence thereof; and
 - (IV) the Early Redemption Amount shall be the Early Cash Redemption Amount.
- (c) **Final Redemption:**
- (i) The **"Final Redemption Amount"** in respect of a Note to which these Additional Conditions apply shall, unless otherwise specified in the applicable Series Prospectus, be an amount equal to the outstanding nominal amount of such Note as determined by the Calculation Agent.
 - (ii) The **"Maturity Date"** in respect of a Note to which these Additional Conditions apply, unless otherwise specified in the applicable Series Prospectus, be the date falling two Reference Business Days following the stated maturity date of the Original Collateral.
- (d) **Swap Agreement and Repo Agreement:** Unless otherwise specified in the applicable Final Terms or Series Prospectus, no Swap Agreement or Repo Agreement will be entered into between the parties in relation to the Notes.

STANDARD CLN TERMS PRODUCT SUPPLEMENT

1 Incorporation and Interpretation

(a) Applicable Product Supplement

This Product Supplement is the “**Standard CLN Terms Product Supplement**”. If, in the applicable Series Prospectus the Standard CLN Terms Product Supplement is specified as an applicable Product Supplement:

- (i) the terms and conditions of the Notes shall be the Master Conditions, as amended and supplemented by the additional conditions comprising this Standard CLN Terms Product Supplement (the “**Additional Conditions**”), as further amended and supplemented by the applicable Series Prospectus;
- (ii) in connection with the relevant Series of Notes, the Issuer and the Swap Counterparty shall enter into a credit default swap (the “**CDS**”); and
- (iii) the redemption of the Notes following the occurrence of a Credit Event pursuant to Additional Condition 3(b) (*Redemption following the Occurrence of a Credit Event*) shall be an “Additional Redemption Event” for the purposes of Master Condition 8(m) (*Redemption following an Additional Redemption Event*).

This Standard CLN Terms Product Supplement shall not apply to Notes issued by way of Final Terms.

In connection with the relevant Series of Notes, the Issuer and the Swap Counterparty may also enter into one or more interest rate swap transaction(s) and/or cross-currency swap transaction(s) and/or other swap transaction(s) (each, a “**Related Swap**”) but will not enter into a Repo Agreement. The Issuer (or the Custodian on behalf of the Issuer) will hold Mortgaged Property in connection with the relevant Series of Notes.

(b) Defined Terms

Certain terms are defined in Additional Condition 13 (*Definitions*). Capitalised terms used but not defined in this Standard CLN Terms Product Supplement shall have the meanings given to them in the Master Conditions or the applicable Series Prospectus.

Other than with respect to Master Condition 17 (*Limited Recourse and Non-Petition*), to the extent of any inconsistency between: (i) the Master Conditions and the Additional Condition, the Additional Conditions will prevail; (ii) the Master Conditions and the applicable Series Prospectus, the Series Prospectus will prevail and (iii) the Additional Conditions and the applicable Series Prospectus, the Series Prospectus will prevail.

(c) Series Prospectus

The applicable Series Prospectus shall, amongst other things, specify the following:

- (i) each Reference Entity and whether “Standard Reference Obligation” is applicable in respect of such Reference Entity and:
 - (I) where “Standard Reference Obligation” is applicable but no Standard Reference Obligation has been published on or prior to the Trade Date, the Reference Obligation that shall comprise the Original Non-Standard Reference Obligation, and
 - (II) if “Standard Reference Obligation” is not applicable, the Reference Obligation;

- (ii) in respect of each Reference Entity, the applicable “Transaction Type”, for the purposes of the application of the Physical Settlement Matrix;
- (iii) the “CLN Type”, which shall be one of Single Name CLN, Basket CLN or Index Linked CLN;
- (iv) whether “Interest Accrual on Credit Event” is applicable or not applicable;
- (v) the Credit Event Settlement Method, which shall be either Auction Settlement or Cash Settlement and the fallback settlement method, if any; and
- (vi) the applicable Restructuring Election (if any), which shall be one of “Mod R” or “Mod Mod R”.

2 Interest on Notes

(a) Accrual of Interest

Provided that a relevant Event Determination Date has not occurred in respect of a Reference Entity during the Notice Delivery Period and on or prior to the Maturity Date and no Early Redemption Date has occurred pursuant to any other Condition, then, subject to Additional Condition 2(b) (*Suspension of Interest*), interest (if any) shall accrue on each outstanding Note in accordance with Master Condition 7 (*Interest*) (as completed by the relevant Series Prospectus).

(b) Suspension of Interest

Subject to Additional Conditions 2(c) (*Payment of Suspended Interest*) and 2(e) (*Payment of Interest – M(M)R Restructuring Credit Event*), if (A) an Applicable DC Credit Event Question is made on or prior to any Interest Payment Date in respect of which a DC Resolution has not been published (a “**Suspended Interest Payment Date**”) or (B) the Calculation Agent determines that facts exist which may amount to a Credit Event, the payment of interest (if any) in respect of the Applicable Percentage of the nominal amount of each Note scheduled to be paid to Noteholders on or about such Interest Payment Date will be suspended.

(c) Payment of Suspended Interest

- (i) If:
 - (I) in connection with an Applicable DC Credit Event Question, either: (A) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Suspended Interest Payment Date, or (B) an Applicable DC No Credit Event Announcement or an Applicable DC Credit Event Question Dismissal is made; or
 - (II) the Calculation Agent determines that the circumstances giving rise to such potential Credit Event no longer exist such that no related Event Determination Date has occurred,

payment of the suspended interest will be made five Reference Business Days after the date the Event Determination Date is so determined, the date of the Applicable DC No Credit Event Announcement or Applicable DC Credit Event Question Dismissal, or the date on which the Calculation Agent makes such determination, as applicable.

- (ii) If, in connection with an Applicable DC Credit Event Question, an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Suspended Interest Payment Date, no payment of the suspended interest will be made and the accrual of

interest prior to such Interest Payment Date will be determined in accordance with Additional Condition 2(d) (*Accrual of Interest on Credit Event*).

- (iii) No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to Additional Condition 2(b) (*Suspension of Interest*) above. For the avoidance of doubt, no interest shall accrue on any Note after the Maturity Date as a result of a suspension of interest pursuant to this Additional Condition 2(c) (unless Master Condition 7(d) (*Accrual of Interest*) applies and, upon due presentation of a Note for redemption, payment of principal is improperly withheld or refused by the Issuer). The Calculation Agent shall endeavour to give notice to the Noteholders, the Trustee, the Issuing and Paying Agent and the Issuer in accordance with Master Condition 22 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Additional Condition 2.

(d) Accrual of Interest on Credit Event

If a relevant Event Determination Date has occurred in respect of a Reference Entity during the Notice Delivery Period but prior to the Maturity Date then, notwithstanding anything to the contrary in Master Condition 7 (*Interest*):

- (i) if “Interest Accrual on Credit Event” is not applicable, each Note shall cease to bear interest from and including the immediately preceding Interest Payment Date (or, if no such immediately preceding Interest Payment Date, the Interest Commencement Date) or, if the Event Determination Date is an Interest Payment Date (or, as the case may be, the Interest Commencement Date), the Event Determination Date; or
- (ii) if “Interest Accrual on Credit Event” is applicable, each Note shall cease to bear interest from the Event Determination Date and the final payment of interest shall be payable on the Early Redemption Date, and no further interest shall be payable in respect of such delay.

For the avoidance of doubt, interest (if any) shall, in the case of Basket CLNs, Index Linked CLNs or Notes to which an M(M)R Restructuring applies, continue to accrue on the remaining portion of each Note then outstanding (if any).

(e) Payment of Interest – M(M)R Restructuring Credit Event

If, in connection with an Applicable DC Credit Event Question, an Applicable DC Credit Event Announcement is made and the Credit Event is an M(M)R Restructuring Credit Event:

- (i) save for the portion of suspended interest relating to the Applicable Percentage of the Notes, payment of the remaining percentage (if any, and which shall be 100 per cent if the Swap Counterparty has not specified an Exercise Amount), of suspended interest will be made five Reference Business Days after the date on which the relevant Credit Event Notice is delivered; and
- (ii) payment of the portion of suspended interest relating to the Applicable Percentage of the Notes will not be made and the accrual of interest relating to an amount of the Notes equal to the Applicable Percentage prior to such Interest Payment Date will be determined in accordance with Additional Condition 2(d) (*Accrual of Interest on Credit Event*).

(f) Adjustment Payment

If, (i) in accordance with the provisions above, following the determination of an Event Determination Date, such Event Determination Date is deemed either (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination

Date or (B) not to have occurred, or (ii) an Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Calculation Agent will determine (x) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amount previously calculated and/or paid in respect of the relevant Notes in order to take account of and to compensate for the relevant adjustment to the Event Determination Date in question and (y) the date on which such adjustment payment is payable, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

3 Redemption

(a) Redemption other than following the occurrence of a Credit Event

If an Early Redemption Trigger Date has occurred pursuant to any other Condition (and not, for the avoidance of doubt, following the occurrence of a Credit Event in accordance with the Additional Redemption Event specified in Additional Condition 3(b) (*Redemption following the Occurrence of a Credit Event*)), each Note outstanding shall be redeemed by payment of the Early Cash Redemption Amount on the Early Redemption Date in accordance with the Master Conditions, save that for such purposes the definition of “Early Cash Redemption Amount” in Master Condition 1 (*Definitions*) shall not apply and sub-paragraph (b) of the definition of “Early Cash Redemption Amount” set out in Additional Condition 13 (*Definitions*) shall apply instead.

(b) Redemption following the Occurrence of a Credit Event

Provided that no Early Redemption Trigger Date has occurred pursuant to any other Condition as a result of which a Note has been, or is in the process of being, redeemed in full and such Note has not been purchased and cancelled as provided for in Master Condition 8 (*Redemption and Purchase*), if a relevant Event Determination Date has occurred with respect to any Reference Entity, the Issuer will redeem the Applicable Percentage of each such Note as follows:

- (i) if Auction Settlement is the applicable Credit Event Settlement Method, the Applicable Percentage of the nominal amount of the Note shall be redeemed by payment of the Early Cash Redemption Amount on the Early Redemption Date in accordance with Additional Condition 6 (*Auction Settlement Terms*);
- (ii) if Auction Settlement is the applicable Credit Event Settlement Method but Auction Settlement is not possible pursuant to sub-paragraphs (i) or (ii) of Additional Condition 6(a) (*Redemption of Notes where Auction Settlement applies*), Cash Settlement shall be applicable and the Applicable Percentage of the nominal amount of the Note shall be redeemed by payment of the Early Cash Redemption Amount on the Early Redemption Date in accordance with Additional Condition 7 (*Cash Settlement Terms*); or
- (iii) if Cash Settlement is the applicable Credit Event Settlement Method, the Applicable Percentage of the nominal amount of the Note shall be redeemed by payment of the Early Cash Redemption Amount on the Early Redemption Date in accordance with Additional Condition 7 (*Cash Settlement Terms*),

in each case subject to Additional Condition 9 (*Effect of DC Announcements*).

Where the Notes are Basket CLNs or Index Linked CLNs, an Event Determination Date may occur in respect of each Reference Entity specified in the relevant Series Prospectus provided that an Event Determination Date shall apply only once to each such Reference Entity.

Upon discharge by the Issuer of its payment obligations on the Early Redemption Date (or, if the relevant Early Cash Redemption Amount is zero, upon the occurrence of the Early Redemption Date) pursuant to Additional Condition 6 (*Auction Settlement Terms*) or 7 (*Cash Settlement*

Terms), as applicable, or as otherwise provided herein, the Issuer's obligations in respect of an amount of the Note equal to the Applicable Percentage shall be discharged in full.

(c) Credit Event Notice and Notice of Publicly Available Information

- (i) If a Credit Event Notice and, if applicable, a Notice of Publicly Available Information is required to be delivered for an Event Determination Date to occur, the Swap Counterparty may deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information to the Issuer (copied to the Calculation Agent, the Issuing and Paying Agent, the Disposal Agent and the Trustee) and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with an Early Redemption Notice addressed to the Noteholders, on its behalf) will, as soon as reasonably practicable and in any event within one Reference Business Day after the date on which the Credit Event Notice is delivered, give an Early Redemption Notice (attaching a copy of the Credit Event Notice and, if applicable, the Notice of Publicly Available Information or including equivalent information therein) to the Noteholders (the date of such Early Redemption Notice being the "**Early Redemption Trigger Date**") in accordance with Master Condition 22 (*Notices*), provided that failure by the Issuer or the Issuing and Paying Agent to deliver a copy of such Credit Event Notice and/or such Notice of Publicly Available Information to the Noteholders shall not affect the effectiveness of the Credit Event Notice and/or the Notice of Publicly Available Information or the Early Redemption Notice, or the rights of the Issuer to redeem the Notes.
- (ii) If a Credit Event Notice is not required to be delivered in order for an Event Determination Date to occur, then the Calculation Agent shall give written notice as soon as reasonably practicable and in any event within one Reference Business Day of it becoming aware of an applicable Event Determination Date, containing the same information required to be included in a Credit Event Notice to the Issuer (copied to the Issuing and Paying Agent, the Swap Counterparty, the Disposal Agent and the Trustee) and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with an Early Redemption Notice addressed to the Noteholders, on its behalf) will give an Early Redemption Notice (attaching a copy of such notice given by the Calculation Agent to the Issuer) to the Noteholders (the date of such Early Redemption Notice being the "**Early Redemption Trigger Date**") in accordance with Master Condition 22 (*Notices*), provided that any failure to give such notice to the Noteholders shall not affect any determinations made by the Calculation Agent or the rights of the Issuer to redeem the Applicable Percentage of the nominal amount of the Notes.
- (iii) For the avoidance of doubt, none of the Issuer, the Trustee, the Swap Counterparty or the Calculation Agent shall be required to monitor, enquire or satisfy itself as to whether any Credit Event has, or may have, occurred or may be continuing. Neither the Trustee nor the Calculation Agent shall have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor or be liable for any loss occasioned by the occurrence of a Credit Event. If the Trustee receives notice from the Issuer, the Calculation Agent or the Swap Counterparty of the occurrence of a Credit Event, the Trustee shall be entitled to rely on such notice without further investigation and shall suffer no liability where it does rely on such notice.
- (iv) Further, none of the Issuer or any Transaction Party (including the Swap Counterparty and the Calculation Agent) will have any liability whatsoever if the Swap Counterparty for any reason does not determine that a Credit Event has occurred, or with respect to the Swap Counterparty's timing as to when to deliver a Credit Event Notice (or any such other notice required to be delivered by the Swap Counterparty or the Calculation Agent to the Issuer or

any other party, or by the Issuer to the Noteholders in accordance with these Additional Conditions, including a Notice of Publicly Available Information).

(d) Relevant Time

- (i) Subject to sub-paragraph (ii) of this Additional Condition 3(d), in order to determine the day on which an event occurs for purposes of these Additional Conditions, the demarcation of days shall be made by reference to the relevant Calculation Agent City. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.
- (ii) Notwithstanding the definition of “Credit Event Notice” and sub-paragraph (i) of this Additional Condition 3(d), if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or Tokyo time if the Calculation Agent determines that Tokyo time is the market convention with respect to the relevant Reference Entity), irrespective of the time zone of its place of payment.

4 Maturity Date Extension

- (a) Where the Calculation Agent considers that, on or prior to the Maturity Date, one or more Reference Entities is or may be subject to (i) a Credit Event, (ii) if “Grace Period Extension” is specified as being applicable in the relevant Series Prospectus, a Potential Failure to Pay or (iii) if “Repudiation/Moratorium” is specified as being applicable in the relevant Series Prospectus, a Potential Repudiation/Moratorium, it shall notify the Issuer as soon as reasonably practicable upon such determination (with a copy to the Swap Counterparty and the Issuing and Paying Agent) that the Applicable Percentage of the nominal amount of each Note then outstanding shall not be redeemed on the Maturity Date but shall be redeemed instead on the Extended Maturity Date (with the remaining unaffected portion of each Note redeemed on the Maturity Date in accordance with Master Condition 8 (*Redemption and Purchase*)), and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders), will give an equivalent notice to the Noteholders.
- (b) If any amount is payable on the Maturity Date of a Note to which the provisions of Additional Condition 4(a) apply, such amount shall fall due on the Extended Maturity Date and shall be payable (i) where the applicable Series Prospectus specify that Postponement Interest is applicable, with interest accrued on the unpaid amount payable at the relevant Postponement Rate (as specified in the applicable Series Prospectus) and (ii) where the applicable Series Prospectus specify that Postponement Interest is not applicable, without any interest or other sum payable in respect of the postponement of the payment of such amount.

5 Exercise Amount in respect of M(M)R Restructuring

(a) M(M)R Restructuring Credit Event

Where a relevant Event Determination Date occurs as a result of an M(M)R Restructuring, then:

- (i) the Swap Counterparty may elect under the CDS the nominal amount of the Notes to which such M(M)R Restructuring applies (the amount so specified, the “**Exercise Amount**”), which Exercise Amount must be (A) an amount that is at least 1,000,000 units of the Specified Currency (or, if Japanese Yen, 100,000,000 units) and an integral multiple thereof, provided that it cannot exceed the then prevailing Reference Entity Outstanding Amount or (B) the then prevailing Reference Entity Outstanding Amount;

- (ii) if the Swap Counterparty does not specify an Exercise Amount, then the relevant Reference Entity Notional Amount outstanding in respect of the affected Reference Entity, and not a portion thereof, will be deemed to have been specified as the Exercise Amount; and
- (iii) accordingly, notwithstanding anything to the contrary in these Additional Conditions, where an M(M)R Restructuring Credit Event has occurred and the Swap Counterparty has elected an Exercise Amount that is less than the Reference Entity Notional Amount outstanding in respect of the affected Reference Entity as at the date immediately prior to the relevant Event Determination Date, the provisions of these Additional Conditions shall be deemed to apply to a nominal amount of the Notes equal to the Exercise Amount only and all the provisions shall be construed accordingly.

(b) Partial Redemption in respect of M(M)R Restructuring

If, in respect of an M(M)R Restructuring, the Swap Counterparty has elected an Exercise Amount in relation to a Reference Entity that is less than the relevant Reference Entity Notional Amount then:

- (i) the relevant provisions of Additional Condition 6 (*Auction Settlement Terms*) or 7 (*Cash Settlement Terms*) relating to redemption of Notes shall apply to the Exercise Amount, including for the purposes of calculating the Early Cash Redemption Amount;
- (ii) following any payment of an Early Cash Redemption Amount or any other determination made in respect of any Exercise Amount, the Reference Entity Notional Amount for the relevant Reference Entity shall be reduced by an amount equal to the Exercise Amount (and, for the avoidance of doubt, where there is more than one Reference Entity the aggregate of the Reference Entity Notional Amounts comprising the Aggregate Nominal Amount of the Notes shall be reduced accordingly). An amount of Notes equal (in aggregate) to the relevant Reference Entity Notional Amount, as reduced to account for such Exercise Amount, shall remain outstanding (the “**Reference Entity Outstanding Amount**”); and
- (iii) the Calculation Agent may adjust the provisions of these Additional Conditions and/or the relevant Series Prospectus in such manner as it may determine to be appropriate to account for such event, including the basis of the calculation of any Early Cash Redemption Amount.

If the provisions of this Additional Condition 5 apply in respect of the Notes, on any redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such redemption in part.

6 Auction Settlement Terms

(a) Redemption of Notes where Auction Settlement applies

Notwithstanding anything to the contrary in Master Condition 8 (*Redemption and Purchase*) and provided that no Early Redemption Trigger Date has occurred pursuant to any other Condition as a result of which a Note has, or is in the process of being, redeemed in full and such Note has not been purchased and cancelled as provided for in Master Condition 8 (*Redemption and Purchase*), if a relevant Event Determination Date has occurred with respect to any Reference Entity and “Auction Settlement” is the applicable Credit Event Settlement Method, then, following the occurrence of an Early Redemption Trigger Date:

- (i) the Affected Swap Value will be determined on any Reference Business Day selected by the Swap Counterparty from (and including) the Early Redemption Trigger Date to (but excluding) the Auction Final Price Determination Date (the date of determination of the Affected Swap Value being the “**Affected Swap Auction Valuation Date**”);
- (ii) where any Related Swap has been entered into in connection with the Series, an amount of the Related Swap equal to the Applicable Percentage of the notional amount of such Related Swap shall be deemed to be terminated as of the Affected Swap Auction Valuation Date;
- (iii) the Disposal Agent shall effect a Liquidation of an amount of the Collateral equal to the Applicable Percentage on the Affected Swap Auction Valuation Date in accordance with Additional Condition 8 (*Liquidation and Early Redemption*);
- (iv) the Credit Event Loss Amount (if any) will be determined on the Auction Final Price Determination Date; and
- (v) the Issuer shall redeem a portion of the nominal amount of each Note equal to the Applicable Percentage of the nominal amount of each Note (determined by reference to the Reference Entity Notional Amount of the Reference Entity in respect of which the Credit Event occurred) on the Early Redemption Date at the Early Cash Redemption Amount irrespective of whether the relevant Credit Event is continuing; and
- (vi) provided no further applicable Credit Events occur, the Issuer shall redeem the remaining portion of each Note at its *pro rata* Final Redemption Amount on the Maturity Date.

Payment by the Issuer of the Early Cash Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem a portion of the nominal amount of the relevant Note equal to the Applicable Percentage.

(b) Fallback Redemption

Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines, except where the Swap Counterparty exercises the Movement Option on or prior to the Movement Option Cut-off Date pursuant to Additional Condition 6(c) (*Movement Option*), that with respect to a Credit Event, no Applicable Auction is being, or will be, held, then Cash Settlement shall apply and the Issuer shall redeem each Note in accordance with Additional Condition 7 (*Cash Settlement Terms*).

(c) Movement Option

If “Mod R” or “Mod Mod R” is specified in the relevant Series Prospectus, a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) of the definition of “No Auction Announcement Date”, and the Swap Counterparty at any time on or prior to the Movement Option Cut-off Date, provides notice of such exercise of the Movement Option to the Issuer (copied to the Issuing and Paying Agent and the Calculation Agent) (who shall (or the Issuing and Paying Agent shall, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) send an equivalent notice to the Noteholders) then, provided that the related Event Determination Date is not reversed on or prior to the relevant Early Redemption Date, redemption of an amount of each Note equal to the Applicable Percentage of the nominal amount of such Note, shall take place by payment by the Issuer of the Early Cash Redemption Amount on the Early Redemption Date, for which purposes the Early Cash Redemption Amount and the Early Redemption Date shall be determined by reference to the relevant Parallel Auction identified by the Swap Counterparty. If the Swap Counterparty exercises the Movement Option, all references in these Additional Conditions to “Applicable Auction”, “Applicable Auction Redemption

Terms”, “Auction Cancellation Date” and “Auction Final Price Determination Date” shall be deemed to be references to the “Parallel Auction”, “Parallel Auction Redemption Terms” and “Parallel Auction Cancellation Date” and the terms of these Additional Conditions shall be construed accordingly.

7 Cash Settlement Terms

(a) Redemption of Notes where Cash Settlement applies

Notwithstanding anything to the contrary in Master Condition 8 (*Redemption and Purchase*) and provided that no Early Redemption Trigger Date has occurred pursuant to any other Condition as a result of which a Note has, or is in the process of being, redeemed in full and such Note has not been purchased and cancelled as provided for in Master Condition 8 (*Redemption and Purchase*), and subject to Additional Condition 9 (*Effect of DC Announcements*), if:

- (i) (I) a relevant Event Determination Date has occurred with respect to any Reference Entity, and (II) Auction Settlement does not apply pursuant to Additional Condition 6(b) (*Fallback Redemption*), or
- (ii) a relevant Event Determination Date has occurred with respect to any Reference Entity and “Cash Settlement” is the applicable Credit Event Settlement Method,

then, in each case, Cash Settlement shall apply following the occurrence of an Early Redemption Trigger Date:

- (A) the Calculation Agent shall determine the Affected Swap Value on any Reference Business Day selected by the Swap Counterparty from (and including) the Early Redemption Trigger Date to (but excluding) the Final Price Valuation Date (the date of determination of the Affected Swap Value being the “**Affected Swap Cash Valuation Date**”);
- (B) where any Related Swap has been entered into in connection with the Series, an amount of the Related Swap equal to the Applicable Percentage shall be terminated as of the Affected Swap Cash Valuation Date;
- (C) the Disposal Agent shall effect a Liquidation of an amount of the Collateral equal to the Applicable Percentage on the Affected Swap Cash Valuation Date in accordance with Additional Condition 8 (Liquidation and Early Redemption); and
- (D) the Calculation Agent shall determine (A) the Final Price in accordance with Additional Condition 7(b)(Determination of Final Price) and the (B) the Credit Event Loss Amount on the Final Price Valuation Date; and
- (E) the Issuer shall redeem a portion of the nominal amount of each Note equal to the Applicable Percentage of the nominal amount of such Note (determined by reference to the Reference Entity Notional Amount of the Reference Entity in respect of which the Credit Event occurred) on the Early Redemption Date at the Early Cash Redemption Amount irrespective of whether the relevant Credit Event is continuing; and
- (F) provided no further applicable Credit Events occur, the Issuer shall redeem the remaining portion of each Note at its pro rata Final Redemption Amount on the Maturity Date.

Payment by the Issuer of the Early Cash Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem a portion of the relevant Note equal to the Applicable Percentage.

(b) Determination of the Final Price

- (i) The Final Price will be determined by the Calculation Agent within 120 Reference Business Days of the relevant Event Determination Date (unless otherwise specified in the relevant Series Prospectus), the date of such determination being the “**Final Price Valuation Date**”.
- (ii) If:
 - (A) “Include Accrued Interest” is specified in the relevant Series Prospectus, the Outstanding Principal Balance of the Valuation Obligations shall include accrued but unpaid interest;
 - (B) “Exclude Accrued Interest” is specified in the relevant Series Prospectus, the Outstanding Principal Balance of the Valuation Obligations shall not include accrued but unpaid interest; or
 - (C) neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the relevant Series Prospectus, the Calculation Agent shall determine, based on the then current market practice in the market of the Valuation Obligation whether the Outstanding Principal Balance of the Valuation Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof.
- (iii) The Calculation Agent shall, as soon as reasonably practicable after determining the Final Price, notify the Issuer, the Swap Counterparty, the Disposal Agent and the Issuing and Paying Agent in writing of (A) the Valuation Obligations of the Reference Entity which the Calculation Agent has used to calculate the Final Price, and (B) the Final Price and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will deliver a copy of such notice to the Noteholders in accordance with Master Condition 22 (*Notices*) (provided that any failure to give such notice to the Noteholders shall not affect any determination made by the Calculation Agent or the rights of the Issuer to redeem an amount of the Notes equal to the Applicable).
- (iv) If an Asset Package Credit Event has occurred, (A) valuation of a Prior Deliverable Obligation or Package Observable Bond specified in the notice to the Trustee may be satisfied by valuation of the related Asset Package and such Asset Package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond, as applicable, to which it corresponds immediately prior to the Asset Package Credit Event, (B) if the Asset Package is zero, a Quotation shall be deemed to have been obtained for the Outstanding Principal Balance of the Prior Deliverable Obligation or Package Observable Bond (as applicable) equal to zero, and (C) for any other Asset Package the Calculation Agent shall determine the value of the Asset Package and a Quotation shall be deemed to have been obtained for such valuation provided that the Calculation Agent may obtain Quotations for some or all of the components of the Asset Package and/or take account of any method of determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument that may be published by the DC Secretary.

8 Liquidation and Early Redemption

Following the occurrence of a relevant Event Determination Date and an Early Redemption Trigger Date in respect of a Series, for the purposes of determining the Early Cash Redemption Amount payable on the relevant Early Redemption Date and redeeming such Notes the following shall apply:

- (a) the Disposal Agent shall effect a Liquidation of an amount of the Collateral equal to the Applicable Percentage in accordance with Master Condition 13(b) (*Liquidation Process*), but for this purpose the Disposal Agent shall seek to Liquidate an amount of the Collateral equal to the Applicable Percentage on the Affected Swap Auction Valuation Date or Affected Swap Cash Valuation Date, as applicable;
- (b) the Calculation Agent shall determine the Affected Swap Value on the Affected Swap Auction Valuation Date or Affected Swap Cash Valuation Date, as applicable; and
- (c) following such Liquidation, the Disposal Agent shall transfer such realised monies to the relevant Cash Accounts (as defined in the Agency Agreement) of the Issuer held with the Custodian not later than one Reference Business Day prior to the date on which the Issuer is to make any payment to the Noteholders or Swap Counterparty.

9 Effect of DC Announcements

(a) Reversal of DC Credit Event Announcement

If an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date or Final Price Valuation Date, a Credit Event shall be deemed not to have occurred with respect to the Reference Entity for the purposes of these Additional Conditions.

(b) Redemption Suspension

If, following the occurrence of a relevant Event Determination Date but prior to the relevant Early Redemption Date or, to the extent applicable, an Auction Final Price Determination Date or a Final Price Valuation Date in respect of a Reference Entity, there is an Applicable DC Credit Event Meeting Announcement, all timing requirements in these Additional Conditions that pertain to settlement shall remain suspended until the date of the Applicable DC Credit Event Announcement or Applicable DC Credit Event Question Dismissal, as applicable. During such suspension period, the Issuer is not obliged to take any action in connection with the settlement of such Credit Event or the redemption, if any, of the Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Question Dismissal has occurred, the relevant timing requirements that pertain to settlement that have previously been suspended shall resume on the Reference Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the suspension began. The Calculation Agent shall deliver to the Issuer, and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) shall deliver a notice (a “**Redemption Suspension Notice**”) in accordance with Master Condition 22 (*Notices*) to the Noteholders giving notice of any suspension or resumption of timing requirements pursuant to this Additional Condition 9 (*Effect of DC Announcements*).

10 Successor Provisions

(a) Successor Determinations

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors provided that the Calculation Agent will not make such determination if, at the time of the determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.

The Calculation Agent will make all calculations and determinations required to be made under this definition on the basis of Eligible Information and will notify the Issuer and the Issuing and Paying Agent of any such calculation or determination as soon as practicable. In calculating the percentages used to determine whether an entity qualifies as a Successor under sub-paragraph (a) of this Additional Condition 10, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

(b) Multiple Successors

Following a Succession Date if more than one Successor has been identified, the Notes will be amended without the consent of the Noteholders or of the Trustee or any other Transaction Party being required to reflect the following terms:

- (i) each Successor will be a Reference Entity and more than one Credit Event may occur during the period commencing on and including the Trade Date and ending on and including the Maturity Date (or, if applicable, the Extended Maturity Date) of the Notes in respect thereof but, subject to Additional Condition 5 (*Exercise Amount in respect of M(M)R Restructuring*), once only in relation to each Successor;
- (ii) where a Credit Event occurs in respect of a Reference Entity after such Succession Date, the Notes will not redeem in whole in respect of a Successor (except where it is the last remaining Reference Entity) but instead the provisions of these Additional Conditions shall be deemed to apply to the Reference Entity Notional Amount represented by that Reference Entity only after division in accordance with sub-paragraph (iii) below, the Notes shall be redeemed in part and the Additional Conditions and/or the Series Prospectus shall be construed accordingly;
- (iii) the Reference Entity Notional Amount of the original Reference Entity will be divided equally between the number of Successors and the Calculation Agent shall determine the relevant type of Reference Entity (including any relevant Obligation and Deliverable Obligation Category and Deliverable Obligation Characteristics) by reference to market practice in such type of Reference Entity. If a single entity would be a Reference Entity hereunder more than once, then it will be deemed to be a Reference Entity only once, and the Reference Entity Notional Amount for such Reference Entity will be the sum of the Reference Entity Notional Amounts otherwise applicable to it (and such change shall have no effect on the Aggregate Nominal Amount of the Basket CLNs or Index Linked CLNs, as applicable); and
- (iv) upon the identification of any Successor, the Issuer shall give notice as soon as reasonably practicable to the Noteholders giving details of any such Successors and/or any amendments made to the Conditions, provided that the failure to give such notice shall not affect the validity of such event and any amendments made to the Conditions to give effect to such event.

(c) Exchange Offer

In the case of an exchange offer, the determination required pursuant to sub-paragraph (a) of the definition of "Successor" shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

(d) Joint Potential Successors

If two or more entities (each, a “**Joint Potential Successor**”) jointly succeed to a Relevant Obligation (the “**Joint Relevant Obligation**”) either directly or as a provider of a Relevant Guarantee, then (a) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (b) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

(e) Eligible Successors

An entity may only be a Successor if:

- (i) either (A) the related Succession Date occurs on or after the Successor Backstop Date, or (B) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
- (ii) the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
- (iii) where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

11 Multiple Holder Obligation

Unless “Multiple Holder Obligation” is specified to be not applicable in the relevant Series Prospectus, then none of the events described in sub-paragraphs (i) to (iv) of the definition of “Restructuring” shall constitute a Restructuring unless the Obligation is a Multiple Holder Obligation, where “**Multiple Holder Obligation**” means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event (provided that sub-paragraph (b) shall be deemed to be satisfied where the Obligation is a Bond).

12 Reference Obligation

(a) Standard Reference Obligation and Non-Standard Reference Obligation

- (i) If “Standard Reference Obligation” is specified as applicable in the relevant Series Prospectus, then the Reference Obligation for the relevant Reference Entity will be the Standard Reference Obligation, which is the obligation of the relevant Reference Entity with the relevant Seniority Level specified from time to time on the SRO List published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA for such purposes (if any), provided that:

- (A) if there is no Standard Reference Obligation; and
- (B) a Reference Obligation is specified in the relevant Series Prospectus for the purposes of comprising a Non-Standard Reference Obligation,

the relevant Reference Obligation shall be (x) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (y) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

- (ii) If “Standard Reference Obligation” is not specified as applicable in the relevant Series Prospectus then the Reference Obligation(s) for the relevant Reference Entity will be each Non-Standard Reference Obligation specified in the relevant Series Prospectus for such Reference Entity.

(b) Substitute Reference Obligation

- (i) If a Substitution Event has occurred with respect to a Non-Standard Reference Obligation, the Calculation Agent shall identify a Substitute Reference Obligation in accordance with sub-paragraphs (iii), (iv) and (v) of this Additional Condition 12(b) (*Substitute Reference Obligation*) to replace such Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.
- (ii) If any of the events set forth under sub-paragraph (a) or (c) of the definition of “Substitution Event” have occurred with respect to a Non-Standard Reference Obligation, such Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the “Not Subordinated” Obligation Characteristic or “Not Subordinated” Deliverable Obligation Characteristic and sub-paragraph (iii)(B) of this Additional Condition 12(b) (*Substitute Reference Obligation*)). If the event set forth in sub-paragraph (b) of the definition of “Substitution Event” has occurred with respect to a Non-Standard Reference Obligation and no Substitute Reference Obligation is available, such Non-Standard Reference Obligation will continue to be a Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under sub-paragraph (a) or (c) of the definition of “Substitution Event” occur with respect to such Non-Standard Reference Obligation.
- (iii) The Substitute Reference Obligation shall be an obligation that on the Substitution Date:
 - (A) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
 - (B) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change in the priority of payment after such date) and on the Substitution Date; and
 - (C)
 - (I) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:

1. is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available; or
 2. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation";
- (II) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
1. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 2. is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,
 3. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 4. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation"; or
- (III) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
1. is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
 2. is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
 3. is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation"; or if no such obligation is available,
 4. is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of "Deliverable Obligation".
- (iv) If more than one potential Substitute Reference Obligation is identified pursuant to the process described in sub-paragraph (iii) of this Additional Condition 12(b), the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the relevant Series, as determined by the Calculation Agent. The Calculation Agent will (if a Substitute Reference Obligation has not been identified) notify the Issuer of a Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with sub-paragraph (iii) of this Additional Condition 12(b) and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.

- (v) If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to sub-paragraph (i) of this Additional Condition 12(b) and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with sub-paragraph (ii) of this Additional Condition 12(b), the Calculation Agent may continue to attempt to identify the Substitute Reference Obligation.

(c) Reference Obligation Only

- (i) If the event set out in sub-paragraph (a) of the definition of “Substitution Event” occurs with respect to the Reference Obligation in a Series in respect of a Reference Entity to which “Reference Obligation Only” applies, and such Reference Obligation is the only Reference Obligation for such Reference Entity, an amount of each Note equal to the Applicable Percentage of the nominal amount of such Note shall be redeemed, as at its fair market value determined by the Calculation Agent as at the Substitution Event Date. The Calculation Agent shall deliver to the Issuer and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) shall deliver a notice in accordance with Master Condition 22 (*Notices*) to the Noteholders stating the occurrence of such Substitution Event and setting out the Early Redemption Date in respect thereof, which shall be a date not earlier than the relevant Substitution Event Date.
- (ii) Notwithstanding the definition of “Substitute Reference Obligation” (a) no Substitute Reference Obligation shall be determined in respect of the Reference Obligation for a Reference Entity to which “Reference Obligation Only” applies, and (b) if the events set out in sub-paragraph (b) or (c) of the definition of “Substitution Event” occur with respect to the Reference Obligation to which “Reference Obligation Only” applies, such Reference Obligation shall continue to be the Reference Obligation.

(d) DC Substitute Reference Obligation Resolution

Notwithstanding the provisions of this Additional Condition 12, the Calculation Agent shall select as the Substitute Reference Obligation for the Notes an obligation of the relevant Reference Entity which is determined by DC Resolution to be the Substitute Reference Obligation to a Non-Standard Reference Obligation.

13 Definitions

The following definitions which relate to the Notes should be read in conjunction with the Additional Conditions:

“Accelerated or Matured” means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws.

“Affected Swap Auction Valuation Date” has the meaning given to it in Additional Condition 6(a).

“Affected Swap Cash Valuation Date” has the meaning given to it in Additional Condition 7(a).

“Affected Swap Gain” means (i) where the Affected Swap Value would be payable to the Issuer, the absolute value of the Affected Swap Value, or (ii) otherwise, zero.

“Affected Swap Loss” means (i) where the Affected Swap Value would be payable to the Swap Counterparty, the absolute value of the Affected Swap Value, or (ii) otherwise, zero.

“Affected Swap Value” means an amount determined by the Calculation Agent in the Base Currency equal to the Early Termination Amount (as defined in the Related Swap) of the Related Swap that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer, under the Related Swap upon a termination of the Related Swap on the Affected Swap Auction Valuation Date or Affected Swap Cash Valuation Date, as applicable. Such Early Termination Amount shall be determined on the basis that:

- (a) the Swap Counterparty is not an Affected Party;
- (b) the Related Swap relates to (i) a nominal amount of Notes equal to the Applicable Percentage; and (ii) a principal amount of Original Collateral equal to the Applicable Percentage;
- (c) the Swap Counterparty’s claim to any Early Termination Amount payable by the Issuer shall be limited to the prevailing value of a principal amount of Original Collateral equal to the Applicable Percentage on the Affected Swap Auction Valuation Date or Affected Swap Cash Valuation Date, as applicable;
- (d) the Calculation Agent is the Determining Party and Section 6(e)(ii)(1) of the Related Swap applies but without reference to Section 6(e)(ii)(3) thereof; and
- (e) where either of the Issuer or the Swap Counterparty have a Credit Support Balance under the Credit Support Annex, such Credit Support Balance shall be taken into account in determining an Unpaid Amount.

“Aggregate Nominal Amount” means, on the Issue Date, the aggregate nominal amount of the Notes of such Series specified in the relevant Series Prospectus and, on any date thereafter, the aggregate nominal amount of the Notes of such Series outstanding on such date (taking into account the aggregate nominal amount of the Notes of such Series on the Issue Date and any amortisations, partial redemptions or (including pursuant to the Additional Conditions) further issues of the Notes of such Series on or prior to such date).

“Applicable Auction” means an Auction which the Calculation Agent determines, taking into account the terms of the Series, is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s), as applicable, under the Notes (or if an Asset Package Credit Event has occurred, which relates to the Asset Package for obligations which would constitute Prior Deliverable Obligation(s) or Package Observable Bond(s), as applicable, under the Notes) (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligations and deliverable obligations to which the Auction relates and, if the Auction relates to an M(M)R Restructuring, the scheduled maturity date of the Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates).

“Applicable Credit Derivatives Auction Settlement Terms” means, with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines, taking into account the terms of the Series, are relevant to the Notes (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligation(s), deliverable obligations, Package Observable Bonds and Prior Deliverable Obligations (as applicable) which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Notes. The Calculation Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published,

notify the Issuer that Applicable Credit Derivatives Auction Settlement Terms have been published with respect to a Reference Entity and a Credit Event.

“Applicable DC Credit Event Announcement” means a DC Credit Event Announcement which the Calculation Agent determines, taking into account the terms of the Series, is relevant to the Notes (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof to which such DC Credit Event Announcement relates and the terms of the Notes).

“Applicable DC Credit Event Meeting Announcement” means a DC Credit Event Meeting Announcement which the Calculation Agent determines, taking into account the terms of the Series, is relevant to the Notes (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Meeting Announcement).

“Applicable DC Credit Event Question” means a DC Credit Event Question which the Calculation Agent determines, taking into account the terms of the Series, is relevant to the Notes (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Question).

“Applicable DC Credit Event Question Dismissal” means a DC Credit Event Question Dismissal which the Calculation Agent determines, taking into account the terms of the Series, the is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Question Dismissal).

“Applicable DC No Credit Event Announcement” means a DC No Credit Event Announcement which the Calculation Agent determines, taking into account the terms of the Series, the is relevant to the Notes (for which purpose the Calculation Agent may take into account the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Notes.

“Applicable Percentage” means, in respect of a relevant Event Determination Date:

- (a) if the Note is a Single Name CLN and redemption is not as a result of an M(M)R Restructuring Credit Event, 100 per cent.; or
- (b) if the Note is a Basket CLN or an Index Linked CLN and redemption is not as a result of an M(M)R Restructuring Credit Event, the Weighting of the affected Reference Entity; or
- (c) if the redemption is as a result of an M(M)R Restructuring Credit Event, an amount (expressed as a percentage) equal to the Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Aggregate Nominal Amount of the Notes as at the Issue Date,

provided that where the Applicable Percentage is applied pursuant to an Additional Condition in respect of:

- (i) any Collateral or Original Collateral, it shall be construed as applying to the nominal amount of such Collateral or Original Collateral as at the Issue Date, or
- (ii) the entire Series of Notes (and not to a Note individually) or is being used to determine the Credit Event Loss Amount, it shall be applied to the Aggregate Nominal Amount of the Notes as at the Issue Date.

“Applicable Resolution” means a DC Resolution of a Credit Derivatives Determinations Committee which the Calculation Agent determines, taking into account the terms of the Notes, is relevant to the

Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which the DC Resolution relates and the terms of the Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

“Applicable Transaction Auction Settlement Terms” means, with respect to a Reference Entity and a Credit Event, the relevant Credit Derivatives Auction Settlement Terms which the Calculation Agent determines, taking into account the terms of the Notes, constitute Applicable Credit Derivatives Auction Settlement Terms.

“Asset” means each obligation, equity, amount of cash, security, fee (including any “early-bird” or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

“Asset Market Value” means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

“Asset Package” means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero. An Asset Package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond (as applicable) to which it corresponds immediately prior to the Asset Package Credit Event.

“Asset Package Credit Event” means:

- (a) if “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the relevant Series Prospectus: (i) a Governmental Intervention; or (ii) a Restructuring in respect of the Reference Obligation of the relevant Reference Entity, if “Restructuring” is specified as applicable in the relevant Series Prospectus and such Restructuring does not constitute a Governmental Intervention; and
- (b) if the Reference Entity is a Sovereign and “Restructuring” is specified as applicable in the relevant Series Prospectus, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

“Assignable Loan” means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent.

“Auction” means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Transaction Auction Settlement Terms an auction pursuant to which an Auction Final Price is to be determined in accordance with the auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms.

“Auction Cancellation Date” means, with respect to an Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by the DC Secretary (and/or the administrators specified in the

relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Applicable Transaction Auction Settlement Terms.

“Auction Final Price” means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Notes or, if an Asset Package Credit Event has resulted in such Applicable Auction, in respect of the Asset Package which results from either a Prior Deliverable Obligation or a Package Observable Bond under the Notes, determined to be the Auction Final Price in accordance with the relevant Applicable Transaction Auction Settlement Terms. The Calculation Agent shall as soon as practicable after publication of the Auction Final Price in respect of an Applicable Auction, send a notice to the Issuer (copied to the Issuing and Paying Agent and the Swap Counterparty) setting out the Auction Final Price and the Issuer (or the Issuing and Paying Agent, having been provided with a notice addressed to the Noteholders by the Issuer or the Calculation Agent on its behalf) shall give an equivalent notice to the Noteholders.

“Auction Final Price Determination Date” means, with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Transaction Auction Settlement Terms.

“Bankruptcy” means the Reference Entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective;
- (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or
- (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in sub-paragraphs (a) to (g) of this definition (inclusive).

“Basket CLNs” means Notes which are specified as such in the relevant Series Prospectus, in respect of which the Issuer purchases credit protection from Noteholders in respect of two or more Reference Entities and pursuant to which, on each occasion on which a Credit Event and a relevant Event Determination Date occurs with respect to any of the Reference Entities, the Notes will be redeemed in part in an amount determined by reference to the Reference Entity Notional Amount relating to such Reference Entity in accordance with the relevant Credit Event Settlement Method.

“Bond” means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt notes or other debt notes and shall not include any other type of Borrowed Money.

“Bond or Loan” means any obligation that is either a Bond or a Loan.

“Borrowed Money” means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“Calculation Agent City” has the meaning given to it in the Physical Settlement Matrix.

“Collateral Proceeds” means the Actual Currency Proceeds, save that the amount of Collateral Liquidated in respect of the Notes shall be equal to the Applicable Percentage of the Collateral, with the result being rounded up to the nearest tradable unit of the Original Collateral, if required.

“Conditionally Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of the date on which it is due to be delivered into an Auction, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor of the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer to so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of “Conditionally Transferable Obligation”.

“Conforming Reference Obligation” means a Reference Obligation which is a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”.

“Consent Required Loan” means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent.

“Credit Derivatives Auction Settlement Terms” means any Credit Derivatives Auction Settlement Terms published by ISDA a form of which will be published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and may be amended from time to time. The Calculation Agent shall be authorised to construe any Credit Derivatives Auction Settlement Terms (including any Transaction Auction Settlement Terms or Parallel Auction Settlement Terms) in such manner as it shall determine in its discretion, acting in a commercially reasonable manner, to be necessary in order to give effect to the meaning of any word or expression used herein which is defined by reference to such Credit Derivatives Auction Settlement Terms.

“Credit Derivatives Determinations Committee” means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.

“Credit Event” means the occurrence of one or more of the following Credit Events as specified in the relevant Series Prospectus: Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

“Credit Event Backstop Date” means (a) for the purposes of any event that constitutes a Credit Event (or, with respect to a Repudiation/Moratorium, if applicable, the event described in sub-paragraph (b) of the definition thereof), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“Credit Event Loss Amount” means, with respect to an Auction Final Price Determination Date (if Auction Settlement applies) or Final Price Valuation Date (if Cash Settlement applies), as applicable, an amount determined by the Calculation Agent in the Base Currency equal to the greater of (i) zero and (ii) the product of (a) the Applicable Percentage, and (b) 100 per cent. minus either (x) if Auction Settlement applies, the Auction Final Price, or (y) if Cash Settlement applies, the Final Price, as applicable. For the avoidance of doubt, the Credit Event Loss Amount may be adjusted where, pursuant to Section 2.2(a) of the ISDA Credit Derivatives Definitions, one or more Successors are identified in relation to the Reference Entity.

“Credit Event Notice” means an irrevocable notice from the Swap Counterparty to the Issuer, which the Swap Counterparty has the right but not the obligation to deliver, that:

- (a) identifies the Series to which the Credit Event Notice relates; and
- (b) describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date.

Any Credit Event Notice that describes a Credit Event that occurred after the Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full principal amount of the Notes in the relevant Series (or, in respect of Basket CLNs or Index Linked CLNs, an amount of the Notes equal to the Applicable Percentage).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

“Credit Event Resolution Request Date” means, with respect to a DC Credit Event Question, the date as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

“Credit Event Settlement Method” means “Auction Settlement” or “Cash Settlement”, as specified in the relevant Series Prospectus.

“CUSIP” means, with respect to a security, the “CUSIP” identification number assigned to such security (if any).

“DC Announcement Coverage Cut-off Date” means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 14 calendar days following the No Auction Announcement Date, if any, as applicable.

“DC Credit Event Announcement” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for the purposes of the relevant Series has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date provided that if the Credit Event occurred after the Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

“DC Credit Event Meeting Announcement” means, with respect to the relevant Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

“DC Credit Event Question” means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event in respect to a Reference Entity of the relevant Series has occurred.

“DC Credit Event Question Dismissal” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

“DC No Credit Event Announcement” means, with respect to the relevant Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event with respect to such Reference Entity.

“DC Resolution” means a resolution of the Credit Derivatives Determinations Committee in accordance with the definition of “Resolve” below.

“DC Rules” means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms hereof.

“DC Secretary” means ISDA or such other entity designated as DC Secretary in accordance with the DC Rules.

“Default Requirement” means the amount specified as such in the relevant Series Prospectus or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 10,000,000 or its

equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the relevant Credit Event.

“Deliverable Obligation” means, if Auction Settlement applies:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the “Method for determining Deliverable Obligations” below;
- (b) the Reference Obligation of the relevant Reference Entity;
- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if, “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for the purposes of sub-paragraph (d) of this definition, immediately prior to the relevant Asset Package Credit Event).

Method for determining Deliverable Obligations

A Deliverable Obligation shall be each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the relevant Series Prospectus and having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Series Prospectus, in each case, as of the date on which such obligation is to be delivered in an Auction (the **“Delivery Date”**) (unless otherwise specified in the relevant Series Prospectus).

If an obligation would have been capable of being specified as a Deliverable Obligation immediately prior to a Credit Event in respect of a Reference Entity, such obligation (as in effect after such Credit Event) shall continue to be able to constitute a Deliverable Obligation after the occurrence of such Credit Event. If it is not possible or reasonably practicable to specify any Obligation as a Deliverable Obligation of the Reference Entity because there is or will be no Deliverable Obligation in existence at any time, the Calculation Agent shall designate by notice (which shall be in writing (including by facsimile and/or by email)) to the Issuer one or more bonds, loans, instruments, certificates or other obligations which have been or will be issued in exchange, whether pursuant to a mandatory or voluntary exchange, for one or more bonds, loans, instruments, certificates or obligations of the Reference Entity that would have been capable of being specified as a Deliverable Obligation immediately prior to the occurrence of the relevant Credit Event of the Reference Entity, provided, that failure to deliver such notice shall not affect the effectiveness of such designation.

“Deliverable Obligation Category” means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purposes of determining Deliverable Obligations, the definition of “Reference Obligation Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).

“Deliverable Obligation Characteristics” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, (each as defined in the definition of “Obligation” below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

“Deliverable Obligation Provisions” means the provisions of the Notes that specify criteria for establishing what obligations may constitute Deliverable Obligations.

“Direct Loan Participation” means a Loan in respect of which, pursuant to a participation agreement, Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (B) any lender or member of the relevant lending syndicate nominated by the Issuer or the Calculation Agent.

“Domestic Currency” means the currency specified as such in the relevant Series Prospectus and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

“Domestic Law” means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

“Downstream Affiliate” means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent owned, directly or indirectly, by the Reference Entity.

“Due and Payable Amount” means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on either (A) the as of the date on which it is due to be delivered into an Auction or (B) the Final Price Valuation Date, as applicable.

“Early Cash Redemption Amount” means, notwithstanding anything to the contrary in the Master Conditions, in respect of each Note:

- (a) where the Notes are redeemed early pursuant to the Additional Redemption Event specified in Additional Condition 3(b) (*Redemption following the Occurrence of a Credit Event*), an amount per Note equal to that Note’s *pro rata* share of an amount denominated in the Specified Currency equivalent to the amount calculated by the Calculation Agent in the Base Currency equal to the greater of:
 - (i) zero; and
 - (ii)
 - (A) the Collateral Proceeds; plus
 - (B) the Affected Swap Gain (if any); minus
 - (C) the Affected Swap Loss (if any); minus
 - (D) the Credit Event Loss Amount (if any); plus
 - (E) where all Notes are being redeemed, the Swap Counterparty CSA Interest Amount (if any); minus
 - (F) the Unwind Costs (if any) and
- (b) where the Notes are redeemed early otherwise than pursuant to the Additional Redemption Event specified in Additional Condition 3(b) (*Redemption following the Occurrence of a Credit Event*), an

amount per Note equal to that Note's *pro rata* share of an amount denominated in the Specified Currency equivalent to the amount calculated by the Calculation Agent in the Base Currency equal to the greater of:

- (i) zero; and
- (ii) (A) the Specified Currency Proceeds (as defined in the Master Conditions); plus
 - (B) the Termination Payment in respect of the Swap Agreement (which shall include, for the avoidance of doubt, any Related Swap(s) and the relevant CDS) that is payable by the Swap Counterparty to the Issuer (together, if applicable, with any interest payable thereon); less
 - (C) the Termination Payment in respect the Swap Agreement (which shall include, for the avoidance of doubt, any Related Swap(s) and the relevant CDS) that is payable by the Issuer to the Swap Counterparty (together, if applicable, with any interest payable thereon); plus
 - (D) where all Notes are being redeemed, the Swap Counterparty CSA Interest Amount (if any); minus
 - (E) the Unwind Costs (if any).

“Early Redemption Date” means, where the Notes are redeemed early pursuant to the Additional Redemption Event specified in Additional Condition 3 (*Redemption*), notwithstanding anything to the contrary in the Master Conditions, the day falling five Reference Business Days after the determination of the Early Cash Redemption Amount.

“Eligible Information” means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

“Eligible Transferee” means

- (a) any:
 - (i) bank or other financial institution;
 - (ii) insurance or reinsurance company;
 - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) of this definition); and
 - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship),
provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (b) an Affiliate of an entity specified in the sub-paragraph (a) of this definition;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligation, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least USD 100,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;
 - (ii) that has total assets of at least USD 500,000,000; or

- (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraph (a), (b), (c)(ii) or (d) of this definition; and
- (d)
 - (i) any Sovereign; or
 - (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition of “Eligible Transferee” to USD include equivalent amounts in other currencies as determined by the Calculation Agent.

“Euroclear” means Euroclear Bank SA/NV

“Event Determination Date” means, with respect to a Credit Event:

- (a) subject to sub-paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
- (b) notwithstanding sub-paragraph (a) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
 - (i) (I) the Credit Event is not an M(M)R Restructuring; and (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
 - (ii) (I) the Credit Event is an M(M)R Restructuring; and (II) a Credit Event Notice is delivered by the Swap Counterparty to the Issuer (or a notice is delivered by the Swap Counterparty to the Issuer electing a relevant Exercise Amount and is deemed to be a Credit Event Notice) and is effective on or prior to the Exercise Cut-off Date,

provided that:

- (A) no Early Redemption Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs;
- (B) if any Final Price Valuation Date or date on which a Deliverable Obligation is due to be delivered into an Auction, as applicable, in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Reference Entity Notional Amount of the Reference Entity to which the Event Determination Date relates, if any, with respect to which no Final Price Valuation Date or date on which a Deliverable Obligation is due to be delivered into an Auction, as applicable, has occurred; and
- (C) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Swap Counterparty to the Issuer, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request

Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Reference Entity Notional Amount of the affected Reference Entity, or (cc) unless a credit derivatives transaction with the same tenor and deliverable obligation provisions as the Notes would be an “Auction Covered Transaction” for the purpose of the relevant Credit Derivatives Auction Settlement Terms and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Series.

- (c) Notwithstanding the foregoing, no Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Final Price Valuation Date, or the Maturity Date or the Extended Maturity Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

“Excluded Deliverable Obligation” means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the relevant Series Prospectus;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

“Excluded Obligation” means:

- (a) any obligation of a Reference Entity specified as such or of a type specified in the relevant Series Prospectus;
- (b) if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus and the relevant Reference Entity is a Senior Reference Entity, then for the purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus and the relevant Reference Entity is a Subordinated Reference Entity, then for the purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

“Exercise Amount” has the meaning given to that term in Additional Condition 5(a) (*M(M)R Restructuring Credit Event*).

“Exercise Cut-Off Date” means either:

- (a) with respect to an M(M)R Restructuring that applies:
 - (i) if the DC Secretary publishes a Final List applicable to the Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is seven Relevant City Business Days following the date on which such Final List is published; or
 - (ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date, or
- (b) in each case, such other date as the relevant Credit Derivatives Determinations Committee resolves.

“Extended Maturity Date” means, if Maturity Date Extension applies pursuant to Additional Condition 4 (*Maturity Date Extension*) and no relevant Event Determination Date occurs on or prior to the Notes Extension Date, the date falling five Reference Business Days after the Notes Extension Date or, if Maturity Date Extension applies pursuant to Additional Condition 4 (*Maturity Date Extension*) and a relevant Event Determination Date occurs on or prior to the Notes Extension Date, the Early Redemption Date.

“Extension Date” means, with respect to a Reference Entity, the latest of (a) the Maturity Date, (b) the Grace Period Extension Date if (i) “Failure to Pay” and “Grace Period Extension” are specified as being applicable in the relevant Series Prospectus, and (ii) the Potential Failure to Pay with respect to the relevant Failure to Pay occurs on or prior to the Maturity Date and (c) the Repudiation/Moratorium Evaluation Date (if any) if “Repudiation/Moratorium” is specified as applicable in the relevant Series Prospectus, as applicable.

“Failure to Pay” means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

“Final List” means the final list of Deliverable Obligations, Package Observable Bonds, Prior Deliverable Obligations (as applicable) and/or Assets which are the subject of the related Auction determined by the Credit Derivatives Determinations Committee in accordance with the DC Rules.

“Final Price” means, if Cash Settlement applies, the Final Price(s) selected by the Calculation Agent, expressed as a percentage, determined in accordance with the Quotation Method, provided that for the purposes of identifying the Valuation Obligations, references to “the date on which a Deliverable Obligation is due to be delivered into an Auction” in the definition of “Deliverable Obligation” shall be deemed to be a reference to “Final Price Valuation Date” and provided further that if (i) an Asset Package Credit Event has occurred any Deliverable Obligation which is a Prior Deliverable Obligation or a Package Observable Bond (as applicable) shall include the resulting Asset Package and the Final Price for such Deliverable Obligation or Package Observable Bond shall be the Final Price for the relevant Asset Package determined in accordance with Additional Condition 7(b)(iv) (*Determination of the Final Price*) and (ii) where there are multiple Valuation Obligations, the Final Price shall be determined by taking the weighted average of the Quotations of each relevant Valuation Obligation.

“Final Price Valuation Date” has the meaning given to it in Additional Condition 7 (*Cash Settlement Terms*).

“Final Redemption Amount” means, in respect of each Note and unless otherwise specified in the applicable Series Prospectus, that Note’s *pro rata* share of the sum of:

- (a) the Aggregate Nominal Amount of the Notes as at the Maturity Date; and
- (b) the Swap Counterparty CSA Interest Amount (if any).

“Fixed Cap” means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

“Fully Transferable Obligation” means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of the Delivery Date. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent, for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of “Fully Transferable Obligation”.

“Further Subordinated Obligation” means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

“Governmental Authority” means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental authority, inter-governmental or supranational body; or
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to the entities specified in sub-paragraph (a), (b) or (c) of this definition.

“Governmental Intervention” means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors’ rights so as to cause:
 - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
 - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
 - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or
 - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;
- (c) a mandatory cancellation, conversion or exchange; or

- (d) any event which has an analogous effect to any of the events specified in sub-paragraphs (a)(i) to (iii) of this definition.

For the purposes of sub-paragraph (a) of this definition, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

“Grace Period” means:

- (a) subject to sub-paragraphs (b) and (c) of this definition, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if “Grace Period Extension” is specified as applicable in the relevant Series Prospectus, a Potential Failure to Pay has occurred on or prior to the Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Series Prospectus or, if no period is specified, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless “Grace Period Extension” is specified as being applicable in the relevant Series Prospectus, such deemed Grace Period shall expire no later than the Maturity Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if (a) “Grace Period Extension” is specified as being applicable in the relevant Series Prospectus and (b) a Potential Failure to Pay occurs on or prior to the Maturity Date, as the case may be, the date that is five Reference Business Days following the day falling after the number of days in the Grace Period after the date of such Potential Failure to Pay. If “Grace Period Extension” is not specified as being applicable in the relevant Series Prospectus, Grace Period Extension shall not apply.

“Guarantee” means a Relevant Guarantee or a guarantee which is the Reference Obligation.

“Index” means an Index of Reference Entities as specified in the relevant Series Prospectus.

“Index Linked CLN” means Notes which are specified as such in the relevant Series Prospectus, in respect of which the Issuer purchases credit protection from Noteholders in respect of an Index comprised of the Reference Entities specified in the applicable Series Prospectus and pursuant to which, on each occasion on which a Credit Event and a relevant Event Determination Date occurs with respect to any of the Reference Entities, the Notes will be redeemed in part in an amount determined by reference to the Reference Entity Notional Amount relating to such Reference Entity in accordance with the relevant Credit Event Settlement Method.

“ISDA” means the International Swaps and Derivatives Association Inc., (or any successor organisation thereto).

“Latest Maturity Restructured Bond or Loan” has the meaning given to that term in the definition of “Restructuring Maturity Limitation Date”.

“Limitation Date” means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the **“2.5-year Limitation Date”**), 5 years, 7.5 years, 10 years (the **“10-year Limitation Date”**), 12.5 years, 15 years or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

“Listed” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange.

“Loan” means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money.

“Maturity Date Extension” means an extension determined in accordance with Additional Condition 4 (*Maturity Date Extension*).

“Maximum Maturity” means an obligation that has a remaining maturity of not greater than the period specified in the relevant Series Prospectus (or if no such period is specified, 30 years).

“Merger Event” means that at any time during the period from (and including) the Trade Date to (but excluding) the Extended Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

“M(M)R Restructuring” means a Restructuring Credit Event in respect of which either “Mod R” or “Mod Mod R” is specified as applicable in the relevant Series Prospectus.

“Modified Eligible Transferee” means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, notes and other financial assets.

“Modified Restructuring Maturity Limitation Date” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Maturity Date.

Subject to the foregoing, if the Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Maturity Date.

“Movement Option” means, with respect to an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition of “No Auction Announcement Date”, the option of the Swap Counterparty to apply the Parallel Auction Settlement Terms, if any, so that the Notes may be redeemed by way of Auction Settlement.

“Movement Option Cut-off Date” means the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

“Multiple Holder Obligation” has the meaning given to it in Additional Condition 11 (*Multiple Holder Obligation*).

“No Auction Announcement Date” means, with respect to a Credit Event, the date as determined by the Calculation Agent on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, a No Auction

Announcement Date will not occur solely by reason of the Notes not being covered by any Credit Derivatives Auction Settlement Terms.

“Non-Conforming Reference Obligation” means a Reference Obligation which is not a Conforming Reference Obligation.

“Non-Conforming Substitute Reference Obligation” means an obligation which would be a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation” on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

“Non-Financial Instrument” means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

“Non-Standard Reference Obligation” means each Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined in respect of any such Original Non-Standard Reference Obligation, the Substitute Reference Obligation.

“Non-Transferable Instrument” means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

“Not Bearer” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system.

“Not Domestic Currency” means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency.

“Not Domestic Issuance” means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity.

“Not Domestic Law” means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute Domestic Law.

“Notes Extension Date” means the later to occur of (a) the last applicable day specified in the definition of “Notice Delivery Period” in respect of each Reference Entity with respect to which Maturity Date Extension applies pursuant to Additional Condition 4 (*Maturity Date Extension*) and (b) 14 calendar days after the DC Credit Event Announcement or (c) the last day of the Post Dismissal Additional Period.

“Notice Delivery Date” means the first date on which both an effective Credit Event Notice and, unless “Notice of Publicly Available Information” is specified as not applicable in the relevant Series Prospectus, an effective Notice of Publicly Available Information, have been delivered by the Swap Counterparty to the Issuer.

“Notice Delivery Period” means the period from and including the Trade Date to and including the date that is 14 calendar days after the Extension Date.

“Notice of Publicly Available Information” means an irrevocable notice from the Swap Counterparty to the Issuer that cites Publicly Available Information confirming the occurrence of the Credit Event or

Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If “Notice of Publicly Available Information” is specified as being applicable in the relevant Series Prospectus and the Credit Event Notice or Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

“Not Sovereign Lender” means any obligation that is not primarily owed to (a) a Sovereign or (b) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as “Paris Club debt”.

“Not Subordinated” means an obligation that is not Subordinated to (a) the Reference Obligation or (b) the “Prior Reference Obligation” if applicable.

“Obligation” means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) described by the Obligation Category specified in the relevant Series Prospectus and having each of the Obligation Characteristics, if any, specified in the relevant Series Prospectus, in each case, immediately prior to, the Credit Event which is the subject of either the Credit Event Notice or the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable; and
- (b) the Reference Obligation,

in each case, unless it is an Excluded Obligation.

“Obligation Acceleration” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

“Obligation Category” means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Series Prospectus.

“Obligation Characteristics” means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance.

“Obligation Currency” means the currency or currencies in which an Obligation is denominated.

“Obligation Default” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

“Original Non-Standard Reference Obligation” means each obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as a Reference Obligation in the relevant Series Prospectus (if any is so specified).

The **“Outstanding Principal Balance”** of an obligation will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity's principal payment obligations and, where applicable in accordance with the definition of "Accrued Interest", the Reference Entity's accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in sub-paragraph (a) of this definition less any amounts subtracted in accordance with this sub-paragraph (b), the **"Non-Contingent Amount"**); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance, in each case, determined: (i) unless otherwise specified, in accordance with the terms of the obligation in effect on (A) the date on which an obligation is due to be delivered into an Auction, or (B) the Final Price Valuation Date, as applicable; and (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation),

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the date on which an obligation is due to be delivered into an Auction or the Final Price Valuation Date, as applicable; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation),

where **"Quantum of the Claim"** means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

"Package Observable Bond" means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Deliverable Obligation set out in sub-paragraph (a) or (b) of the definition of "Deliverable Obligation", in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

"Parallel Auction" means the "Auction" which is the subject of the relevant Parallel Auction Settlement Terms.

"Parallel Auction Cancellation Date" means the "Auction Cancellation Date" in respect of the relevant Parallel Auction Settlement Terms.

"Parallel Auction Settlement Terms" means, following the occurrence of an M(M)R Restructuring, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such an M(M)R Restructuring if the Calculation Agent determines in its discretion, acting in a commercially reasonable

manner, that the relevant Deliverable Obligation Terms are substantially the same as the Deliverable Obligation Provisions applicable to the relevant Notes and for which a credit derivatives transaction with the same tenor as Series of the Notes would not be an “Auction Covered Transaction” for the purpose of the relevant Credit Derivatives Auction Settlement Terms.

“**Payment**” means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money.

“**Payment Requirement**” means the amount specified as such in the relevant Series Prospectus or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as appropriate.

“**Permissible Deliverable Obligation**” has the meaning set out in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

“**Permitted Contingency**” means, with respect to an obligation, any reduction to the Reference Entity’s payment obligations:

- (a) as a result of the application of:
 - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
 - (ii) provisions implementing the Subordination of the obligation;
 - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee); or
 - (iv) provisions which permit the Reference Entity’s obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

“**Permitted Transfer**” means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

“**Physical Settlement Matrix**” means the “Credit Derivatives Physical Settlement Matrix” as most recently amended or supplemented as at the Trade Date (unless otherwise specified in the relevant Series Prospectus) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to any Series where “Physical Settlement Matrix Standard Terms” are specified as applicable in the relevant Series Prospectus and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Series.

“**Post Dismissal Additional Period**” means the period from and including the date of the Applicable DC Credit Event Question Dismissal to and including the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

“Potential Failure to Pay” means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

“Potential Repudiation/Moratorium” means the occurrence of an event described in sub-paragraph (a) of the definition of “Repudiation/Moratorium”.

“Prior Deliverable Obligation” means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of Deliverable Obligation set out in sub-paragraph (a) or (b) of the definition of “Deliverable Obligation”, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation of the relevant Reference Entity (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), such Reference Obligation, if any.

“Prior Reference Obligation” means, in circumstances where there is no Reference Obligation applicable to a Series, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the relevant Series Prospectus as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity.

“Private-side Loan” means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

“Prohibited Action” means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) in the definition of “Credit Event” or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

“Public Source” means each source of Publicly Available Information specified as such in the relevant Series Prospectus (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, Asahi Shimbun, Yomiuri Shimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

“Publicly Available Information” means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which (a) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; (b) is information received from or published by (i) the Reference Entity (or if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or (c) is information

contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; provided that where any information of the type described in sub-paragraphs (a) to (c) of this definition is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in sub-paragraphs (b) and (c) above in the first paragraph of this definition of “Publicly Available Information”, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state (a) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned by the Reference Entity and (b) that the relevant occurrence (i) has met the Payment Requirement or Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in sub-paragraphs (a) and (b) of the definition of “Repudiation/Moratorium”.

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

“Qualifying Guarantee” means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an Underlying Obligation for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance, in each case, other than: (i) by payment; (ii) by way of Permitted Transfer; (iii) by operation of law; (iv) due to the existence of a Fixed Cap; or (v) due to: provisions permitting or anticipating a Governmental Intervention, if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (A) a non-payment in respect of the guarantee or the Underlying Obligation, or (B) an event of the type described in the definition of “Bankruptcy” in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee: (I) the benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and (II) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

For these purposes:

- (a) **“Deliver”** means to deliver, novate, transfer (including, in the case of a Guarantee, transfer of the benefit of the Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable obligation (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, with respect to obligations where only equitable title is customarily conveyed, all equitable title) and interest in the obligations to the Swap Counterparty free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) of the definition of “Credit Event”) or right of set-off by or of the Reference Entity or any applicable Underlying Obligor); provided that (i) if the relevant obligation is a Direct Loan Participation, “Deliver” means to create (or procure the creation of) a participation in favour of the Swap Counterparty and (ii) if the relevant obligation is a Guarantee, “Deliver” means to Deliver both the Underlying Obligation and the Guarantee, provided further that if the Guarantee has a Fixed Cap, “Deliver” means to Deliver the Underlying Obligation, the Guarantee and all claims to any amounts which are subject to such Fixed Cap; and
- (b) **“Delivery”** and **“Delivered”** will be construed accordingly.

“Quotation” means each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, expressed as a percentage of the Deliverable Obligation’s Outstanding Principal Balance or Due and Payable Amount (or if a Quotation is being obtained in respect of the Asset Package resulting from any Prior Deliverable Obligation or Package Observable Bond, the Outstanding Principal Balance of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event), as applicable, with respect to a Final Price Valuation Date in accordance with the Quotation Method.

“Quotation Amount” means an amount determined by the Calculation Agent in accordance with the Quotation Method not in excess of the Reference Entity Notional Amount or its equivalent in the relevant Obligation Currency, which shall be converted by the Calculation Agent by reference to exchange rates in effect at the time that the relevant Quotation is being obtained. Where an Asset Package Credit Event has occurred and a Deliverable Obligation has been converted into an Asset Package, the Quotation Amount for all or any part of the Asset Package shall be such amount as the Calculation Agent determines.

“Quotation Method” means, unless otherwise specified in the relevant Series Prospectus, the Calculation Agent shall attempt to obtain Quotations with respect to each Final Price Valuation Date from five or more Quotation Dealers and:

- (a) if four or more Quotations are obtained, the Calculation Agent shall disregard the highest and lowest quotations and the Quotation Amount shall be the arithmetic mean of the remaining Quotations provided that (a) if more than one Quotation has the same highest or lowest value, then one of such Quotations shall be disregarded unless (b) all Quotations have the same value, in which case two of such Quotations shall be disregarded;

- (b) if three Quotations are obtained, the Calculation Agent shall disregard the highest and lowest Quotations and the Quotation Amount shall be the remaining Quotation, provided that (a) if two Quotations have the same highest or lowest value, then one of such Quotations shall be disregarded and (b) if three Quotations have the same value, then two of such Quotations shall be disregarded; and
- (c) if two or fewer Quotations are obtained, the Quotation Amount shall be determined by the Calculation Agent as the fair value of the relevant Valuation Obligation.

“Redemption Suspension Notice” has the meaning given to that term in Additional Condition 9 (*Effect of DC Announcements*).

“Reference Entity” means the entity specified as such in the relevant Series Prospectus. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of “Successor” on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity.

“Reference Entity Notional Amount” means, in respect of any Reference Entity, the notional amount for the time being of credit protection in relation to a Reference Entity, being, as of the Issue Date (and unless otherwise specified in the applicable Series Prospectus):

- (a) if the Notes are Single Name CLNs, the Aggregate Nominal Amount; and
- (b) if the Notes are Basket CLNs or Index Linked CLNs, the product of (i) the Aggregate Nominal Amount and (ii) the quotient of (A) the related Weighting and (B) the sum of the Weightings of each Reference Entity as of the Trade Date without regard to any Credit Event that may have occurred after the relevant Credit Event Backstop Date.

Subject in each case to Additional Condition 10 (*Successor Provisions*) relating to the determination of successor Reference Entities and provided that, where the Notes are subject to redemption or purchase and cancellation in part, or where further securities are issued which are fungible with the Notes, the Reference Entity Notional Amount shall be reduced or, as applicable, increased, proportionately.

“Reference Entity Outstanding Amount” has the meaning given to it in Additional Condition 5(b) (*Partial Redemption in respect of M(M)R Restructuring*).

“Reference Obligation” means:

- (a) if “Standard Reference Obligation” is specified as applicable in the relevant Series Prospectus, the Standard Reference Obligation, if any;
- (b) if “Standard Reference Obligation” is specified as not applicable in the relevant Series Prospectus, the Non-Standard Reference Obligation(s), if any; or
- (c) if (i) “Standard Reference Obligation” is specified as applicable in the relevant Series Prospectus, (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the relevant Series Prospectus, (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

“Reference Obligation Only” means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only.

“Reference Obligation Only Entity” means a Reference Entity in respect of which (a) “Reference Obligation Only” is specified as the Obligation Category and the Deliverable Obligation Category in the

relevant Series Prospectus in respect of such Reference Entity and (b) “Standard Reference Obligation” is specified as not applicable in the relevant Series Prospectus in respect of such Reference Entity.

“**Relevant City Business Day**” has the meaning given to that term in the DC Rules.

“**Relevant Guarantee**” means a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the relevant Series Prospectus, a Qualifying Guarantee.

“**Relevant Holder**” means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the Outstanding Principal Balance or Due and Payable Amount of the Deliverable Obligations to be delivered into the Auction or selected by the Calculation Agent in the determination of the Final Price, as the case may be.

“**Relevant Obligations**” means the Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for the purposes of the determination required to be made under the definition of “Successor”, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus and the Reference Entity is a Senior Reference Entity, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan”; and
- (d) if “Financial Reference Entity Terms” is specified as applicable in the relevant Series Prospectus, and the relevant Reference Entity is a Subordinated Reference Entity, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan”, provided that if no such Relevant Obligations exist, “Relevant Obligations” shall have the same meaning as it would if the relevant Reference Entity were a Senior Reference Entity.

“**Repudiation/Moratorium**” means the occurrence of both of the following events: (a) an authorised officer of the Reference Entity or a Governmental Authority (i) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (ii) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation that occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“**Repudiation/Moratorium Evaluation Date**” means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential

Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

The **“Repudiation/Moratorium Extension Condition”** is satisfied (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Maturity Date and such resolution constitutes an Applicable Resolution or (b) otherwise, by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, unless “Notice of Publicly Available Information” is specified not applicable in the relevant Series Prospectus, a Notice of Publicly Available Information that is effective on or prior to the date that is 14 calendar days after the Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium for the purposes of the relevant Notes has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Maturity Date.

“Repudiation/Moratorium Extension Notice” means an irrevocable notice from the Calculation Agent to the Issuer that describes a Potential Repudiation/Moratorium that occurred on or prior to the Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

“Resolve” means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the DC Rules, and **“Resolved”** and **“Resolves”** shall be construed accordingly.

“Restructured Bond or Loan” means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

“Restructuring” means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of exchange) and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Notes and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;

- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above in this definition of “Restructuring”, none of the following shall constitute a Restructuring:

- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (iii) the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a) to (e) of this definition of “Restructuring” due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iv) the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a) to (e) of this definition of “Restructuring” in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of sub-paragraph (e) of this definition of “Restructuring” only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For the purposes of this definition of “Restructuring”, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in this definition shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in this definition of “Restructuring” shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under subparagraphs (a) to (e) of this definition has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

“Restructuring Date” means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“Restructuring Maturity Limitation Date” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any

Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a “**Latest Maturity Restructured Bond or Loan**”) and the Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

“**Seniority Level**” means, with respect to a Reference Entity, (a) “Senior Level” or “Subordinated Level” as specified in the relevant Series Prospectus, or (b) if no such seniority level is specified in the relevant Series Prospectus, “Senior Level” if the only Original Non-Standard Reference Obligation is a Senior Obligation or “Subordinated Level” if the only Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) “Senior Level”.

“**Senior Obligation**” means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

“**Senior Reference Entity**” means a Reference Entity for which (a) the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Senior Obligation provided that if there is more than one Reference Obligation for a Reference Entity, and not all of the Reference Obligations are Senior Obligations, then “Senior Reference Entity” means a Reference Entity in respect of which “Senior Level” is specified as the Seniority Level in the relevant Series Prospectus, or (b) there is no Reference Obligation or Prior Reference Obligation.

“**Single Name CLN**” means any Series in respect of which the Issuer purchases credit protection from Noteholders in respect of one Reference Entity alone.

“**Sovereign**” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

“**Sovereign Restructured Deliverable Obligation**” means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or Applicable DC Credit Event Announcement has occurred and (b) which fell within the definition of a Deliverable Obligation immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“**Sovereign Succession Event**” means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

“**Specified Currency**” means an obligation that is payable in the currency or currencies specified as such in the relevant Series Prospectus (or, if “Specified Currency” is specified in the relevant Series Prospectus and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, “Specified Currency” shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

“**Specified Number**” means the number of Public Sources specified in the relevant Series Prospectus (or, if no such number is specified, two).

“**SRO List**” means the list of Standard Reference Obligations as published by ISDA on its website at www.isda.org from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

“**Standard Reference Obligation**” means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

“Standard Specified Currency” means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

“Steps Plan” means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

“Subordinated Obligation” means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

“Subordinated Reference Entity” means a Reference Entity for which the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Subordinated Obligation provided that, if there is more than one Reference Obligation and not all of the Reference Obligations are Subordinated Reference Obligations, then “Subordinated Reference Entity” means a Reference Entity specified as such in the relevant Series Prospectus.

“Subordination” means, with respect to an obligation (the **“Second Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“First Obligation”**), a contractual, trust or similar arrangement providing that (a) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (b) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **“Subordinated”** will be construed accordingly. For the purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (i) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (ii) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation and “Standard Reference Obligation” is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date.

“Substitute Reference Obligation” means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that may replace the Non-Standard Reference Obligation, determined by the Calculation Agent in accordance with Additional Condition 12 (*Reference Obligation*).

Notwithstanding the definition of “Substitute Reference Obligation” (a) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Series and (b) if the events set out in sub-paragraph (b) or (c) of the definition of “Substitution Event” occur with respect to the Reference Obligation in a Reference Obligation Only Series, such Reference Obligation shall continue to be the Reference Obligation.

“Substitution Date” means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Trustee of the Substitute Reference Obligation that it has identified in accordance with the definition of “Substitute Reference Obligation”.

“Substitution Event” means, with respect to a Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any other reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity, (either directly or as provider of a guarantee).

For the purposes of the identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in sub-paragraph (a) or (b) of this definition has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to sub-paragraph (a) or (b) of this definition, as the case may be, on the Trade Date.

"Substitution Event Date" means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

"Successor" means:

subject to Additional Condition 10(e) (*Eligible Successors*), the entity or entities, if any, determined by the Calculation Agent or the Credit Derivatives Determinations Committee (as applicable) as follows:

- (i) subject to sub-paragraph (vii) of this definition, if one entity succeeds, either directly or as a provider of a Relevant Guarantee to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of the entire Reference Entity Notional Amount of that original Reference Entity outstanding as at the Succession Date;
- (ii) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of the entire Reference Entity Notional Amount of that original Reference Entity outstanding as at the Succession Date;
- (iii) if more than one entity each succeeds, either directly or as provider of a Relevant Guarantee to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor in respect of a portion of the Reference Entity Notional Amount of the original Reference Entity outstanding as at the Succession Date (subject to Additional Condition 10 (*Successor Provisions*));
- (iv) if one or more entities each succeeds, either directly or as provider of a Relevant Guarantee to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a in respect of a portion of the Reference Entity Notional Amount of the original Reference Entity outstanding as at the Succession Date subject to and in accordance with Additional Condition 10 (*Successor Provisions*);
- (v) if one or more entities succeeds, either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity

continues to exist, there will be no Successor and the Reference Entity and the Notes will not be changed in any way as a result of such succession;

- (vi) if one or more entities succeeds either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor) subject to and in accordance with the provisions of Additional Condition 10 (*Successor Provisions*); and
- (vii) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (i) the Reference Entity has ceased to exist, or (ii) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the “**Universal Successor**”) will be the sole Successor in respect of the relevant Series.

For the purposes of this definition, “**succeed**” means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (A) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (B) issues Bonds or incurs loans (the “**Exchange Bonds or Loans**”) that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to the Relevant Obligations or such Exchange Bonds or Loans, as applicable. For the purposes of this definition, “**succeeded**” and “**succession**” shall be construed accordingly.

“**Successor Backstop Date**” means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (a) the date on which the Successor Notice is effective and (b) in circumstances where (i) a Successor Resolution Request Date has occurred, (ii) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (iii) the Successor Notice is delivered by the Calculation Agent to the Issuer not more than 14 calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“**Succession Date**” means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (a) the date on which a determination pursuant to sub-paragraph 0 of the definition of “Successor” would not be affected by any further related successions in respect of such Steps Plan, or (b) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

“**Successor Notice**” means an irrevocable notice from the Calculation Agent to the Issuer that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined. A Successor Notice must contain a description in reasonable detail

of the facts relevant to the determination to be made pursuant to sub-paragraph 0 of the definition of “Successor”.

“Successor Resolution Request Date” means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

“Suspended Interest Payment Date” has the meaning given to it in Additional Condition 2(b) (*Suspension of Interest*).

“Swap Counterparty CSA Interest Amount” means the amount (if any) of the Interest Amount (as defined in the Credit Support Annex) that the Swap Counterparty is obliged to transfer to the Issuer as a result of the Notes falling due for redemption.

“TARGET Settlement Day” means any day on which TARGET2 (the Trans-European Automated Real-time Gross Settlement Express Transfer System) is open.

“Trade Date” means the date specified as such in the relevant Series Prospectus.

“Transaction Auction Settlement Terms” means the relevant Credit Derivatives Auction Settlement Terms, whether or not the Notes are covered by such Credit Derivatives Auction Settlement Terms; provided that (a) the relevant Deliverable Obligations Terms are substantially the same as the Deliverable Obligations Provisions with respect to the Notes, and (b) if such Credit Event is a Restructuring for which either “Restructuring Maturity Limitation and Fully Transferable Obligation” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation” is applicable or deemed to be applicable, a credit derivatives transaction with the same tenor as the Notes would be an “Auction Covered Transaction” for the purposes of the relevant Credit Derivatives Auction Settlement Terms.

“Transaction Type” means, for the purposes of the application of the Physical Settlement Matrix to a Series where “Physical Settlement Matrix Standard Terms” is specified as applicable in the relevant Series Prospectus, each Reference Entity designated as one of the following in the relevant Series Prospectus:

- (a) North American Corporate;
- (b) European Corporate;
- (c) European Financial Corporate;
- (d) Australia Corporate;
- (e) Australia Financial Corporate;
- (f) New Zealand Corporate;
- (g) New Zealand Financial Corporate;
- (h) Japan Corporate;
- (i) Japan Financial Corporate;
- (j) Singapore Corporate;
- (k) Singapore Financial Corporate;
- (l) Asia Corporate;
- (m) Asia Financial Corporate;

- (n) Asia Sovereign;
- (o) Emerging European & Middle Eastern Sovereign;
- (p) Japan Sovereign;
- (q) Australia Sovereign;
- (r) New Zealand Sovereign;
- (s) Singapore Sovereign;
- (t) Latin America Sovereign;
- (u) Western European Sovereign,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time.

“Transferable” means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (a) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the US Notes Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
- (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
- (c) restrictions in respect of blocked periods on or around payment dates or voting periods.

“Underlying Obligation” means, with respect to a guarantee, the obligation which is the subject of the guarantee.

“Underlying Obligor” means, with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

“Universal Successor” has the meaning given in the definition of Successor.

“Unwind Costs” means all costs, fees, charges, expenses (including cost of funding), tax and duties incurred (or reasonably expected to be incurred) by or on behalf of the Issuer in connection with the redemption of the Notes.

“Valuation Time” means the time specified as such in the relevant Series Prospectus or, if no such time is specified, the time determined by the Calculation Agent, which shall be as close as reasonably practicable to 11:00 a.m. London time, unless the Calculation Agent determines that the principal market valuing the Reference Obligation would be closed at such time or such transactions are not being conducted in sufficient volume (as determined by the Calculation Agent) at such time, in which event the Valuation Time shall be such other time as may be specified by the Calculation Agent that such principal market is open.

“Valuation Obligations” means, where Cash Settlement applies, one or more obligations, as selected by the Calculation Agent, provided such obligation(s) are either a Reference Obligation and/or would constitute a Deliverable Obligation as at the Final Price Valuation Date (and for the purposes of interpreting the Deliverable Obligation Category and the Deliverable Obligation Characteristics, references to “the date on which it is due to be delivered in an Auction” shall be read and construed as references to the Final Price Valuation Date).

“Voting Shares” means the shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

“Weighting” means, in respect of a Reference Entity, the percentage weighting specified for such Reference Entity in the relevant Series Prospectus or, if no Weighting is specified for such Reference Entity, an amount (expressed as a percentage) equal to the Reference Entity Notional Amount of the Reference Entity to which the relevant Credit Event relates, divided by the Aggregate Nominal Amount of the Notes, in each case as at the Issue Date.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the applicable Final Terms or Series Prospectus to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the **"Common Depositary"**) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the applicable Final Terms or Series Prospectus) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes 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 (**"Alternative Clearing System"**) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the applicable Final Terms or Series Prospectus indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme — Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the applicable Final Terms or Series Prospectus, for Definitive Notes.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

Global Certificates

If the Final Terms or Series Prospectus state that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Master Condition 3(b) may only be made in part:

- (i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its Specified Office of the Registered Holder's intention to effect such transfer. Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note to, or to the order of, the Issuing and Paying Agent. In exchange for any Global Note, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or, if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the first day following the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the Specified Office of the Issuing and Paying Agent is located.

Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Master Conditions as completed, amended, supplemented and/or varied by the provisions of Part A of the applicable Final Terms or Series 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 Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Master Condition 8(d)(ii)(C) and Master Condition 11(a) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's

obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

All payments in respect of Registered Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

For the purpose of any payments made in respect of a Global Note or a Global Certificate, the words “in the relevant place of presentation”, shall not apply in the definition of “business day” in Master Condition 10(g).

Prescription

Claims against the Issuer in respect of Notes that are represented by a Global Note will become void unless they are presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Master Conditions).

Meetings

The holder of a Global Note or of the Notes represented by a Global Certificate shall (unless such Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

Cancellation

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

Purchase

Notes represented by a Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Option

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry

being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Trustee's powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the 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 or participants with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

Amendments

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, for the purpose of determining whether a written resolution has been validly passed the Issuer and the Trustee shall be entitled to rely on consent or instructions given by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on consent from or instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "**commercially reasonable evidence**" includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's Creation Online system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes 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 Master Conditions or by delivery of the relevant notice to the holder of the Global Note, except that if and for so long as the Notes are listed on a stock exchange, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used to purchase the Collateral comprising the Mortgaged Property in respect of the relevant Series and/or make any payments required to be made pursuant to any Transaction Document.

DESCRIPTION OF THE ISSUERS

Lunar Funding VII PLC

General

Lunar Funding VII PLC (the “**Irish Issuer**”) was registered and incorporated on 10 February 2012 under the Companies Act 1963-2009 (as amended) of Ireland (the “**Companies Act**”), registration number 509493. The Irish Issuer has been incorporated for an indefinite period. The Irish Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities, bonds, notes or other securities or entering into loans or other agreements for the payment or repayment of borrowed money, provided always that such obligations are entered into on a limited recourse and non-petition basis and are secured on assets of the Irish Issuer other than (i) the Irish Issuer’s share capital, (ii) any fees paid to the Irish Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), (iii) any other moneys received by the Irish Issuer for the administration and management of the Irish Issuer which does not relate to a specific Series and which is segregated from the assets of each Series, and (iv) those assets securing any other obligations of the Irish Issuer.

The registered office of the Irish Issuer is at Block A, Georges Quay Plaza, Georges Quay, Dublin 2, Ireland (tel. number +353 1 963 1030). The authorised share capital of the Irish Issuer is EUR 40,000 divided into 40,000 ordinary shares of EUR 1 each (the “**Irish Issuer Shares**”), all of which have been issued and fully paid up; 40,000 of the Irish Issuer Shares are registered in the name of Vistra Capital Markets (Ireland) Limited (formerly known as Deutsche International Finance (Ireland) Limited) (the “**Irish Share Trustee**”). The Irish Issuer Shares are held by the Irish Share Trustee under the terms of a declaration of trust (the “**Declaration of Trust**”) dated 18 April 2012 under which the Irish Share Trustee holds them on trust for charitable purposes. The Irish Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Irish Share Trustee) from its holding of the shares of the Irish Issuer.

Business

The principal objects of the Irish Issuer are set forth in clause 3 of its Constitution (as currently in effect) and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter transactions related thereto.

So long as any Note remains outstanding, the Irish Issuer shall not, without the consent of the Trustee, the Swap Counterparty or the Repo Counterparty engage in any business (other than the establishment of the Programme and issuing or entering into Obligations and related agreements as provided for in Master Condition 6(a)) or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Master Conditions and the Principal Trust Deed) or issue any shares (other than such shares as were in issue on the date of this Base Prospectus).

There is no limitation on the number of Series of Notes which the Irish Issuer may have outstanding at any time.

The Irish Issuer has, and will have, no assets that are not Mortgaged Property in respect of a Series of Notes other than sums (if any) from time to time representing the proceeds of (i) its issued and paid-up share capital, (ii) such fees (as agreed) per issue payable to it in connection with (a) any fees paid to the Irish Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), (b) the purchase, sale or entry into of Mortgaged Property, any other assets on

which Notes are secured and/or any other obligations and/or (c) the Programme, and (iii) any moneys received by the Irish Issuer for the management and administration of the Irish Issuer which do not relate to a specific Series and which are segregated from the assets of each Series. Save for in respect of such fees and/or moneys, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Irish Issuer's issued and paid-up share capital, the Irish Issuer will not accumulate any surpluses.

The Irish Issuer's obligations under Notes issued or entered into by it under the Programme are obligations of the Irish Issuer alone and not of, or guaranteed in any way by, the Share Trustees or the Trustee or any other party. Furthermore, they are not obligations of, or guaranteed in any way by, NatWest Markets Plc or any other Transaction Party.

The only assets of the Irish Issuer available to meet the claims of the holders of or counterparties to Notes will be the assets which comprise the Mortgaged Property for the relevant Series of Notes, as described in the Master Conditions.

Corporate Services Agreement

Vistra Alternative Investments (Ireland) Limited (the "**Corporate Services Provider**"), an Irish company, acts as the corporate services provider for the Irish Issuer. The office of the Corporate Services Provider serves as the general business office of the Irish Issuer. Through the office and pursuant to the terms of the corporate services agreement entered into on 18 April 2012 between the Irish Issuer and Deutsche International Corporate Services (Ireland) Limited ("**DICSIL**") and as novated from DICSIL to Vistra Alternative Investments (Ireland) Limited by way of a deed of novation dated 15 July 2018 (the "**Corporate Services Agreement**"), the Corporate Services Provider performs various management functions on behalf of the Irish Issuer, including the provision of certain clerical, reporting, accounting, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Services Provider receives various fees and other charges payable by the Irish Issuer at rates agreed upon from time to time plus expenses. The terms of the Corporate Services Agreement provide that either party may terminate the Corporate Services Agreement upon the occurrence of certain stated events, including any material breach by the other party of its obligations under the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days' written notice to the other party.

The Corporate Services Provider's principal office is Block A, Georges Quay Plaza, Georges Quay, Dublin 2, Ireland.

Directors and Company Secretary

The Irish Issuer's Articles of Association provide that the Board of Directors of the Irish Issuer will consist of at least two Directors.

The Directors of the Irish Issuer and their business addresses are as follows:

| | |
|---------------|---|
| Shengjie Xu | Block A, Georges Quay Plaza, Georges Quay, Dublin 2, Ireland. |
| Eimir McGrath | Block A, Georges Quay Plaza, Georges Quay, Dublin 2, Ireland. |

The Company Secretary is Vistra Alternative Investments (Ireland) Limited.

Financial Statements

The Irish Issuer is required to and will provide the Trustee with written confirmation, on an annual basis, that no Event of Default or other matter that is required to be brought to the Trustee's attention has occurred. The Irish Issuer's financial year end is on 31 December each year. The Irish Issuer's most

recently audited financial statements, for the year ended 31 December 2017, have been filed with Euronext Dublin.

The profit and loss account and balance sheet can be obtained free of charge from the registered office of the Irish Issuer.

The auditors of the Irish Issuer are Deloitte of Earlsfort Terrace, Dublin, Dublin 2, Ireland who are chartered accountants and are members of the Institute of Chartered Accountants and registered auditors qualified to practise in Ireland.

Legal and Arbitration Proceedings

The Irish Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Irish Issuer is aware) since its incorporation which may have or has had since its incorporation significant effects on the financial position or profitability of the Irish Issuer.

No Significant Change in the Irish Issuer's Financial or Trading Position

Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Irish Issuer and no material adverse change in the financial position or prospects of the Irish Issuer since 31 December 2017. As at the date of this Base Prospectus, the Irish Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities, other than as disclosed elsewhere in this Base Prospectus.

Lunar Funding VIII Limited

General

Lunar Funding VIII Limited (the "**Cayman Issuer**") was registered and incorporated on 8 February 2012 under the Companies Law (2011 Revision) of the Cayman Islands, with registration number 266170. The Cayman Issuer has been incorporated for an indefinite period. The Cayman Issuer has been established as a special purpose vehicle for the purpose of issuing asset-backed securities, bonds, notes or other securities or entering into loans or other agreements for the payment or repayment of borrowed money, provided always that such obligations are entered into on a limited recourse and non-petition basis and are secured on assets of the Cayman Issuer other than (i) the Cayman Issuer's share capital, (ii) any fees paid to the Cayman Issuer for agreeing to issue, or enter into, or amend, any Obligations (by way of corporate benefit and for its own account), (iii) any other moneys received by the Cayman Issuer for the administration and management of the Cayman Issuer which does not relate to a specific Series and which is segregated from the assets of each Series, and (iv) those assets securing any other obligations of the Cayman Issuer.

The registered office of the Cayman Issuer is at Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 31119, Grand Cayman, KY1-1205, Cayman Islands (tel. number +345 769 9372). The authorised share capital of the Cayman Issuer is U.S.\$50,000 divided into 50,000 shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares are fully-paid and are registered in the name of Vistra (Cayman) Limited as share trustee (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 18 April 2012 under which the Share Trustee holds them on trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with such shares with the approval of the Trustee for so long as any Obligation is outstanding. Prior to the Termination Date, the trust is an accumulation trust but the Share Trustee has power, with the consent of the Trustee, to benefit holders of Obligations or the Trustee or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Obligation is outstanding. Following the Termination Date, the Share Trustee will wind up the

trust and make a final distribution to charity. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Cayman Issuer.

Business

So long as any Note remains outstanding, the Cayman Issuer shall not, without the consent of the Trustee, the Swap Counterparty and the Repo Counterparty, engage in any business (other than issuing or entering into Obligations and related agreements as provided for in Master Condition 6(a)) or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Master Conditions and the Principal Trust Deed) or issue any shares (other than such shares as were in issue on the date of this Base Prospectus).

There is no limitation on the number of Series of Notes which the Cayman Issuer may have outstanding at any time.

The Cayman Issuer has, and will have, no assets that are not Mortgaged Property in respect of a Series of Notes other than (i) sums (if any) from time to time representing the proceeds of its issued and paid-up share capital, (ii) such fees (as agreed) per issue payable to it in connection with (a) the issue or entry into of or amendment of any Obligations (by way of corporate benefit and for its own account), (b) the purchase, sale or entry into of Mortgaged Property, any other assets on which Notes are secured and/or any other obligations and/or (c) the Programme, and (iii) any moneys received by the Cayman Issuer for the management and administration of the Cayman Issuer which does not relate to a specific Series and which is segregated from the assets of each Series. Save for in respect of such fees and/or moneys, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the subscription proceeds of the Cayman Issuer's issued and paid-up share capital, the Cayman Issuer will not accumulate any surpluses.

The Cayman Issuer's obligations under Obligations issued or entered into by it under the Programme are obligations of the Cayman Issuer alone and not of, or guaranteed in any way by, the Share Trustee or the Trustee or any other party. Furthermore, they are not obligations of, or guaranteed in any way by, NatWest Markets Plc or any other Transaction Party.

The only assets of the Cayman Issuer available to meet the claims of the holders of or counterparties to Notes or the Transaction Parties relating thereto will be the assets which comprise the Mortgaged Property for the relevant Series of Notes, as described in the Master Conditions.

Administrative, Management and Supervisory Bodies

Administration

Vistra (Cayman) Limited (in such capacity, the "**Administrator**") provides administration services to the Cayman Issuer on terms set out in an administration agreement dated 18 April 2012 between the Cayman Issuer, the Arranger and the Administrator (the "**Cayman Administration Agreement**"). The Administrator's duties include the provision of certain management, administrative and related services. The Cayman Issuer (or, as the case may be, the Administrator) may terminate the Cayman Administration Agreement by giving at least 14 days' notice in writing to the other parties thereto if any other party thereto (a) goes into liquidation or is dissolved or commits any other act of bankruptcy under applicable law or (b) commits any breach of its obligations under the Cayman Administration Agreement and (if such breach shall be capable of remedy) fails within 30 days of notice served on it requiring it so to do to make good such breach. The Administrator or the Cayman Issuer may also terminate the Cayman Administration Agreement at any time by giving at least three months' notice in writing to the other parties thereto, provided that, in the case of the Administrator, it may not give notice to terminate its

appointment under the Cayman Administration Agreement unless a replacement Administrator shall have been appointed over the Cayman Issuer on terms substantially the same as those set out in the Cayman Administration Agreement and the Administrator shall have confirmed in writing that it has no claim of any kind against the Cayman Issuer.

The business address of the Administrator is Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 31119, Grand Cayman, KY1-1205, Cayman Islands.

The other significant business of the Administrator is the administration and management of other special purpose companies.

Directors

The Directors of the Cayman Issuer are as follows:

Name

Andy Harding

Helen Allen

The business address of the Directors is the same as the registered office of the Cayman Issuer.

Financial Statements

Since the date of incorporation, the Cayman Issuer has not yet commenced operations and no financial statements of the Cayman Issuer have been prepared as at the date of this Base Prospectus. The Cayman Issuer is not required by Cayman Islands law, and does not intend, to publish any financial statements.

Legal and Arbitration Proceedings

The Cayman Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Cayman Issuer is aware) since its incorporation which may have or has had since its incorporation significant effects on the financial position or profitability of the Cayman Issuer.

No Significant Change in the Cayman Issuer's Financial or Trading Position

Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Cayman Issuer and no material adverse change in the financial position or prospects of the Cayman Issuer since the date of its incorporation.

DESCRIPTION OF THE SWAP COUNTERPARTY AND THE REPO COUNTERPARTY

In addition to the Issuers, NatWest Markets Plc accepts responsibility for the following information. None of the Issuers and the Transaction Parties (other than NatWest Markets Plc) has verified, or (save as otherwise set out on page 4 of this Base Prospectus) accepts any responsibility whatsoever for the accuracy or completeness of, such information and prospective investors in the Notes should make their own independent investigations and enquiries in respect thereof and into NatWest Markets Plc and the Group (as defined below).

Unless specified to the contrary in the applicable Series Prospectus, the Swap Counterparty, the Repo Counterparty, the Disposal Agent and the Calculation Agent for a Series of Notes will be NatWest Markets Plc.

NatWest Markets Plc (formerly known as The Royal Bank of Scotland plc) (the "**Bank**" and, together with its subsidiaries and associated companies, the "**Group**") is a wholly-owned subsidiary of The Royal Bank of Scotland Group plc (together with its subsidiaries and associated companies, the "**RBS Group**"), a large banking and financial services group. The Group has a diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

RBS Group had total assets of £748 billion and owners' equity of £48 billion as at 30 June 2018. RBS Group's capital ratios on the end-point CRR basis as at 30 June 2018, were a total capital ratio of 21.5 per cent., a CET 1 capital ratio of 16.1 per cent. and a Tier 1 capital ratio of 18.1 per cent. RBS Group's capital ratios on the PRA transitional basis as at 30 June 2018 were a total capital ratio of 24.0 per cent., a CET1 capital ratio of 16.1 per cent. and a Tier 1 capital ratio of 19.9 per cent.

The Group had total assets of £731 billion and owners' equity of £11 billion as at 30 June 2018. As at 30 June 2018, the Group's capital ratios on the PRA transitional basis were a total capital ratio of 32.8 per cent., a CET 1 capital ratio of 20.7 per cent. and a Tier 1 capital ratio of 25.0 per cent.

Among others, the Bank has securities admitted to the Official List of UK Listing Authority and to trading on the regulated market of the London Stock Exchange plc.

ORIGINAL COLLATERAL

Notes to be admitted to the Official List and to trading on the regulated market of Euronext Dublin may only be issued under this Base Prospectus by way of Final Terms for the purposes of Article 5.4 of the Prospectus Directive where the Original Collateral is collateral having the following characteristics (**"NatWest Markets Original Collateral"**):

| | |
|--|--|
| Issuer of NatWest Markets Original Collateral: | NatWest Markets Plc (as described under the section of this Base Prospectus headed "Description of the Swap Counterparty and the Repo Counterparty") |
| Status: | Senior, unsecured |
| Legal Nature: | Bonds or loans |
| Governing law: | English law |
| Other: | Admitted to trading on a regulated market or equivalent market |

In all other cases, the Original Collateral in respect of a Series of Notes will be as specified in the applicable Series Prospectus.

THE SWAP AGREEMENT

The following applies only in relation to Notes in connection with which there is a Swap Agreement in respect of which NatWest Markets Plc is the Swap Counterparty. If in respect of a Series where NatWest Markets Plc is not the Swap Counterparty, the applicable Series Prospectus will specify which Swap Agreement applies.

General

In connection with the issue of the Notes, the Issuer may enter into an ISDA 2002 ISDA Master Agreement together with a Schedule thereto (the “**ISDA Master Agreement**”) with a counterparty (the “**Swap Counterparty**”) and may also enter into a credit support annex to the Schedule to the ISDA Master Agreement in the form of the Credit Support Annex (Bilateral Form – Transfer) (the “**Credit Support Annex**”). The Credit Support Annex (if any) will supplement, form part of, and be subject to, the ISDA Master Agreement and will form part of the Schedule thereto (the ISDA Master Agreement as supplemented by the Credit Support Annex (if any) the “**Master Agreement**”). For the purposes of the ISDA Master Agreement, the credit support arrangements set out in the Credit Support Annex (if any) will constitute a transaction for the purposes of the ISDA Master Agreement (for which purposes the Credit Support Annex will constitute the confirmation). In connection with the issue of the Notes, the Issuer may enter into one or more transactions under the ISDA Master Agreement (each such transaction, a “**Swap Transaction**”, and the confirmation(s) evidencing such transaction(s) together with the Master Agreement, the “**Swap Agreement**”). Any Swap Agreement will be governed by the laws of England and Wales.

Except as provided in the Trust Deed, the terms of a Swap Agreement may not be amended without the consent of the Trustee and, in respect of a material change only, the Noteholders themselves. The Trustee can agree, without the consent of the Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may (subject to limits set out in the Trust Deed) also agree to any modification that is in its opinion not materially prejudicial to the interests of the Noteholders,

Set out below are summaries of certain provisions of the Swap Agreement (and should be construed as such) that will be applicable if the Swap Counterparty is NatWest Markets Plc.

Payments

The Swap Agreement sets out certain payments to be made from the Issuer to the Swap Counterparty and vice versa. Payments by the Issuer under the Swap Agreement will be limited recourse obligations and will be funded from sums received (i) on the issue of the relevant Notes, (ii) in respect of the Collateral (if any) relating to such Notes and/or (iii) pursuant to the Repo Agreement (if any) relating to such Notes.

The payments required between the Issuer and the Swap Counterparty under the Swap Agreement are designed to ensure that following the making of such payments the Issuer will have such funds, when taken together with remaining amounts available to it from the issue of the relevant Notes and/or received in respect of the Collateral (if any) relating to such Notes, as are necessary for it to meet its obligations under such Notes and the related Transaction Documents. Such obligations may include, without limitation, its obligation:

- (i) to pay the purchase price for the Collateral (if any) relating to the relevant Series of Notes;
- (ii) to make payments of any Interest Amount (or any other amount payable by it by way of interest), Instalment Amount and Final Redemption Amount;

- (iii) to make payments under any Repo Agreement;
- (iv) to make payment of certain fees and expenses to Agents, rating agencies, accountants, auditors or other service providers which fees and expenses are associated with or are attributable to such Notes; and/or
- (v) to make payment of any fees payable to any portfolio manager (if any) appointed by the Issuer in respect of the Swap Agreement and/or the Notes or any other manager, administrator or adviser providing a service or performing a function with respect to any Collateral, the Swap Agreement and/or the Notes.

The exact payments due under the Swap Agreement for a particular Series will vary from Series to Series depending on the terms of the relevant Series. The exact payments will be agreed between the Issuer and the Swap Counterparty at the time of entry into of the relevant Swap Agreement. There is no restriction upon the payments that may be agreed. In addition, Collateral may be transferable to or from the Issuer under the Credit Support Annex. As with payments under the Swap Agreement, the provisions of the Credit Support Annex will be agreed between the Issuer and the Swap Counterparty at the time of entry into of the relevant Swap Agreement. There is no restriction upon the provisions that may be agreed under the Credit Support Annex.

Events of Default

The Swap Agreement provides for certain “**Events of Default**” (as defined in the Swap Agreement) relating to the Issuer and the Swap Counterparty, the occurrence of which may lead to a termination of the Swap Agreement.

The Events of Default which relate to the Issuer are limited to:

- (i) failure by the Issuer to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (ii) certain bankruptcy events relating to the Issuer; and
- (iii) the Issuer consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as, another entity in circumstances where the resultant, surviving or transferee entity fails to assume all the obligations of the Issuer under the Swap Agreement.

The Events of Default which relate to the Swap Counterparty are limited to:

- (i) failure by the Swap Counterparty to make, when due, any payment or delivery under the Swap Agreement required to be made by it if not remedied within the time period specified therein;
- (ii) certain breaches by the Swap Counterparty of its obligations under the Swap Agreement which are not following notice of such failure remedied within the time period specified therein;
- (iii) the Swap Counterparty disaffirming, disclaiming, repudiating or rejecting, in whole or in part, or challenging the validity of the Swap Agreement, or any relevant Confirmation or Swap Transaction;
- (iv) certain representations made by the Swap Counterparty in the Swap Agreement proving to be incorrect or misleading in any material respect when made or repeated;
- (v) certain bankruptcy events relating to the Swap Counterparty; and
- (vi) the Swap Counterparty consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets to, or reorganising, reincorporating or reconstituting into or as,

another entity in circumstances where the resulting, surviving or transferee entity fails to assume all the obligations of the Swap Counterparty under the Swap Agreement.

Upon the occurrence of an Event of Default under the Swap Agreement, the non-defaulting party may deliver a notice of termination designating an Early Termination Date in respect of all outstanding Swap Transactions under the Swap Agreement.

Termination Events

The Swap Agreement provides for certain “Termination Events” (as defined in the Swap Agreement) the occurrence of any of which may lead to termination of all outstanding Swap Transactions under the Swap Agreement. These include:

- (i) the occurrence of certain illegality and force majeure events;
- (ii) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax and (i) such withholding or deduction arises as a result of a change in tax law or as a result of any action taken by a taxing authority or a court after the entry into of the relevant Swap Transaction(s) or (ii) arises on account of FATCA;
- (iii) if sums paid or received under the relevant Swap Transaction(s) are subject to a withholding or a deduction on account of tax as a result of certain merger events with respect to the Issuer or the Swap Counterparty;
- (iv) the occurrence of an event which would, upon it being instructed to do so or upon it becoming aware of such event, as the case may be, entitle or require, or which has entitled or required, the Issuer (or another party acting on its behalf) to deliver an Early Redemption Notice under the Notes or if the Swap Counterparty reasonably determines that such an event is likely to occur (other than an Early Redemption Notice pursuant to Master Condition 8(i)) or the Swap Counterparty reasonably determines that such an event is likely to occur; and
- (v) any Transaction Document relating to the relevant Series of Notes is amended or waived without the Swap Counterparty’s prior written consent, such that the Swap Counterparty would, immediately after such amendment or waiver, be required to pay more or receive less under the Swap Agreement on any following payment date than would otherwise have been the case immediately prior to such amendment or waiver, the rights of the Swap Counterparty are contractually subordinated to any other Secured Creditor, or the Issuer breaches certain covenants set out in the Trust Deed.

The occurrence of the events described in paragraphs (i) to (iv) above will entitle the Issuer or the Swap Counterparty, depending on who is the “**Affected Party**” (as such term is defined in the Swap Agreement), to terminate the Swap Agreement and the occurrence of the event described in paragraph (v) above will entitle the Swap Counterparty to terminate the Swap Agreement.

Early Termination Amount

In connection with any “**Early Termination Date**” (as defined in the Swap Agreement), either the Swap Counterparty or the Issuer will be required to determine the “**Early Termination Amount**” (as defined in the Swap Agreement) under the Swap Agreement and whether such amount is payable from the Issuer to the Swap Counterparty or vice versa. Which of the Swap Counterparty or the Issuer determines the Early Termination Amount will depend on the reason for the termination of the Swap Agreement. Where the termination is as a result of an Event of Default, it will be the non-defaulting party who makes the determination. Where the termination is as a result of a Termination Event, the Swap Agreement will

specify for each event which of the parties will make such determination (or, in certain circumstances, that both parties will make such determination).

The Early Termination Amount is calculated by reference to the costs that would be incurred by the party making the calculation in replacing (or providing the economic equivalent of) the rights and obligations that have been terminated, or the gain that would be made in so doing (referred to in the Swap Agreement as the “**Close-out Amount**”) and taking into account the value of any collateral posted between the parties pursuant to any Credit Support Annex to the Swap Agreement.

Under the Agency Agreement, where the Issuer is the party required to make the calculation of the Close-out Amount, the Calculation Agent has agreed to make the requisite calculation on behalf of the Issuer. If a Calculation Agent Bankruptcy Event occurs in such circumstances, there may be a delay in the determination of the Close-out Amount (and, as a result, in the payment of the Early Termination Amount) pending appointment of a replacement Calculation Agent as provided in the Master Conditions.

The termination currency in respect of a Swap Agreement will be the currency in which the relevant Series to which such Swap Agreement relates is denominated.

THE REPO AGREEMENT

The following applies only in relation to Notes in connection with which there is a Repo Agreement in respect of which NatWest Markets Plc is the Repo Counterparty. If in respect of a Series where NatWest Markets Plc is not the Repo Counterparty, the applicable Series Prospectus will specify which Repo Agreement applies.

General

In connection with the issue of the Notes, the Issuer may enter into a Global Master Repurchase Agreement (2000 version) published by the International Securities Markets Association and the Bond Market Association together with an Annex I thereto (the “**Master Repo Agreement**”) with a counterparty (the “**Repo Counterparty**”). In connection with the issue of the Notes, the Issuer may enter into one or more repurchase transactions under the Master Repo Agreement with the Issuer as the buyer and the Repo Counterparty as the seller (or vice versa) (each such transaction, a “**Repo Transaction**”, and the confirmation(s) evidencing such transaction(s) together with the Master Repo Agreement, the “**Repo Agreement**”). Any Repo Agreement will be governed by English law.

Except as provided in the Trust Deed, the terms of a Repo Agreement may not be amended without the consent of the Trustee and, in respect of a material change only, the Noteholders themselves. The Trustee can agree, without the consent of the Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may (subject to limits set out in the Trust Deed) also agree to any modification that is in its opinion not materially prejudicial to the interests of the Noteholders.

Set out below are summaries of certain provisions of the Repo Agreement (and should be construed as such) that will be applicable if the Repo Counterparty is NatWest Markets Plc.

Payments

The Repo Agreement sets out certain payments to be made from the Issuer to the Repo Counterparty and vice versa. Payments by the Issuer under the Repo Agreement will be limited recourse obligations and will be funded from sums received (i) on the issue of the relevant Notes, (ii) in respect of the Collateral (if any) relating to such Notes and/or (iii) pursuant to the Swap Agreement (if any) relating to such Notes.

The payments required between the Issuer and the Repo Counterparty under the Repo Agreement are designed to ensure that following the making of such payments the Issuer will have such funds, when taken together with remaining amounts available to it from the issue of the relevant Notes and/or received in respect of the Collateral (if any) relating to such Notes and/or received pursuant to the Swap Agreement, as are necessary for it to meet its obligations under such Notes and the related Transaction Documents. Such obligations may include, without limitation, its obligation:

- (i) to pay the purchase price for the Collateral (if any) relating to the relevant Series of Notes;
- (ii) to make payments of any Interest Amount (or any other amount payable by it by way of interest), Instalment Amount and Final Redemption Amount;
- (iii) to make payments under any Swap Agreement;
- (iv) to make payment of certain fees and expenses to Agents, rating agencies, accountants, auditors or other service providers which fees and expenses are associated with or are attributable to such Notes; and/or

- (v) to make payment of any fees payable to any portfolio manager (if any) appointed by the Issuer in respect of the Swap Agreement, the Repo Agreement and/or the Notes or any other manager, administrator or adviser providing a service or performing a function with respect to any Collateral, the Swap Agreement, the Repo Agreement and/or the Notes.

The exact payments due under the Repo Agreement for a particular Series will vary from Series to Series depending on the terms of the relevant Series. The exact payments will be agreed between the Issuer and the Repo Counterparty at the time of entry into of the relevant Repo Agreement. There is no restriction upon the payments that may be agreed. In addition, Collateral may be transferable to or from the Issuer in relation to the margining provisions of the Repo Agreement. As with payments under the Repo Agreement, the margining provisions will be agreed between the Issuer and the Repo Counterparty at the time of entry into of the relevant Repo Agreement. There is no restriction upon the margining provisions that may be agreed.

Events of Default

The Repo Agreement provides for certain “Events of Default” (as defined in the Repo Agreement) relating to the Issuer and the Repo Counterparty, the occurrence of which may lead to a termination of the Repo Agreement.

The Events of Default under the Repo Agreement include:

- (i) failure by the Issuer or the Custodian acting on its behalf, to make, when due, any payment or delivery of any asset required to be made by it if not remedied within the time period specified therein;
- (ii) the occurrence of an event which would, upon it being instructed to do so or upon it becoming aware of such event, as the case may be, entitle or require, or which has entitled or required, the Issuer (or another party acting on its behalf) to deliver an Early Redemption Notice under the Notes or if the Repo Counterparty reasonably determines that such an event is likely to occur (other than an Early Redemption Notice pursuant to Master Condition 8(j)) or the Repo Counterparty reasonably determines that such an event is likely to occur;
- (iii) any Transaction Document relating to the relevant Series of Notes is amended or waived without the Repo Counterparty's prior written consent, such that the Repo Counterparty would, immediately after such amendment or waiver, be required to pay more or receive less under the Repo Agreement on any following payment date than would otherwise have been the case immediately prior to such amendment or waiver, the rights of the Swap Counterparty are contractually subordinated to any other Secured Creditor, or the Issuer breaches certain covenants set out in the Trust Deed;
- (iv) failure by either party to make, when due, any payment or delivery under the Repo Agreement required to be made by it if not remedied within the time period specified therein;
- (v) failure by either party to comply with the relevant margin maintenance provisions under the Repo Agreement, to the extent applicable;
- (vi) failure by either party to transfer or credit to the other party a sum equal to (and in the same currency as) any sum it receives as income in respect of any securities transferred to it under the Repo Agreement, on the date it receives such income;
- (vii) certain insolvency events relating to either party;
- (viii) any representations made by either party in the Repo Agreement proving to be incorrect or misleading in any material respect when made or repeated;

- (ix) either party admitting to the other that it is unable to, or intends not to, perform its obligations under the Repo Agreement;
- (x) circumstances where either party is suspended or expelled from membership of or participation in any securities exchange or association or other self-regulating organisation, or suspended from dealing in securities by any government agency, or any of the assets of either party or the assets of investors held by, or to the order of, either party are transferred or ordered to be transferred to a trustee by a regulatory authority pursuant to any securities regulating legislation, and
- (xi) a breach by either party of its obligations under the Repo Agreement which are not following notice of such failure remedied within the time period specified therein.

Upon the occurrence of an Event of Default under the Repo Agreement, the non-defaulting party may deliver a notice of default designating an Event of Default and the Repurchase Date for each Transaction under the Repo Agreement will be deemed immediately to occur subject to the provisions of the Repo Agreement.

Consequences of Early Termination

In connection with any “Event of Default” (as defined in the Repo Agreement) that triggers the acceleration of the Repo Agreement (either as a result of a “Default Notice” (as defined in the Repo Agreement) being served or where no such “Default Notice” is required to be served in respect of the particular Event of Default) (a “**Repo Acceleration**”), either the Repo Counterparty or the Issuer will be required to determine the amounts payable or securities deliverable from one party to the other under the Repo Agreement.

Other than where the relevant “Event of Default” is an insolvency event relating to either the Repo Counterparty or the Issuer (referred to as an “Act of Insolvency” under the Repo Agreement), (i) the Repo Counterparty will have the option upon the occurrence of a Repo Acceleration to elect whether to satisfy its obligations under the Repo Agreement wholly in cash or through a combination of cash (to the extent any cash amount is payable by it under the Repo Agreement) and securities (to the extent it owes an obligation to transfer securities to the Issuer) and (ii) the Issuer will be required to satisfy its obligations under the Repo Agreement through a combination of cash (to the extent any cash amount is payable by it under the Repo Agreement) and securities (to the extent it owes an obligation to transfer securities to the Repo Counterparty). If either party fails to make any payments or deliveries required to be made by it in such circumstances, any outstanding obligation to deliver securities by either party to the other will be valued and the cash value of such obligation will instead be payable by the relevant party. Where the relevant “Event of Default” is an “Act of Insolvency” relating to the Repo Counterparty or the Issuer, both the Repo Counterparty and the Issuer will be required to satisfy their respective obligations under the Repo Agreement wholly in cash.

Other than where the Repo Counterparty is subject to an “Act of Insolvency” under the Repo Agreement, in which case the Issuer will make any determinations under the Repo Agreement, the Repo Counterparty will make all determinations under the Repo Agreement relating to an early termination thereof. Where cash amounts are determined to be payable by one party to the other following an Event of Default, to the extent such amounts are in substitution of an obligation to transfer securities owed by one party to the other, such amount will be determined as either the sale price of such securities (taking into account fees, costs and expenses incurred by the party selling the securities) or their fair market value, in accordance with the Repo Agreement.

The termination currency in respect of a Repo Agreement will be the currency in which the relevant Series to which such Repo Agreement relates is denominated.

SECURITY ARRANGEMENTS

The Security may include a fixed charge over the Collateral which may be held by or through the Custodian through Euroclear and/or Clearstream, Luxembourg and/or an alternative clearing system (each, a “**clearing system**”). The charge is intended to create a property interest in the Collateral in favour of the Trustee to secure the Issuer’s liabilities. However, where the Collateral is held through a clearing system, neither the Issuer nor the Custodian is the legal owner of the physical collateral itself but instead they merely have interests in that physical collateral. As between the Issuer and the Custodian, such interests arise from the Agency Agreement. In turn, the Custodian will have rights either against an intermediary or against the relevant clearing system as an accountholder in that clearing system; the clearing system will have rights against the common depositary and the common depositary will have rights against the issuer of the Collateral. As a result, where Collateral is held in a clearing system, the Security will take the form of an assignment of the Issuer’s rights against the Custodian under the Agency Agreement, rather than a charge over the Collateral itself.

TAXATION

Ireland Tax Considerations

Irish Taxation

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes issued by the Irish Issuer based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with individuals and companies who beneficially own their Notes as an investment (for the purposes of this section (Ireland Tax Considerations), the “Noteholders”). Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which should include interest payable on the Notes. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note does not come within certain rules introduced by the Finance Act 2016 and Finance Act 2017 (as described below under the heading “Deductibility of Interest”) and falls within one of the following categories and meets the relevant conditions:

(a) Interest paid on a quoted Eurobond:

A quoted Eurobond is a security which is issued by a company (such as the Issuer), is listed on a recognised stock exchange (such as Euronext Dublin) and carries a right to interest. Provided that the Notes issued under this Programme carry an amount in respect of interest and are listed on Euronext Dublin (or any other recognised stock exchange), interest paid on them can be paid free of withholding tax provided:

- (i) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
 - (A) the Note is held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (B) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (ii) Interest which is profit dependent and which is paid out on the Notes could, under certain anti-avoidance provisions, be re-characterised as a distribution and subject to dividend withholding tax in certain circumstances. However, this should not apply on the basis of a confirmation by the Issuer that, at the time the Notes were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the Notes would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that relevant territory by persons from sources outside that relevant territory, where the term “relevant territory” means a member state of the European

Union (other than Ireland) or a country with which Ireland has signed a double tax treaty ("**Relevant Territory**").

Thus, so long as the Notes continue to be quoted on Euronext Dublin, are held in a recognised clearing system and the Issuer has provided the confirmations set out in paragraph (ii) above, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and the Issuer has provided the confirmations set out in paragraph (ii) above.

(b) **Short interest:**

Short interest is interest payable on a debt for a fixed period that is not intended to exceed and, in fact, does not exceed, 365 days. The test is a commercial test applied to the commercial intent of each series of Notes issued under the Programme. For example, if there is an arrangement or understanding (whether legally binding or not) for the relevant series of Notes (or particular Note within a series) to have a life of 365 days or more, the interest paid on the relevant Note(s) will not be short interest and, unless an exemption applies, a withholding will arise. Short interest paid on the Notes can be paid free of withholding tax provided one of the following conditions is satisfied:

- (i) the Noteholder is resident for tax purposes in Ireland; or
- (ii) the Noteholder is a pension fund, government body or other person which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory and which is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholders, nor any person connected with the Noteholders, is a person or persons: (a) from whom the Issuer has acquired assets; (b) to whom the Issuer has made loans or advances; or (c) with whom the Issuer has entered into a swap agreement, where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or
- (iii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

(c) **Interest paid on a wholesale debt instrument:**

A "wholesale debt instrument" includes commercial paper (as defined in Section 246A(1) of the Taxes Consolidation Act, 1997, of Ireland (the "**TCA**"). In that context "commercial paper" means a debt instrument, either in physical or electronic form, relating to money in any currency, which is issued by a company, recognises an obligation to pay a stated amount, carries a right to interest or is issued at a discount or at a premium, and matures within 2 years. The exemption from Irish withholding tax applies if:

- (i) the wholesale debt instrument is held in a recognised clearing system (which includes Clearstream and Euroclear); and
- (ii) the wholesale debt instrument is of an approved denomination; and in this context an approved denomination means a denomination of not less than:
 - (A) in the case of an instrument denominated in euro, €500,000;
 - (B) in the case of an instrument denominated in United States Dollars, US\$500,000; or

- (C) in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000 (using the conversion rate applicable at the time the programme under which the instrument is to be issued is first publicised); and
- (iii) Interest which is profit dependent and which is paid out on the Notes could, under certain anti-avoidance provisions, be re-characterised as a distribution and subject to dividend withholding tax in certain circumstances. However, this should not apply on the basis of a confirmation by the Issuer that, at the time the Notes were issued, the Issuer was not in possession or aware of any information which could reasonably be taken to indicate that interest or other distributions paid on the Notes would not be subject, without reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that relevant territory by persons from sources outside that relevant territory, where the term “relevant territory” means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (“**Relevant Territory**”).
- (d) **Interest paid by a qualifying company or in the ordinary course of business to certain non-residents:**

If, for any reason, the exemptions referred to above cease to apply, interest payments may still be made free of withholding tax provided that:

 - (i) either:
 - (A) the Issuer remains a “qualifying company” as defined in Section 110 of the TCA and the Noteholder is a person which is resident in a Relevant Territory, and where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency; or
 - (B) the interest is paid in the ordinary course of the Issuer’s business and the Noteholder is:
 - (I) a company which (1) by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, and that Relevant Territory imposes a tax that generally applies to interest receivable in that Relevant Territory by companies from sources outside that Relevant Territory, and (2) does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; or
 - (II) a company where (1) the interest payable to it is exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest was paid, and (2) it does not receive the interest payment in connection with a trade or business which is carried on in Ireland by it through a branch or agency; and
 - (ii) one of the following conditions is satisfied:
 - (A) the Noteholder is a pension fund, government body or other person who is resident in a Relevant Territory and who, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory and which is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholders, nor any person connected with the Noteholders, is a person or persons: (a)

from whom the Issuer has acquired assets; (b) to whom the Issuer has made loans or advances; or (c) with whom the Issuer has entered into a swap agreement, where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or

- (B) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident.

For other Noteholders, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the provisions of the relevant treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

Deductibility of Interest

Rules contained in the Finance Act 2016 and Finance Act 2017 restrict the deductibility of interest paid by a qualifying company (such as the Issuer) that is profit dependent or exceeds a reasonable commercial return to the extent that the interest is associated with a 'specified property business' carried on by that qualifying company. A 'specified property business' of a qualifying company means, subject to a number of exceptions, a business of holding 'specified mortgages', units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA), or shares that derive their value from, or the greater part of their value from, directly or indirectly, Irish land. A 'specified mortgage' for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land, (b) a 'specified agreement' (effectively a profit dependent derivative) which derives its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies, (c) the portion of a specified security (essentially a security in respect of which, if the Finance Act 2016 and Finance Act 2017 rules did not apply to it, payments on that security would be deductible under section 110 of the TCA) that is attributable to the specified property business in accordance with the rules or (d) units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA).

The legislation treats the holding of such assets as a separate business to the rest of the qualifying company's activities. The qualifying company is taxed on any profit that is attributable to that business at 25 per cent. and any such interest that is profit dependent or exceeds a reasonable commercial return is not deductible and potentially subject to Irish withholding tax at 20 per cent.

Accordingly, on the basis that the Issuer has not acquired and will not acquire 'specified mortgages' for the purposes of Section 110 of the TCA, units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA), or shares that derive their value from, or the greater part of their value from, directly or indirectly, Irish land, the new rules should not apply to this transaction.

Encashment Tax

In certain circumstances (e.g. quoted Eurobonds), Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax with respect to such interest. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest they receive on the Notes.

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax, notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest paid by the Issuer is exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption or under the wholesale debt instruments exemption is exempt from income tax where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory is resident for the purposes of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, or is a company where the principal class of shares of the company or its 75 per cent. parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions is within the charge to income tax and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

Noteholders will not be subject to Irish tax on capital gains on a disposal of Notes unless (i) such Noteholder is either resident or ordinarily resident in Ireland or (ii) such Noteholder carries on a trade in Ireland through a branch or agency in respect of which the Notes were used or held or (iii) the Notes cease to be listed on a stock exchange in circumstances where the Notes derive their value or more than 50 per cent. of their value from Irish real estate, mineral rights or exploration rights.

Capital Acquisitions Tax

A gift or inheritance of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, is currently levied at 33 per cent.) if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

Stamp Duty

No stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes provided the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business (on the basis of an exemption provided for in Section 85(2)(c) of the Irish Stamp Duties Consolidation Act 1999).

Cayman Islands Tax Considerations

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

Cayman Islands Taxation

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

Under existing Cayman Islands laws:

- (a) payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax; and
- (b) the holder of any certificate evidencing a Registered Note, Bearer Note, Coupon or Talon (or the legal personal representative of such holder) whose certificate evidencing a Registered Note, Bearer Note, Coupon or Talon is brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such certificate evidencing a Registered Note, Bearer Note, Coupon or Talon. An instrument transferring title to a Registered Note, if brought into or executed in the Cayman Islands, would be subject to Cayman Islands stamp duty.

The Company has been incorporated under the laws of the Cayman Islands as an exempted company and, as such, has applied for and obtained an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

**“THE TAX CONCESSIONS LAW
(2011 REVISION)
UNDERTAKING AS TO TAX CONCESSIONS**

In accordance with Section 6 of The Tax Concessions Law (2011 Revision), the Governor in Cabinet undertakes with:

Lunar Funding VIII Limited “the Company”

- (a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable
- (c) on or in respect of the shares debentures or other obligations of the Company; or
- (d) by way of the withholding in whole or part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (2011 Revision).

These concessions shall be for a period of TWENTY years from the 1st day of May 2012

CLERK OF THE CABINET”.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and conditions contained in the dealer agreement (constituted by the execution of the Programme Deed) (the **"Dealer Agreement"**), the Notes may be sold to NatWest Markets Plc or any other financial institution appointed as dealer under the Dealer Agreement (together, the **"Dealers"**), who shall act as principals in relation to such sales. The Dealer Agreement also provides for Notes to be issued in Series or Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer may pay a Dealer a commission as agreed between the Issuer and a Dealer in respect of the Notes subscribed by it.

By entering into the relevant Dealer Agreement, the Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and itself only, by any Dealer, at any time on giving not less than 10 days' notice.

The Dealers may sell Notes to subsequent purchasers in individually negotiated transactions at negotiated prices, which may vary among different purchasers and which may be greater or less than the Issue Price of the Notes.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, and may not at any time be offered or sold within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S), (b) a U.S. person (as defined in the U.S. Credit Risk Retention Rules) or (c) not a Non-United States person (as defined in CFTC Rule 4.7, but excluding for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons). Terms used in this paragraph and not otherwise defined have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not at any time be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations (but excluding for purposes of TEFRA D), transactions that would permit resale of the Notes after the expiration of the restricted period to a person who is 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 U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed that it has not offered, sold or delivered and will not at any time offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution or (ii) otherwise within the United States or to, or for the account or benefit of, any person who is (a) a U.S. person (as defined in Regulation S), (b) a U.S. person (as defined in the U.S. Credit Risk Retention Rules) or (c) not a Non-United States person (as defined in CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons), and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), persons who are not Non-United States persons (as defined in CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States

persons) and U.S. persons (as defined in the U.S. Credit Risk Retention Rules). Terms used in this paragraph and not otherwise defined have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes and which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs (ii) to (iv) 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 Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

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

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

Ireland

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

- (i) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (Requirement for authorisation and certain provisions concerning MTFs and OTFs) thereof, or any codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (ii) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Companies Act**"), the Central Bank Acts 1942-2015 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (iii) it will not underwrite the issue of, or place, or do anything in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (the "**Central Bank**") under Section 1363 of the Companies Act;
- (iv) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act; and
- (v) it will ensure no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank of Ireland.

Cayman Islands

Each Dealer has agreed that, where the Issuer is incorporated in the Cayman Islands, no invitation whether direct or indirect may be made to the public in the Cayman Islands to subscribe for Notes by or

on behalf of such Issuer unless at the time of invitation such Issuer is listed on the Cayman Islands Stock Exchange. The Issuer has no intention of applying for such a listing. Where the Issuer is not incorporated in the Cayman Islands, no Notes may be sold by or on behalf of such Issuer within the Cayman Islands if such sale would require such Issuer to be registered as a foreign company under the Companies Law (2018 Revision) of the Cayman Islands.

General

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

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms or Series Prospectus, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms or Series Prospectus and neither the Issuer nor any other Dealer shall have responsibility therefor.

GENERAL INFORMATION

- (i) Each Issuer has obtained all necessary consents, approvals and authorisations in connection with the update of the Programme and with the issue and performance of the Notes issued by it. The annual update of the Programme was authorised in the case of the Irish Issuer on 13 February 2019 and the Cayman Issuer on 12 February 2019 by resolutions of their Board of Directors.
- (ii) Save as disclosed herein, there has been no significant change in the financial or trading position of either of the Issuers and no material adverse change in the financial position or prospects of either Issuer since the date of its last published financial statements on 31 December 2017 in respect of Lunar Funding VII plc and the date of its incorporation on 8 February 2012 in respect of Lunar Funding VIII Limited.
- (iii) Each Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which such Issuer is aware) which may have or have had since the date of its incorporation a significant effect on its financial position or profitability.
- (iv) Each Bearer Note having a maturity of more than one year, Receipt and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
- (v) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the applicable Final Terms or Series Prospectus.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms or Series Prospectus.

- (vi) Where information in this Base Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (vii) The issue price and the amount of the relevant Notes will be determined, before filing of the applicable Final Terms or Series Prospectus of each Tranche, based on then prevailing market conditions. Neither Issuer intends to provide any post-issuance information in relation to any issues of Notes or in relation to the Collateral.
- (viii) For so long as Notes may be issued pursuant to this Base Prospectus (in respect of sub-paragraphs (a) to (h) below and for so long as any listed Note remains outstanding, from the date of the relevant document (in respect of paragraph (i) below), copies of the following documents will be available in printed form free of charge, during the hours between 9:00 a.m. and 5:00 p.m. (with respect to the location of the relevant offices specified below) on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the relevant Issuer and at the specified office of the Issuing and Paying Agent:
 - (a) the Programme Deed, together with any amendments and/or supplements thereto;

- (b) the documents comprising the Principal Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Global Certificate, the Certificates, the Coupons, the Receipts and the Talons);
 - (c) the documents comprising the Agency Agreement;
 - (d) the Memorandum and Articles of Association of the Cayman Issuer;
 - (e) the Constitution of the Irish Issuer;
 - (f) the Declaration of Trust;
 - (g) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further prospectus;
 - (h) each Final Terms or Series Prospectus (save that the Series Prospectus relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Issuing and Paying Agent as to its holding of Notes and identity) and each subscription agreement (if any) and the documents comprising the Trust Deed, Swap Agreement, Repo Agreement and Agency Agreement for Notes which are listed on the Official List and admitted to trading on the regulated market of Euronext Dublin; and
 - (i) the documents set out in the "Documents Incorporated by Reference" section of this Base Prospectus.
- (ix) The Base Prospectus, the Final Terms or Series Prospectus for Notes that are listed on the Official List and admitted to trading on the regulated market of Euronext Dublin will be published on the website of the Central Bank of Ireland (<http://www.centralbank.ie>).
 - (x) Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.
 - (xi) Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent in connection with the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Directive.

APPENDIX 1 – FORM OF FINAL TERMS

Final Terms dated [●]

[NAME OF ISSUER]

Issue of [AGGREGATE NOMINAL AMOUNT OF TRANCHE] [TITLE OF NOTES]

under the [PROGRAMME SIZE]

Secured Note Programme

PART A – CONTRACTUAL TERMS

The Notes issued by the Issuer will be subject to the Master Conditions and also to the following terms (such terms, together with any schedules or annexes hereto, the “**Final Terms**”) in relation to the Notes.

Terms used herein shall be deemed to be defined as such for the purposes of the Master Conditions set forth in the Base Prospectus dated 14 February 2019 [and the Supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus [for the purposes of the Prospectus Directive [*Include only if Notes are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU*]]¹ (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive [*Include only if Notes are to be admitted to trading on a regulated market for the purposes of Directive 2014/65/EU*]]² and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as supplemented]. The Base Prospectus [as supplemented] is available for viewing at [●] [[and] during normal business hours at [●]] [and copies may be obtained from [●]].

These Final Terms and the Base Prospectus [as supplemented] are available for viewing at [www.centralbank.ie] [[and] during normal business hours at [●]] [and copies may be obtained from [●]].

(Consideration should be given as to whether any matters may constitute “significant new factors” and may consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

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

SERIES DETAILS

- | | | |
|---|---|-----|
| 1 | Issuer: | [●] |
| 2 | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> | |
| 3 | Specified Currency: | [●] |
| 4 | Aggregate Nominal Amount of Notes: | [●] |
| | [(i)] Series: | [●] |

¹Remove this wording where the Notes are not to be issued pursuant to the Prospectus Directive.

²Remove this wording where the Notes are not to be issued pursuant to the Prospectus Directive.

| | | |
|----|---|---|
| | [(ii) Tranche: | [●] |
| 5 | Issue Price: | [●] per cent. of the Aggregate Nominal Amount |
| 6 | (i) Specified Denominations: | [●] |
| | (ii) Calculation Amount: | [●] |
| 7 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Issue Date]/[●]/[Not Applicable] |
| 8 | Maturity Date: | [Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] |
| 9 | Interest Basis: | [[●] per cent. Fixed Rate] [Floating Rate] [Zero Coupon] (Further particulars specified below) |
| 10 | Redemption/Payment Basis: | [Redemption at par] [Redemption at Final Redemption Amount] |
| 11 | Change of Interest or Redemption/ Payment Basis: | [Applicable] [Not Applicable] |
| 12 | [Date [Board] approval for issuance of Notes obtained: | [●] [and [●], respectively]] (Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes) |
| 13 | Method of distribution: | [Syndicated]/[Non-syndicated] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|----|----------------------------------|--|
| 14 | Fixed Rate Note Provisions: | [Applicable][Not Applicable] (If Not Applicable, delete the remaining sub- paragraphs of this paragraph) |
| | (i) Rate[(s)] of Interest: | [●] per cent. per annum [payable [annually]/[semi- annually]/[quarterly]/[monthly]/[in arrear] |
| | (ii) Interest Commencement Date: | [●] (Only specify if different to the Issue Date) |
| | (iii) Interest Payment Date(s): | [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of " Business Day "]/[not adjusted] |
| | (iv) Fixed Coupon Amount[(s)]: | [●] per Calculation Amount |
| | (v) Broken Amount(s): | [●] per Calculation Amount payable on the Interest Payment Date falling [in]/[on] [●] |
| | (vi) [Interest Amount: | [●] (If not specified, " Interest Amount " will be the Fixed Coupon Amount or Broken Amount, as applicable. If this is desirable, then this sub-paragraph (vi) can be deleted)] |
| | (vii) Day Count Fraction: | [Actual/Actual][Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] |

| | | |
|----|---|---|
| | | [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]] |
| | (viii) [Determination Dates: | [•] in each year (<i>Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA))</i>] |
| 15 | Floating Rate Note Provisions: | [Applicable]/[Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) |
| | (i) Interest Period(s): | [•] |
| | (ii) Specified Interest Payment Dates: | [•] |
| | (iii) Interest Period Date: | [•] |
| | (iv) Business Day Convention: | [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention] |
| | (v) Business Centre(s): | [•] |
| | (vi) Manner in which the Rate(s) of Interest is/are to be determined: | [ISDA Determination] |
| | (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [•] |
| | (viii) ISDA Rate: | |
| | – Floating Rate Option: | [•] |
| | – Designated Maturity: | [•] |
| | – Reset Date: | [•] |
| | (ix) Margin(s): | [+]/[-]/[•] per cent. per annum |
| | (x) Day Count Fraction: | [Actual/Actual]/[Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]] |
| | (xi) Interest Determination Date: | [[•] in each year]/[Not Applicable] |
| 16 | Zero Coupon Note Provisions: | [Applicable]/[Not Applicable] |

MORTGAGED PROPERTY

17 Mortgaged Property:

- (i) Original Collateral: The Original Collateral shall comprise [**•**] in principal amount of an issue of NatWest Markets Plc of [*insert description of the underlying assets*] identified below:
- Asset:
- | | |
|---|--------------|
| ISIN: | [•] |
| Bloomberg Ticker: | [•] |
| Coupon: | [•] |
| Maturity: | [•] |
| Currency: | [•] |
| Regulated market on which Original Collateral is admitted to trading: | [•] |
- [Long-Dated Collateral: [Applicable]/[Not Applicable]
- Final Liquidation Commencement Date: [**•**]
(delete unless Original Collateral has a stated maturity date falling after the Maturity Date)
- (ii) Swap Agreement: [Applicable]/[Not Applicable]
- (iii) Credit Support Annex: [Applicable]/[Not Applicable]

PROVISIONS RELATING TO REDEMPTION

- | | | |
|----|---------------------------------------|---|
| 18 | Original Collateral Default Type: | [Credit Event/Original Collateral Default] |
| 19 | Final Redemption Amount of each Note: | [•] per Calculation Amount/[Physical Settlement] |
| 20 | Early Redemption Settlement Method: | [Cash Settlement]/[Noteholder Settlement Option] |

PRODUCT SUPPLEMENTS

- | | | |
|----|--------------------------------|--|
| 21 | Applicable Product Supplement: | [Not Applicable] [Pass-through Note Terms Product Supplement] |
|----|--------------------------------|--|

PROVISIONS RELATING TO DISPOSAL AGENT

- | | | |
|-----|-----------------|--|
| 22 | Disposal Agent: | [Applicable]/[Not Applicable] <i>(If Not Applicable, then delete the remaining sub-paragraphs of this paragraph)</i> <i>(If Not Applicable, then the provisions in the Master Conditions relating to Disposal Agent, Liquidation, Liquidate, Liquidated, Liquidating, Liquidation Commencement Notice, Liquidation Default, Liquidation Event and/or Relevant Payment Date, including, without limitation, Master Conditions 5(c), 11(c), 14 and 15(a) shall not apply hereto)</i> |
| (i) | Disposal Agent: | [Specify name and address] |

- (ii) Liquidation: As per Master Conditions
- (iii) Disposal Agent Fee: [Yes]/[No]
(if yes, then to be inserted into the post-liquidation and post-enforcement waterfalls in Master Conditions 15(a) and 15(b) as an additional Secured Creditor)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23 Form of Notes: **[Bearer Notes:**
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
 [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
[Registered Notes:
 [Certificate other than Global Notes]
 [Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] exchangeable for Certificates in the limited circumstances specified in the Global Certificate]
- 24 Applicable TEFRA exemption: [TEFRA C]/[TEFRA D]/[TEFRA Not Applicable]
- 25 New Global Note: [Yes]/[No]
- 26 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. *(Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 13(iii) and 14(v) relate)*]
- 27 Reference Business Day: [TARGET]/[TARGET Settlement Day]/[place(s)]
- 28 Agents:
- (i) Calculation Agent: *[Insert name and specified office of institution]*
- (ii) Custodian: *[Insert name and specified office of institution]*
- (iii) Issuing and Paying Agent: *[Insert name and specified office of institution]*
- (iv) [Additional Paying Agent(s): *[Insert name and specified office of institution]*]
- (v) Registrar: *[Insert name and specified office of institution]*
- (vi) [Transfer Agent(s): *[Insert name and specified office of institution]*]

DISTRIBUTION

- 29 (i) Syndicated or non-syndicated: [syndicated]/[non-syndicated]
 (ii) Name(s) of Dealer/Managers: [Specify Dealer if non-syndicated or list Managers if syndicated]
- 30 Name of Stabilising Manager: [Specify if Applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

The information set out in Paragraph 17 (the “**Original Collateral Information**”) has been extracted from [*specify source*]. The Issuer confirms that the Original Collateral 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.

The Issuer has not conducted extensive due diligence on the Original Collateral Information or made any enquiries as to its own possession of non-publicly available information.

Signed on behalf of [*NAME OF ISSUER*]:

By:
Duly authorised

Signed on behalf of [*NAME OF ISSUER*]:

By:
Duly authorised

PART B – OTHER INFORMATION

| | |
|---|--|
| 1 | LISTING: |
| | <p>Listing and admission to trading: [Application has been made for the Notes to be admitted to the Official List of Euronext Dublin and for the Notes to be admitted to trading on the regulated market of Euronext Dublin/None]</p> <p>(Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.)</p> <p>Estimate of total expenses related to admission to trading: [•]</p> <p>(Only include where the Notes are being listed)</p> |
| 2 | RATINGS: |
| | <p>Ratings: The Notes to be issued have not been, and will not be, rated.</p> |
| 3 | [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]: |
| | <p><i>[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:</i></p> <p>“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”³</p> <p><i>(If no conflicts have been disclosed, delete entire Section 3. If conflicts have been discussed, reference should be to the section of the relevant document where such conflicts were disclosed.)</i></p> |
| 4 | [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:] |
| | <p>[(i) Reasons for the offer [•]</p> <p>(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]</p> <p>[(ii) Estimated net proceeds: [•]</p> <p>[(iii) Estimated total expenses: [•]]</p> |
| 5 | [Fixed Rate Notes only - YIELD] |
| | <p>Indication of yield: [•]</p> <p>The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</p> |
| 6 | OPERATIONAL INFORMATION |
| | <p>ISIN Code: [•]</p> <p>Common Code: [•]</p> <p>CFI: [•]</p> <p>FISN: [•]</p> |

³ [Footnote]

| | | |
|---|---|--|
| | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | [Not Applicable]/[specify name(s) and number(s) [and address(es)]] |
| 7 | Delivery: | Delivery [against]/[free of] payment |
| 8 | [Intended to be held in a manner which would allow Eurosystem eligibility: | <p>[Yes]/[No]</p> <p>[Yes. Note that the designation “yes” means simply that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper, [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][<i>include this text for Registered Notes</i>], and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [<i>Include this text if “yes” selected, in which case bearer Notes must be issued in NGN form. Note that “yes” can only be selected if the Issuer is established in the European Economic Area.</i>)] /</p> <p>[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][<i>include this text for Registered Notes</i>]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [<i>Include this text if “no” is selected</i>]</p> |

APPENDIX 2 – FORM OF ADDITIONAL CONDITIONS TO BE INCLUDED IN A SERIES PROSPECTUS

[NAME OF ISSUER]

Issue of [AGGREGATE NOMINAL AMOUNT OF TRANCHE] [TITLE OF NOTES]
under the [PROGRAMME SIZE]
Secured Note Programme

The Notes issued by the Issuer will be subject to the Master Conditions and also to the following terms in relation to the Notes.

SERIES DETAILS

| | | |
|----|---|---|
| | Issuer: | [●] |
| 1 | [(i)] Series Number: | [●] |
| | [(ii)] Tranche Number: | [●] |
| | <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]</i> | |
| 2 | Specified Currency: | [●] |
| 3 | Aggregate Nominal Amount of Notes: | [●] |
| | [(i)] Series: | [●] |
| | [(ii)] Tranche: | [●] |
| 4 | Issue Price: | [●] per cent. of the Aggregate Nominal Amount |
| 5 | (i) Specified Denominations: | [●] |
| | (ii) Calculation Amount: | [●] |
| 6 | (i) Issue Date: | [●] |
| | (ii) Interest Commencement Date: | [Issue Date]/[●]/[Not Applicable] |
| 7 | Maturity Date: | <i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 8 | Interest Basis: | [[●] per cent. Fixed Rate] [[specify reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] <i>(Further particulars specified below)</i> |
| 9 | Redemption/Payment Basis: | [Redemption at par] [Redemption at Final Redemption Amount] [Instalment] |
| 10 | Change of Interest or Redemption/Payment Basis: | [Applicable] [Not Applicable] |
| 11 | [Date [Board] approval for issuance of Notes obtained: | <i>[●] [and [●], respectively]] (Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes)</i> |

12 Method of distribution: [Syndicated]/[Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 13 Fixed Rate Note Provisions: [Applicable]/[Not Applicable]
(If Not Applicable, delete the remaining sub- paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[monthly]/ in arrear]
 - (ii) Interest Commencement Date: [●] *(Only specify if different to the Issue Date)*
 - (iii) Interest Payment Date(s): [●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/[not adjusted]
 - (iv) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
 - (v) Broken Amount(s): [●] per Calculation Amount payable on the Interest Payment Date falling [in]/[on] [●]
 - (vi) [Interest Amount: [●]
(If not specified, "Interest Amount" will be the Fixed Coupon Amount or Broken Amount, as applicable. If this is desirable, then this sub-paragraph (vi) can be deleted)
 - (vii) Day Count Fraction: [Actual/Actual]/[Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/360]
[30/360]/[360/360]/[Bond Basis]
[30E/360]/[Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual-ICMA]]
 - (viii) [Determination Dates: [●] in each year *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Note: only relevant where Day Count Fraction is Actual/Actual(ICMA))*
- 14 Floating Rate Note Provisions: [Applicable]/[Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Interest Period(s): [●]
 - (ii) Specified Interest Payment Dates: [●]
 - (iii) Interest Period Date: [●]
 - (iv) Business Day Convention: [Floating Rate Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
 - (v) Business Centre(s): [●]
 - (vi) Manner in which the Rate(s) [ISDA Determination]

| | | |
|--------|---|--|
| | of Interest is/are to be determined: | [•] (<i>please specify</i>) |
| (vii) | Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [•] |
| (viii) | ISDA Rate: | |
| | – Floating Rate Option: | [•] |
| | – Designated Maturity: | [•] |
| | – Reset Date: | [•] |
| | – ISDA Definitions: | [As defined in the Master Conditions] |
| (ix) | Margin(s): | [+]/[-]/[•] per cent. per annum |
| (x) | Day Count Fraction: | [Actual/Actual]/[Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360]/[360/360]/[Bond Basis] [30E/360]/[Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual-ICMA]] |
| (xi) | Interest Determination Date: | [[•] in each year]/[Not Applicable] |
| 15 | Zero Coupon Note Provisions: | [Applicable]/[Not Applicable] |

MORTGAGED PROPERTY

| | | |
|----|---------------------------|--|
| 16 | Mortgaged Property: | |
| | (i) Original Collateral: | The Original Collateral shall comprise [[•] in principal amount of an issue of [NatWest Markets Plc]* of <i>[insert description of the underlying assets]</i> identified below: Original Collateral Obligor: [NatWest Markets Plc]* Asset: ISIN: [•] Bloomberg Ticker: [•] Coupon: [•] Maturity: [•] Currency: [•] Regulated market on which Original Collateral is admitted to trading: [•] |
| | – [Long-Dated Collateral: | [Applicable]/[Not Applicable] |

| | | |
|-------|--------------------------------------|--|
| – | Final Liquidation Commencement Date: | [●] <i>(delete unless Original Collateral has a stated maturity date falling after the Maturity Date)</i> |
| (ii) | Swap Agreement: | [Applicable]/[Not Applicable] |
| (iii) | Swap Counterparty: | <i>[Insert name and address of institution]</i> |
| (iv) | Credit Support Annex: | [Applicable]/[Not Applicable] |
| (v) | Repo Agreement: | [Applicable]/[Not Applicable] |
| (vi) | Repo Counterparty: | <i>[Insert name and address of institution]</i> |

PROVISIONS RELATING TO REDEMPTION

| | | |
|----|---------------------------------------|--|
| 17 | Original Collateral Default Type: | [Credit Event/Original Collateral Default] |
| 18 | Final Redemption Amount of each Note: | [[●] per Calculation Amount]/[Physical Settlement] |
| 19 | [Redemption by Instalments: | <i>(Specify Instalment Amounts and Instalment Dates)]</i> |
| 20 | Additional Redemption Event: | [Applicable]/[Not Applicable] |
| 21 | NAV Event: | [Applicable]/[Not Applicable] [If Applicable, NAV Trigger Percentage: [●]] |
| 22 | CDS Spread Event: | [Applicable]/[Not Applicable] [If Applicable, CDS Spread Trigger Percentage: [●]] [The relevant credit default spread shall be the [3]/[5]/[7]/[●] year credit default spread] |
| 23 | Early Redemption Settlement Method: | [Cash Settlement]/[Noteholder Settlement Option] |

PRODUCT SUPPLEMENTS AND ADDITIONAL CONDITIONS

| | | |
|----|--|--|
| 24 | Applicable Product Supplement: | [Not Applicable] [Pass-through Note Terms Product Supplement] [Standard CLN Terms Product Supplement] |
| 25 | Pass-through Notes: | [●] |
| 26 | Credit Linked Notes: | |
| | (i) CLN Type: | [Single Name CLN/Basket CLN/Index Linked CLN] |
| | (ii) Credit Event Settlement Method: | [Auction Settlement] [Cash Settlement] |
| | – Fallback Redemption Method: | [Cash Redemption] |
| | [– Index: | <i>[Specify Index Name]</i> |
| | [– Annex Date: | <i>[Specify Series and Version]] (Only applicable for Index Linked CLNs)</i> |
| | (iii) Reference Entity[ies], Weighting and reference Entity Notional Amount <i>(Insert Weighting and Reference Entity Notional Amount for Basket CLNs)</i> : | <i>[Specify]</i> |
| | - Seniority Level: | [[Senior Level][Subordinated Level]] <i>(Insert for Single Name CLNs)</i> <i>[(Insert below table for Basket CLNs)]</i> |

| | | | |
|----------------------------|------------|-------------------------|--|
| Reference Entity: | Weighting: | Entity Notional Amount: | Level: |
| [Specify] | [Specify] | [Specify] | [Senior Level] [Subordinated Level] |
| [Specify] | [Specify] | [Specify] | [Senior Level] [Subordinated Level] |
| (Repeat rows as necessary) | | | |

- (iv) Standard Reference Obligation[s]: [Applicable]/[Not Applicable]
(Where Applicable, specify Reference Obligation(s) below only if the fallback to a Non-Standard Reference Obligation under paragraph (c) of the definition of "Reference Obligation" is to apply for a Reference Entity where no Standard Reference Obligation has been published on or prior to the Trade Date.)
- (v) Reference Obligation[s]: [Specify Reference Obligation(s)] *(For CLNs where Standard Reference Obligation is Not Applicable, or is Applicable but no Standard Reference Obligation has been published on or prior to the Trade Date and the fallback to a Non-Standard Reference Obligation is required, insert the Reference Obligation for each Reference Entity)*
- (vi) Obligations:
- Obligation Category: [Payment][Borrowed Money][Reference Obligation Only][Bond][Loan][Bond or Loan] *(Select one only)*
 - Obligation Characteristics: [Not Subordinated]
[Specified Currency] *(Specify unless the fallback in the definition of "Specified Currency" applies)*
[Not Sovereign Lender]
[Not Domestic Currency]
[Not Domestic Law]
[Listed]
[Not Domestic Issuance]
[None]
[Select all that apply]
 - Excluded Obligation: [Specify][Not Applicable]
- (vii) Deliverable Obligations:
- Deliverable Obligation Category: [Payment][Borrowed Money][Reference Obligation Only][Bond][Loan][Bond or Loan] *(Select one only)*
 - Deliverable Obligation Characteristics: [Not Subordinated]
[Specified Currency] *(Specify unless the fallback in the definition of "Specified Currency" applies)*

[Not Sovereign Lender]
 [Not Domestic Currency]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Issuance]
 [Assignable Loan]
 [Consent Required Loan]
 [Direct Loan Participation]
 [Transferable]
 [Maximum Maturity [of [●] years (Specify if default is not to apply)]]
 [Accelerated or Matured]
 [Not Bearer] (Select all that apply)
 [Together with [Specify other obligation applicable for each Reference Entity *other than those determined by reference to Obligation Category and Obligation Characteristics*]]

- Excluded Obligation: [Specify][Not Applicable]

(viii) Financial Reference Entity Terms: [Applicable]/[Not Applicable]

(ix) Sovereign Reference Entity No Asset Package Delivery: [Applicable]/[Not Applicable]

(x) Credit Event[(s)]: [Bankruptcy]
 [Failure to Pay
 Payment Requirement: [● or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant failure to pay] [or] [As per the Additional CLN Conditions]
 Grace Period Extension: [Applicable][Not Applicable]
 [Grace Period: [Specify][As per the Additional CLN Conditions]]
 [Governmental Intervention]
 [Obligation Acceleration]
 [Obligation Default]
 [Repudiation/Moratorium]
 [Restructuring
 Mod R: [Applicable][Not Applicable]
 Mod Mod R: [Applicable][Not Applicable]
 Multiple Holder Obligation: [Applicable][Not Applicable]
 [Select all that apply]

- Default Requirement: [Specify][As per the Standard CLN Terms Product Supplement]

- All Guarantees: [Specify][Not Applicable]

Notice of Publicly Available [Not Applicable] [Note that it is not necessary to specify

| | |
|--|--|
| Information: | <p><i>"Applicable" as the default position under the Standard CLN Terms Product Supplement is for a Notice of Publicly Available Information to apply]</i></p> <p>Public Source(s): [Specify][As per the Standard CLN Terms Product Supplement]</p> <p>Specified Number: [Specify][As per the Standard CLN Terms Product Supplement]</p> |
| - Postponement Interest: | [Applicable][Not Applicable] |
| [- Postponement Rate: | [Specify] (<i>Delete line if Postponement Interest is not applicable</i>) |
| (xi) Interest Accrual on Credit Event: | [Applicable]/[Not Applicable] |
| - Overnight Rate: | [Provide details if Interest Accrual on Credit Event is applicable and Specified Currency is other than EUR or U.S.\$] |
| (xii) Cash Settlement Terms: | [Applicable][Applicable as Fallback Method][Not Applicable] |
| - Final Price | [As per the Standard CLN Terms Product Supplement] |
| Valuation Date{(s)}: | [Specify] |
| - Valuation Time: | [Specify][As per the Standard CLN Terms Product Supplement] |
| - Indicative Quotation: | [Applicable][Not Applicable] |
| - Quotation Method: | [Specify][As per the Master Conditions] |
| - Quotation Dealers: | [Specify][As per the Master Conditions] |
| - Accrued Interest: | [Include Accrued Interest][Exclude Accrued Interest][As per Additional Condition 7(b)(ii)(C)] |
| (xiii) Credit Derivatives Physical Settlement Matrix | |
| - Physical Settlement Matrix Standard Terms: | [Applicable][Not Applicable] [Physical Settlement Matrix: [Specify][As per the Additional CLN Conditions] Transaction Type: [Specify] |
| - Version of Physical Settlement Matrix: | The "Credit Derivatives Physical Settlement Matrix" as published by ISDA on [●], a copy of which is appended to this Series Prospectus (<i>If applicable, append the version of the Physical Settlement matrix that is being used to this Series Prospectus</i>) |

PROVISIONS RELATING TO DISPOSAL AGENT

| | | |
|----|-----------------|--|
| 27 | Disposal Agent: | <p>[Applicable]/[Not Applicable]</p> <p>(<i>if Not Applicable, then delete the remaining subparagraphs of this paragraph</i>)</p> <p>(<i>if Not Applicable, then the provisions in the Master Conditions relating to Disposal Agent, Liquidation, Liquidate, Liquidated, Liquidating, Liquidation</i>)</p> |
|----|-----------------|--|

Commencement Notice, Liquidation Default, Liquidation Event and/or Relevant Payment Date, including, without limitation, Master Conditions 5(c), 11(c), 14 and 15(a) shall not apply hereto)

- (i) Disposal Agent: [Specify name and address]
- (ii) Liquidation: As per Master Conditions
- (iii) Disposal Agent Fee: [Yes]/[No]
(If yes, then to be inserted into the post-liquidation and post-enforcement waterfalls in Master Conditions 15(a) and 15(b) as an additional Secured Creditor)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 28 Form of Notes: **[Bearer Notes:**
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
[Registered Notes:
[Certificate other than Global Notes]
[Global Certificate registered in the name of a nominee for [a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg] exchangeable for Certificates in the limited circumstances specified in the Global Certificate]
- 29 Applicable TEFRA exemption: [TEFRA C]/[TEFRA D]/[TEFRA Not Applicable]
- 30 New Global Note: [Yes]/[No]
- 31 Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. (Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 13(iii) and 14(v) relate)
- 32 Reference Business Day: [TARGET]/[TARGET Settlement Day]/[place(s)]
- 33 Agents:
 - (i) Calculation Agent: [Insert name and specified office of institution]
 - (ii) Custodian: [Insert name and specified office of institution]
 - (iii) Issuing and Paying Agent: [Insert name and specified office of institution]
 - (iv) [Additional Paying Agent(s): [Insert name and specified office of institution]]
 - (v) Registrar: [Insert name and specified office of institution]
 - (vi) [Transfer Agent(s): [Insert name and specified office of institution]]

DISTRIBUTION

- | | | | |
|----|------|----------------------------------|---|
| 34 | (i) | Syndicated or non-syndicated: | [syndicated]/[<i>non-syndicated</i>] |
| | (ii) | Name(s) of Dealer/Managers: | [Specify Dealer if non-syndicated or list Managers if syndicated] |
| 35 | | Name of Stabilising Manager: | [Specify if Applicable] |
| 36 | | Additional selling restrictions: | [Not Applicable]/[<i>specify details</i>] |

Registered Office of each Issuer

LUNAR FUNDING VII PLC

Block A
Georges Quay Plaza
Georges Quay
Dublin 2
Ireland

LUNAR FUNDING VIII LIMITED

Grand Pavilion Commercial Centre
802 West Bay Road
P.O. Box 31119
Grand Cayman
KY1-1205
Cayman Islands

Trustee

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Issuing and Paying Agent

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Registrar

Deutsche Bank Luxembourg S.A.

2, boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

Custodian

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Arranger, Dealer, Disposal Agent and Calculation Agent

NatWest Markets Plc

135 Bishopsgate
London EC2M 3UR
United Kingdom

Listing Agent

in the case of Notes admitted to the Official List

Arthur Cox Listing Services Limited

Ten Earlsfort Terrace
Dublin 2
Ireland

Legal Advisers

*to the Dealer and the Trustee
in respect of English law*

Linklaters LLP

One Silk Street
London EC2Y 8HQ
United Kingdom

*to Lunar Funding VII PLC
in respect of Irish law*

Arthur Cox

Ten Earlsfort Terrace
Dublin 2
Ireland

*to Lunar Funding VIII Limited
in respect of
Cayman Islands law*

Maples and Calder

11th Floor, 200 Aldersgate Street
London EC1A 4HD

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