

## Base Prospectus dated 28 May 2020

### Diversified Notes plc

*(established as a public limited company incorporated in Ireland with registration number 651932)*

### Secured Notes Programme

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of notes ("**Notes**") issued under the Secured Notes Programme (the "**Programme**") described in this Base Prospectus during the period of twelve months after the date hereof. The Central Bank has only approved this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer that is the subject of this Base Prospectus nor as an endorsement of the quality of any Notes. Investors should make their own assessment as to the suitability of investing in such Notes. This Base Prospectus is valid for a period of twelve months from the date of approval. The Issuer intends to make an application for Notes issued under the Programme within twelve months after the date hereof to be admitted to listing on the official list and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"). The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU on markets in financial instruments directive (as amended, "**MiFID II**").

The Issuer may in due course request the Central Bank to provide competent authorities in other member states of the European Economic Area (the "**EEA**") or the United Kingdom with certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation for the purpose of listing and/or admission to trading of all or any Series of Notes on a regulated market therein.

A Series of Notes may be listed and/or admitted to trading on such other or further stock exchanges as may be agreed between the Issuer and the Arranger. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to the official list of Euronext Dublin.

The Notes are only intended for investors that qualify as a 'professional client' (or any corresponding category of investor in a jurisdiction into which the Notes may be sold in accordance with the terms of this Base Prospectus) and should not be offered, sold or otherwise made available to any investor that is a 'retail client', both as defined in MiFID II or (if the definition of 'professional client' is narrower or the definition of 'retail client' is broader than MiFID II) as defined in any law or regulation implementing MiFID II in a jurisdiction within the EEA or the United Kingdom any other similar or corresponding law or regulation in any non-EEA jurisdiction.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and are not subject to United States tax law requirements. The Notes are being offered outside the United States by the Managers (as defined in "**Subscription and Sale**") in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

#### Arranger

BlackRock Advisors (UK) Limited

The date of this Base Prospectus is 28 May 2020.

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## **IMPORTANT NOTICES**

### ***Responsibility for this Base Prospectus***

The Issuer accepts responsibility for the information contained in this Base Prospectus and declares that, to the best of its knowledge, the information contained in this Base Prospectus is in accordance with the facts and makes no omission likely to affect its import.

Certain information contained in this Base Prospectus and/or documents incorporated herein by reference have been extracted from sources specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Final Terms will (if applicable) specify the nature of the responsibility (if any) taken by the Issuer for any information relating to any underlying to which the Notes may be linked.

To the fullest extent permitted by law, no Authorised Participant accepts any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Authorised Participant disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Base Prospectus and/or any such statement.

Neither the Arranger nor any Transaction Party has separately verified the information contained in this Base Prospectus (save as otherwise provided above) and accordingly none of them makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may, at any time, be supplied in connection with the Notes or their distribution and none of them accepts any responsibility or liability therefor. Neither the Arranger nor any Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to their attention.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representation other than those contained in this Base 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, the Arranger, any Authorised Participant, the Collateral Manager, the Administrator and Transfer Agent, the Registrar, the Paying Agent or the Custodian. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or any Transaction Party since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or any Transaction Party since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restriction on Distributions***

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, all Authorised Participants and the Arranger to inform themselves about and to observe any such restrictions.

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. 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 or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

For the purposes of the prohibition of sales to EEA retail investors, a retail investor shall also include any person in the Czech Republic who is not a qualified investor as defined in Section 272(1) of the Czech Act No 240/2013 Coll. on Investment Companies and Investment Funds.

**PROHIBITION OF SALES IN THE US** - THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR UNDER THE SECURITIES LAW OF ANY STATE OR POLITICAL SUB-DIVISION OF THE UNITED STATES OF AMERICA OR ANY OF ITS TERRITORIES, POSSESSIONS OR OTHER AREAS SUBJECT TO ITS JURISDICTION INCLUDING THE COMMONWEALTH OF PUERTO RICO AND THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER ANY FEDERAL LAWS OF THE UNITED STATES OF AMERICA. NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE ISSUER UNDER THE COMMODITY EXCHANGE ACT OF 1936, AS AMENDED (THE "**CEA**") AND THE RULES THEREUNDER (THE "**CFTC RULES**") OF THE COMMODITY FUTURES TRADING COMMISSION (THE "**CFTC**"). ANY OFFER OR SALE OF THE NOTES MUST BE MADE IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO REGULATIONS THEREUNDER ("**REGULATION S**"). THE NOTES MAY NOT AT ANY TIME BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO PERSONS WHO ARE EITHER U.S. PERSONS AS DEFINED IN REGULATIONS OF THE SECURITIES ACT OR PERSONS WHO DO NOT COME WITHIN THE DEFINITION OF A NON-UNITED STATES PERSON UNDER CFTC RULE 4.7 (EXCLUDING FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS). FOR A DESCRIPTION OF FURTHER RESTRICTIONS ON THE OFFER, SALE AND TRANSFER OF THE NOTES, PLEASE REFER TO THE "**UNITED STATES**" SUB-SECTION IN THE "**SUBSCRIPTION AND SALE**" SECTION OF THIS BASE PROSPECTUS.

NOTES MAY NOT BE LEGALLY OR BENEFICIALLY OWNED BY ANY ENTITY THAT IS, OR THAT IS USING THE ASSETS OF, (A)(I) AN "**EMPLOYEE BENEFIT PLAN**" THAT IS SUBJECT TO THE FIDUCIARY RESPONSIBILITY REQUIREMENTS OF TITLE I OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") (II) A "**PLAN**" TO WHICH SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"), APPLIES, OR (III) AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE "**PLAN ASSETS**" (AS DETERMINED PURSUANT TO THE "**PLAN ASSETS REGULATION**" ISSUED BY THE UNITED STATES DEPARTMENT OF LABOR AT 29 C.F.R. SECTION 2510.3-101 AS MODIFIED BY SECTION 3(42) OF ERISA) OR OTHERWISE UNDER ERISA BY REASON OF ANY SUCH EMPLOYEE BENEFIT PLAN OR PLAN'S INVESTMENT IN THE ENTITY (ANY SUCH PLAN OR ENTITY DESCRIBED IN (I), (II) OR (III), A "**BENEFIT PLAN INVESTOR**") OR (B) A NON-U.S. PLAN, GOVERNMENTAL PLAN, CHURCH PLAN OR OTHER PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW OR REGULATION THAT IS SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (A "**SIMILAR LAW**") UNLESS ITS ACQUISITION AND HOLDING AND DISPOSITION OF SUCH SECURITY, OR ANY INTEREST THEREIN, HAS NOT AND WILL NOT CONSTITUTE A VIOLATION OF SUCH SIMILAR LAW (ANY SUCH PLAN OR ENTITY DESCRIBED IN (A) OR (B), AN "**PLAN INVESTOR**"). THE ISSUER HAS THE RIGHT, AT ITS OPTION, UNDER THE CONDITIONS OF THE NOTES, TO COMPULSORILY REDEEM ANY NOTES LEGALLY OR BENEFICIALLY OWNED BY A PERSON WHO CONTRAVENES SUCH PROHIBITION.

Any person (an "investor") intending to acquire or acquiring any Notes from any person (an "offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 (the "FSMA"), the Issuer may only be responsible to the investor for this Base Prospectus under section 90 of the FSMA if the Issuer has authorised the offeror to make the offer to the investor. Each investor should therefore enquire whether the offeror is so authorised by the Issuer. If the offeror is not authorised by the Issuer, the investor should check with the offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice. Where information relating to the terms of the relevant offer required pursuant to the Prospectus Regulation is not contained in this Base Prospectus or the relevant Final Terms, it will be the responsibility of the relevant offeror at the time of such offer to provide the investor with such information. This does not affect any responsibility which the Issuer or others may otherwise have under applicable laws, including liabilities arising by virtue of the laws in the jurisdictions in which the Notes are offered or sold.

For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus, please see the section titled "*Subscription and Sale*".

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

This Base Prospectus has been prepared on the basis that any offer of Notes in any member state ("**Member State**") of the European Economic Area or the United Kingdom will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Without prejudice to the immediately following sentence, any person making or intending to make an offer in that Member State or the United Kingdom 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, any Authorised Participant or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 16 of the Prospectus Regulation, in each case, in relation to such offer. The Authorised Participants may make an offer in a Member State or the United Kingdom of Notes other than pursuant to Article 3(2) of the Prospectus Regulation in that Member State or the United Kingdom if a prospectus for such offer has been approved by the competent authority in that Member State or the United Kingdom or, where appropriate, approved in another Member State or the United Kingdom and notified to the competent authority in that Member State or the United Kingdom and (in either case) published, all in accordance with the Prospectus Regulation and such prospectus has subsequently been completed by final terms which specify that offers may be made by Authorised Participants other than pursuant to Article 3(2) of the Prospectus Regulation in that Member State or the United Kingdom (and **provided that** if the final terms specify any restriction on the period for which an Authorised Participant may make an offer, the Authorised Participants shall be bound by such restriction). Except to the extent the preceding sentence above applies, none of the Issuer, any Authorised Participant or the Arranger have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer to publish or supplement a prospectus for such offer.

### ***Offers by Authorised Participants***

In respect of a Series of Notes, the Authorised Participants for such Series may make offers to investors on the terms and subject to the restrictions set out in this Base Prospectus and the Final Terms relating to the relevant Notes. The Authorised Participant(s) in respect of each Series of Notes will be specified in the Final Terms relating to each Series. The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of Notes. The list of Authorised Participants from time to time in respect of a Series of Notes will be published on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) (or such other website as may be notified to Noteholders).

Authorised Participants and, where an Authorised Participant appoints distributors (each an **"Authorised Distributor"**) in connection with the offering of Notes, the Authorised Distributors shall, upon subscribing for Notes, be required and be deemed to have agreed to comply with the Authorised Distributor Terms set out below.

The Issuer consents to the use of this Base Prospectus and has accepted responsibility for the content of this Base Prospectus, with respect to the subsequent resale or final placement of Notes, by any Authorised Participant and any Authorised Distributor appointed by an Authorised Participant that complies with the Authorised Distributor Terms, to qualified investors (as defined in the Prospectus Regulation) in any Permitted Country (as set out in the applicable Final Terms), subject to the public offer selling restrictions under the Prospectus Regulation and local regulations. This consent is valid for 12 months from the date of publication of this Base Prospectus.

The **"Authorised Distributor Terms"** are that the relevant Authorised Participant and/or Authorised Distributor will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer (and the Authorised Participant that appointed it, in the case of an Authorised Distributor) that it will, at all times, in connection with the relevant offer:

- (a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **"Rules"**), including (to the extent applicable) MiFID II and the Rules published by the Central Bank (including the applicable requirements of the Central Bank's Consumer Protection Code) and the United Kingdom Financial Conduct Authority (the **"FCA"**) (including its guidance for distributors in "The Responsibilities of Providers and Distributors for the Fair Treatment of Customers") from time to time and will immediately inform the Issuer and the Authorised Participant that appointed it if at any time such Authorised Distributor becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (b) comply with the restrictions set out under this "Important Notices" section and the section titled "Subscription and Sale" in this Base Prospectus which would apply as if it were an Authorised Participant;
- (c) offer, sell or otherwise make available the Notes only in countries that have been agreed with the Issuer (or the Arranger on its behalf) from time to time;
- (d) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that Authorised Distributor in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is disclosed to investors or potential investors in a clear, fair and non-misleading manner; and
- (e) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the **"MiFID Regulations"**) and the FSMA and comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential investor prior to initial investment in any Notes by that investor), and will not permit any application for Notes in circumstances where the Authorised Distributor has any suspicions as to the source of the application monies.

### ***Admission to Listing and Trading***

The Issuer intends to make an application for Notes issued under the Programme for the period of 12 months from the date of approval of this Base Prospectus to be admitted to trading on the regulated market of Euronext Dublin. A Series of Notes may be listed and/or admitted to trading on such other or further stock exchanges as may be agreed between the Issuer and the Arranger. References in this Base Prospectus to Notes being "listed" or "traded" (and all related references) shall mean that such Notes have been admitted to the official list and traded on the regulated

market of Euronext Dublin and/or have been admitted to the official list and to trading on the regulated market of any other stock exchange.

### ***Czech Act on Investment Companies and Investment Funds***

The Notes are not units/shares of, or other types of participation in, an investment fund or foreign investment fund as per the Czech Act No. 240/2013 Coll., on Investment Companies and Investment Funds (ICIF) and are, therefore, neither subject to the ICIF nor subject to the authorisation or supervision by the Czech National Bank under the ICIF. The investor may not claim any protective rights provided for collective investment schemes under the ICIF.

### ***English Language***

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

### ***Final Terms, Pricing Terms, Series Prospectuses***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). Notes in a specific Series may also be issued under the Programme on terms set out in a further prospectus (a "**Series Prospectus**") relating to the Notes that incorporates by reference the whole or any part of this Base Prospectus.

### ***Certain Definitions***

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "**dollars**", "**US dollars**", "**USD**" and "**US\$**" are to the lawful currency of the United States of America and references to "**Euro**", "**EUR**" and "**€**" are to the lawful currency of those Member States that have adopted the single currency of the European Union. All references in this Base Prospectus to any time shall be expressed using the 24-hour clock convention.

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This document contains the information which the Issuer believes is necessary to enable prospective investors to make an informed assessment of an investment in Notes. However, a prospective investor should, without any reliance on the Issuer, the Collateral Manager, any Transaction Party or any of their Affiliates, conduct its own thorough analysis (including its own accounting, legal, regulatory, financial and tax analysis) prior to deciding whether to invest in any Notes issued under the Programme. Any evaluation of the suitability for an investor of an investment in Notes issued under the Programme depends upon that prospective investor's particular financial and other circumstances, as well as on the specific terms of the relevant Notes. The Notes are complex instruments that involve substantial risks and are suitable only for investors who:

- (a) are professional investors seeking to achieve investment objectives which align with those of the relevant Notes in the context of the investor's overall portfolio;
- (b) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes (including, without limitation, the accounting, legal, regulatory, financial and tax implications for them of such an investment), including the impact that various economic or other factors may have on such merits and risks;
- (c) are able to make an investment decision based on the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (d) have considered the suitability of the Notes in light of their own circumstances and financial condition;
- (e) are able to bear capital and income risk and view investment in the Notes as a long-term investment.

If a prospective investor is in any doubt as to whether the Notes are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the Notes.

This document is not, and does not purport to be, investment advice, and none of the Issuer, the Collateral Manager or any Transaction Party makes any recommendation as to the suitability of the Notes as an investment. The provision of this document to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the Notes, even if the Issuer, the Collateral Manager or a Transaction Party possesses information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgment and/or that of its advisers.

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

Investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes:

- (a) is fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition;
- (b) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (and, if it is acquiring the Notes in a fiduciary capacity, the beneficiary);
- (c) is not a breach of any legal, contractual or regulatory restrictions applicable to it (and, if it is acquiring the Notes in a fiduciary capacity, the beneficiary); and
- (d) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**Product Governance under MiFID II** - 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 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.



## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below.*

*Words and expressions defined in the section below titled "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this section. References in this section to "Noteholders" and "holders" in respect of Notes should generally be read (unless the context otherwise requires) as meaning not only the legal title holders of the Notes but also investors holding beneficial interests in the Notes.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

<b>Risk Factor Group</b>	<b>Sub-heading</b>	<b>Risk Factors</b>
1. Risks related to all Notes	<i>Limited Recourse Obligations and Enforcement Restrictions</i>	(a) Limited recourse obligations, non-petition and related risks
		(b) Payment of Nominal Amount and achieving Collateral Intention are not guaranteed
		(c) Payments to Noteholders are subordinated to the claims of other Secured Creditors
		(d) Only the Trustee may enforce the security over the Mortgaged Property
		(e) Noteholders have no right to take action against Issuer
		(f) Noteholders are responsible for Trustee indemnity and funding of Trustee enforcement action
	<i>Limitations on trading of the Notes</i>	(a) There may be no or only a limited active trading market for the Notes

Risk Factor Group	Sub-heading	Risk Factors
	<p data-bbox="616 869 927 902"><i>Risk of Early Redemption</i></p> <p data-bbox="616 1077 970 1171"><i>Risks related to repurchases at the request of Authorised Participants</i></p>	<p data-bbox="989 253 1359 465">(b) The secondary market, limited liquidity and considerations for investors who are not Authorised Participants</p> <p data-bbox="989 495 1359 551">(c) Authorised Participant Concentration Risk</p> <p data-bbox="989 580 1359 636">(d) Market price of the Notes</p> <p data-bbox="989 665 1299 698">(e) Disruption Events</p> <p data-bbox="989 728 1359 846">(f) Compulsory Redemption of Notes from non-Qualified Holders</p> <p data-bbox="989 875 1359 931">(a) Risk of early redemption</p> <p data-bbox="989 960 1359 1050">(b) Payment on early redemption is subject to risk</p> <p data-bbox="989 1079 1359 1169">(a) Minimum Redemption Amount is not guaranteed</p>
2. Risks related to the Series Holdings	<i>Underlying Debt</i>	<p data-bbox="989 1205 1359 1261">(a) Defaults by issuers of debt securities</p> <p data-bbox="989 1290 1359 1346">(b) Fixed income transferable securities</p> <p data-bbox="989 1375 1294 1408">(c) Corporate Bonds</p> <p data-bbox="989 1438 1359 1494">(d) Bank Corporate Bonds</p> <p data-bbox="989 1523 1321 1556">(e) Government Bonds</p> <p data-bbox="989 1585 1359 1675">(f) Sovereign, Quasi-sovereign and Local Authority Debt</p> <p data-bbox="989 1704 1294 1738">(g) High Yield Bonds</p> <p data-bbox="989 1767 1359 1823">(h) Euro and Eurozone Risk</p> <p data-bbox="989 1852 1310 1886">(i) Emerging Markets</p> <p data-bbox="989 1915 1359 1971">(j) Illiquidity of Bonds Close to Maturity</p> <p data-bbox="989 2000 1318 2033">(k) Concentration Risk</p>

Risk Factor Group	Sub-heading	Risk Factors
	<i>Money Market Instruments</i>	<p>(l) ESG (Environmental, Social and Governance) exclusionary screen risks</p> <p>(a) Risks related to Money Market Instruments and Funds</p>
3. Risks related to the CFTA Counterparty		<p>(a) The Issuer's ability to meet its obligations under the Notes will depend on the receipt by it of payments under any Cash Flow Timing Agreement</p> <p>(b) Risks related to bank recovery and resolution regimes</p>
4. Risks related to the Issuer		<p>(a) No regulation of the Issuer by any regulatory authority</p> <p>(b) The Issuer is a special purpose vehicle</p> <p>(c) No guarantee of the Notes</p> <p>(d) The Issuer may be subject to anti-money laundering legislation which if violated could materially and adversely affect the timing and amount of payments made by the Issuer</p>
5. Risks related to other Transaction Parties	<i>General</i>	<p>(a) Counterparty Risk to the Custodian and sub-custodians</p> <p>(b) The Custodian may hold the Secured Assets in the Custodian's account or accounts with a sub-custodian, a securities depository or a clearing system</p> <p>(c) The Custodian's failure to pay clearing system costs may</p>

Risk Factor Group	Sub-heading	Risk Factors
	<i>Conflicts of interest</i>	<p>result in the Issuer failing to receive any payments due to it in respect of the Secured Assets</p> <p>(d) The security interest in respect of the Secured Assets held by the Custodian might take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Secured Assets rather than a charge over or an encumbrance on the Secured Assets themselves</p> <p>(e) Noteholders are exposed to the creditworthiness of the Paying Agent</p> <p>(f) Discretion of the Administrator to make certain determinations and calculations</p> <p>(g) Failure of the Administrator to perform calculations and determinations</p> <p>(a) Transaction Parties and conflicts of interest</p> <p>(b) The Arranger and Collateral Manager is BlackRock Advisors (UK) Limited which is ultimately owned by BlackRock, Inc.</p>
6. Risks associated with certain other miscellaneous features and terms of the Notes, including settlement, discretions, Issuer substitution and amendments		<p>(a) Modification, waivers and substitution</p> <p>(b) Issuer discretion in respect of the method of settlement</p> <p>(c) Cash settlement following an Early Redemption Event or Event of Default</p>

Risk Factor Group	Sub-heading	Risk Factors
		<p>(d) Physical settlement</p> <p>(e) Failure to settle</p> <p>(f) Insufficiency of Duties and Charges</p> <p>(g) Exchange rate risks and exchange controls</p> <p>(h) No guarantee that the Notes will be admitted to listing and trading</p>
7. Potential Regulatory Change		<p>(a) Risk of application of AIFMD and equivalent legislation</p> <p>(b) Risk of categorisation as a collective investment scheme ("CIS")</p> <p>(c) Potential impact of cessation or replacement of Applicable Discount Rate</p> <p>(d) Potential implications of Brexit</p> <p>(e) Risk of application of EMIR</p> <p>(f) Risk of application of Dodd-Frank</p> <p>(g) Risk of change of law or interpretation</p> <p>(h) Risk of change to tax law or interpretation</p> <p>(i) Risk of change to accounting standards or interpretation</p>
8. Risks related to legal framework of the Notes		<p>(a) The Issuer is structured to be insolvency-remote, but it is not insolvency-proof; consequences of insolvency proceedings in relation to the Issuer</p>

Risk Factor Group	Sub-heading	Risk Factors
		(b) Preferred creditors under Irish law (c) Examinership under Irish law (d) Taxation and no gross up (e) Notes where denominations involve integral multiples: definitive Notes
9. Risks in relation to Notes in global form held by or on behalf of Euroclear and/or Clearstream		(a) Notes in global form are or will be held by or on behalf of Euroclear and/or Clearstream and investors will have to rely on their procedures for transfer, payment and communication with the Issuer
10. Risks in relation to market and other external events		(a) Market events may lead to volatility and loss
		(b) Impact of natural or man-made disasters

#### 1. Risks Related to all Notes

##### Limited Recourse Obligations and Enforcement Restrictions

###### (a) *Limited recourse obligations, non-petition and related risks*

The Notes are direct, secured, limited recourse obligations of the Issuer. Payments due in respect of the Notes of any Series will principally be met out of amounts received by or on behalf of the Issuer pursuant to the Cash Flow Timing Agreement(s) for such Series, as backed by the Underlying Debt of the relevant Series. The Issuer will have no other material assets or sources of revenue available for payment of any of its obligations under the Notes.

The Issuer is (as provided for in the Trust Documents) permitted to enter into contracts with parties only on a "limited recourse" basis such that claims against the Issuer in relation to each Series would be restricted to the net proceeds of the Mortgaged Property for the respective Series. The purpose of including limited recourse provisions in this Base Prospectus and the Transaction Documents is to achieve a contractual segregation of assets and liabilities between Series, by limiting the rights of Secured Creditors of the Issuer (including Noteholders) in respect of a Series to only the assets that are attributable to that Series and to restrict their right to claim against assets of another Series.

To make payments under the Notes of any Series, the Issuer will use any cashflows in respect of each Cash Flow Timing Agreement relating to that Series as well as the liquidation and maturity proceeds of the Series Holdings for that Series. If the amounts received by the Issuer in respect of the Series Holdings

and the Cash Flow Timing Agreement for a Series are not sufficient to make all payments due in respect of the Notes of that Series, the obligations of the Issuer in respect of the Notes of that Series will be limited to the Mortgaged Property of that Series. In this regard, potential investors should pay attention to the section titled "*Risks related to the CFTA Counterparty*" below.

The Noteholders of each Series will have no recourse to other assets of the Issuer, including assets of the Issuer attributable to other Series. The proceeds available for the repayment of the Notes of a Series at any time may not be sufficient to cover all or any of the amounts that would otherwise be payable in respect of the Notes of that Series. If the proceeds of the realisation of the Mortgaged Property for a Series prove insufficient to make payments or deliveries in respect of the Notes of that Series, no other assets will be available for payment or delivery in respect of the shortfall. Following distribution of the proceeds of realisation of the Mortgaged Property for a Series, any outstanding claim against the Issuer in relation to the Notes for that Series will be extinguished. No debt or other obligation will be owed by the Issuer in respect of such claim.

In such circumstances holders of Notes of the relevant Series may lose some or all of their investment in the Notes.

None of the Transaction Parties, the Noteholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them will have any claim arising with respect to the sums, assets and/or property attributable to securities of any other Series issued by the Issuer (save for any further securities which form a single series with the Notes) or not attributable to any particular Series.

While assets held in relation to any particular Series of Notes are not available to satisfy the claims of holders of a different Series of Notes, there is a risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Notes or otherwise) which are not themselves subject to limited recourse or non-petition limitations and there is a risk that the limited recourse and non-petition provisions could be found to be unenforceable in certain jurisdictions. Please see also the section "*Risks relating to the Issuer*" below.

(b) ***Payment of Nominal Amount and achieving Collateral Intention are not guaranteed***

While any Redemption Amounts (other than Repurchase Settlement Amounts) payable to Noteholders are specified to be at least either (i) the Nominal Amount, or (ii) an adjusted Nominal Amount, if the amounts realised from the relevant Series Holdings together with net cashflow payments due under the relevant Cash Flow Timing Agreement(s) are insufficient to pay such Nominal Amount or adjusted Nominal Amount, the amounts realised will be distributed in accordance with Condition 5.2 (*Application of Proceeds*) and the limited recourse provisions applicable to the Notes (as further described in the section titled "*Limited recourse obligations, non-petition and related risks*") will apply. If there are insufficient funds to pay the Nominal Amount for all outstanding Notes of the relevant Series, holders of Notes will receive less than the Nominal Amount for such Notes.

There is no guarantee that holders of Notes will receive the Nominal Amount for the relevant Notes. Payment of the Final Maturity Amount, the Early Redemption Amount, the Default Redemption Amount and the Issuer Call Amount is in each case dependent on the value realised from Series Holdings coupled with net cashflows from CFTA Counterparties for the relevant Series, and payment of such amounts is not guaranteed by the Issuer, Arranger, any CFTA Counterparty or any other Transaction Party. The value realised from the Series Holdings may be negatively impacted in the event that it is not possible or practicable for the

Collateral Manager to realise the Series Holdings under normal market conditions (e.g. in the event of market distress).

There is no guarantee that the Issuer will be able to meet its Collateral Intention. If the Issuer is unable to meet the Collateral Intention for a Series (including if issuers of one or more Underlying Debt Securities for that Series default in their payments to the Issuer and the Issuer is unable to make up such loss from other Underlying Debt Securities invested in by the Issuer for such Series), it is the intention of the Issuer to maintain, as far as practicable, its payments of Interest Amounts for such Series. This means that the Issuer's ability to pay the full principal on maturity or on an early termination prior to maturity for such Series will be impacted first and holders of Notes would be unlikely to receive the full Nominal Amount for their Notes in such circumstances.

(c) ***Payments to Noteholders are subordinated to the claims of other Secured Creditors***

The rights of the Noteholders under the Conditions to be paid amounts due under the Notes following an Enforcement Event or in connection with the redemption in full of a Series at or prior to its Maturity Date will be subordinated to payment of:

- (i) fees, costs, charges, expenses and liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any receiver in preparing and executing the trusts created by the Trust Documents (including any amounts representing or otherwise in respect of VAT), the costs of realising any Transaction Security and the Trustee's remuneration, each in respect of the relevant Series;
- (ii) (A) any amounts payable by the Issuer, in relation to the relevant Series, to the Custodian, the Administrator, the Transfer Agent, the Registrar, the Paying Agent and the Collateral Manager pursuant to the relevant Transaction Documents, and (B) any fees and expenses payable by the Issuer to any tax or legal advisors, auditors or other service providers to the Issuer (apart from any CFTA Counterparty) in relation to the relevant Series; and
- (iii) any amounts owing to any CFTA Counterparty under any Cash Flow Timing Agreement(s) for the relevant Series.

As a result, funds available to the Issuer in connection with the Notes will be applied to satisfy such senior ranking payments before payments are made to Noteholders.

If the funds available to the Issuer to satisfy claims of all Secured Creditors are insufficient to satisfy all such claims, any amount payable to Noteholders will be reduced and Noteholders will lose some or all of their investment.

(d) ***Only the Trustee may enforce the security over the Mortgaged Property***

Noteholders are not permitted to enforce the security over the Mortgaged Property. Only the Trustee may enforce the security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Documents. The Trustee will be required to enforce the security in respect of a Series if requested by the holders of at least one quarter in nominal amount of the outstanding Notes of such Series or if directed by an Extraordinary Resolution, in each case subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction.

The interests of particular Noteholders (who request or direct the enforcement of the security) may not coincide with those of other Noteholders. Enforcement of the security on the request or direction of some of the Noteholders may not be in the best interests of some or all of the Noteholders.



**(e) *Noteholders have no right to take action against Issuer***

The Noteholders are not entitled to proceed directly against the Issuer in relation to any breach of the terms of the Trust Documents or the Notes. The only circumstance in which Noteholders may take such action is where the Trustee, having become bound to proceed in accordance with the terms of the Trust Documents, fails to do so within a reasonable period and such failure is continuing.

**(f) *Noteholders are responsible for Trustee indemnity and funding of Trustee enforcement action***

The Trustee may take certain actions in respect of a Series of Notes, in particular if the security over the Mortgaged Property in respect of such Series of Notes becomes enforceable under the Conditions.

Prior to taking such action, the Trustee may require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not so indemnified and/or secured and/or pre-funded, it may decide not to take such action. Such inaction will not constitute a breach by it of its obligations under the Trust Documents. Consequently, the Noteholders would have to either arrange for such indemnity and/or security and/or pre-funding. Noteholders should therefore be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding or be prepared to accept the consequences of any such inaction by the Trustee.

Any such inaction by the Trustee shall not entitle Noteholders to take action against the Issuer for any breach of the Trust Documents or the Notes by the Issuer. As a result, Noteholders may have to incur additional costs and expenses (which may be substantial) in order to realise some or all of their investment in the Notes.

**Limitations on trading of the Notes****(a) *There may be no or only a limited active trading market for the Notes***

Although application will be made to Euronext Dublin for the Notes to be admitted to the official list and to trading on its regulated market, the Notes are expected to trade over-the-counter ("OTC") rather than on Euronext Dublin. There is no assurance that an active trading secondary market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for the Notes. The Notes may trade at a discount to their initial offering price after their initial issuance, depending upon prevailing interest rates, the market for similar securities, general economic and market conditions and the financial condition of the Issuer.

**(b) *The secondary market, limited liquidity and considerations for investors who are not Authorised Participants***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes of a Series that (due to their underlying investment exposures) are relatively more sensitive to interest rate, currency or market risks than Notes of other Series, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Accordingly, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

An investor that is not an Authorised Participant can only realise value from Notes prior to its Maturity Date or prior to any early redemption by selling Notes at their then market price on the secondary market to an Authorised Participant or to other investors.

The market price at which the Notes trade may not align with or correlate to the price of the Series Holdings underlying the relevant Notes. The market price of the Notes will be a function of the supply and demand amongst investors wishing to buy and sell the Notes and the bid/offer spread that market-makers (including Authorised Participants) are willing to quote for the Notes on any relevant stock exchange or market. If there is a high level of demand for a relevant Series of Notes then, other things remaining equal, those Notes are likely to trade at a premium. Authorised Participants have the right (but not the obligation) to request that the Issuer issues further Notes of a Series. If the Authorised Participants exercise such right and the request is accepted by or on behalf of the Issuer (who is not obliged to accept such request), this will increase supply and would reduce any such premium. Conversely, if supply exceeds demand on the secondary market then, other things remaining equal, the Notes are likely to trade at a discount. Where the Notes are trading at a discount, the Authorised Participants may purchase the Notes on the secondary market and request that the Issuer repurchases such Notes, thus reducing the supply and potentially reducing such discount (although such discount could still persist). The Issuer will use reasonable endeavours to ensure that there are at least two Authorised Participants per Series.

While each Authorised Participant appointed in respect of the Programme and/or a Series of Notes intends to make a market for the relevant Series of Notes in respect of which it is appointed as an Authorised Participant, an Authorised Participant is under no obligation to do so and there can be no assurance that Authorised Participants would purchase Notes on any day or at any particular price. Furthermore, any market in the Notes may not be liquid.

The price at which an investor may be able to sell Notes at any time may be substantially less than the price paid by the investor. This may occur as a result of, among other things, there being limited liquidity for the Notes, the market price being volatile or the underlying Series Holdings not having performed sufficiently to increase or maintain the market value of the Notes.

(c) ***Authorised Participant Concentration Risk***

Only an Authorised Participant may request for a subscription or repurchase of Notes directly with the Issuer. As the Authorised Participants for a Series may be its only CFTA Counterparties, in the event that any CFTA Counterparty withdraws or is no longer willing to act as an Authorised Participant, until such CFTA Counterparty is replaced or a new Authorised Participant is brought on board, the Notes may trade at a discount to the Per Note Entitlement for the relevant Series.

(d) ***Market price of the Notes***

The market price of each Series of Notes will be affected by several factors, including, but not limited to:

- (a) the value, volatility and the credit quality of the Underlying Debt Securities of the relevant Series;
- (b) the value and volatility of debt securities in general and the Notes;
- (c) market perception, interest rates and yields and foreign exchange rates;

- (d) the creditworthiness of, among others, the Transaction Parties; and
- (e) liquidity in the Notes on the secondary market.

Prospective investors should be aware that the secondary market price of the Notes can go down as well as up throughout the life of the Notes. Prospective investors should be aware that the market price of the Notes on any day may not reflect their prior or future performance. The Notes may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the Per Note Entitlement for a Series as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise.

(e) ***Disruption Events***

During the continuation of any one of the Disruption Events (as defined in the Conditions), the Issuer (or the Collateral Manager on behalf of the Issuer) may postpone or suspend the issuance and/or repurchase of Notes and/or the settlement of any issuance, repurchase or redemption at any time after the occurrence of any such Disruption Event by giving a Suspension Notice.

During a Suspension Period, the Issuer is entitled not to accept Subscription Requests and Repurchase Requests. If the settlement of Subscription and Repurchase Requests is suspended during the relevant Suspension Period, any Subscription Request and Repurchase Request that has been accepted and processed but not yet settled at the time such Suspension Period commences will be postponed until the end of the Suspension Period, save that after 10 Business Days, if the Suspension Period is still continuing, the Issuer may cancel such Subscription Request or Repurchase Request.

If any date scheduled for payment or delivery of a Redemption Amount falls within a Suspension Period, it may be postponed until the end of the Suspension Period if the Issuer or Collateral Manager on its behalf determine that the relevant Disruption Event would disrupt actions required to be performed by the Issuer or a relevant Transaction Party in connection with the redemption or repurchase of the Notes.

Noteholders should be aware that a Suspension Period may have an adverse effect on the amount and on the timing of payment or delivery Redemption Amount of the Notes (including a Repurchase Settlement Amount relating to a Repurchase Request) (please also see "*Postponement of Settlement*" below).

(f) ***Compulsory Redemption of Notes from non-Qualified Holders***

The Notes may not be at any time offered, sold, pledged or otherwise transferred in the United States or to (or to the benefit of) (i) a U.S. person as defined under Regulation S; (ii) a Plan Investor; (iii) any other person, corporation or entity to whom a sale or transfer of Notes, or in relation to whom the holding of Notes (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Issuer to be relevant) (a) would cause the Notes to be required to be registered under the Securities Act, (b) would cause the Issuer to become a "controlled foreign corporation" within the meaning of the US Internal Revenue Code of 1986, (c) would cause the Issuer to have to file periodic reports under Section 13 of the Exchange Act, (d) would cause the assets of the Issuer to be deemed to be "plan assets" of a Benefit Plan Investor, or (e) would cause the Issuer otherwise not to be in compliance with the Securities Act, the US Employee Retirement Income Security Act of 1974, Section 4975 of the US Internal Revenue Code of 1986, Similar Law or the Exchange Act; or (iv) a custodian, nominee, trustee or the estate of any person, corporation or entity described in (i) to (iii) above (a "**non-Qualified Holder**").

The Issuer will have the right at any time after becoming aware that any legal or beneficial ownership interest in the Notes is held by or for a non-Qualified Holder to require such non-Qualified Holder or its custodian, nominee, trustee or estate to compulsorily redeem the Notes legally or beneficially owned by such non-Qualified Holder in accordance with Condition 12.6 (*Compulsory Redemption of Notes from non-Qualified Holders*). The redemption amount will be the Repurchase Settlement Amount of the Notes less all costs associated with compulsory redemptions, **provided that** where it is not possible or practicable for the Issuer to redeem the Notes, such redemption may be postponed. Pending redemption, the Issuer will be entitled to cease to make any payments in respect of the Notes held by or for a non-Qualified Holder.

The foregoing restrictions on the offer, sale, pledge or other transfer of Notes to (or to the benefit of) a non-Qualified Holder may restrict the pool of potential secondary market investors to which an investor may dispose of the Notes in the secondary market and could in turn significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

### **Risk of Early Redemption**

#### **(a) Risk of early redemption**

Notes may be mandatorily redeemed prior to their scheduled maturity for several reasons. Investors should take particular note of the following circumstances which may result in early redemption ("**Early Redemption Events**"):

- (i) certain tax events with respect to the Notes or the Underlying Debt Securities;
- (ii) failure to replace key service providers in relation the Notes;
- (iii) illegality;
- (iv) certain legal, regulatory or market events;
- (v) certain hedging disruption events, including in relation to any Cash Flow Timing Agreement;
- (vi) certain disruptions materially adversely affecting the ability of the Issuer (or the Collateral Manager on its behalf) to maintain the Underlying Debt of a Series; and
- (vii) it is reasonably likely that the liquidation proceeds of the Series Holdings coupled with the net cashflow payments from the CFTA Counterparties under the CFTAs would (or would in the future) fall below the Minimum Redemption Amount (if any) for such Series, and the Issuer has determined in its sole discretion that such likelihood constitutes a Collateral Disruption Event.

The amount payable to a Noteholder in respect of a redemption of the Notes as the result of an Early Redemption Event will be an amount per Note equal to the Early Redemption Amount (to which no Minimum Redemption Amount shall apply). The Collateral Manager, on behalf of the Issuer, will be responsible for liquidating the Underlying Debt Securities in accordance with the terms of the Collateral Management Agreement. The Collateral Manager, on behalf of the Issuer is permitted to sell the Underlying Debt Securities in any manner it deems fit and shall not have any liability for doing so if a higher price could have been obtained had such sale taken place at a different time. The timing and method of liquidation may materially affect the price obtained in respect of the Underlying Debt Securities being liquidated.

Following an Event of Default, the Notes may be redeemed before the scheduled Maturity Date at the Default Redemption Amount.

If the Issuer is subject to a Bankruptcy Event of Default, the Trustee, or to the extent that a competent bankruptcy official or examiner has been appointed in the context of the bankruptcy proceedings, such bankruptcy officer or examiner will liquidate the Mortgaged Property in accordance with the provisions of the Trust Deed and the applicable legal and regulatory provisions.

Any payments of the Early Redemption Amount and/or the Default Redemption Amount will be made after payment of any priority claims. Such priority claims include payment of any amounts due to the CFTA Counterparty in connection with the termination of the Cash Flow Timing Agreement.

The proceeds and/or assets available following payment of any such priority claims may not be sufficient to pay or deliver, as the case may be, in full the amounts that the Noteholders would expect to receive if the Notes were redeemed in accordance with their terms on the Maturity Date, and there is a risk that Noteholders will not receive back in full or at all the amount they originally invested.

Following an early redemption of the Notes as a result of an Early Redemption Event or an Event of Default, a Noteholder may not be able to reinvest the proceeds in a way that generates a level of return as high as that on the Notes and may only be able to do so at a significantly lower rate of return.

Prospective investors in the Notes should consider such reinvestment risk in light of other investments that are available to them.

(b) ***Payment on early redemption is subject to risk***

Payment of the Early Redemption Amount and the Default Redemption Amount is in each case dependent on the value realised from the Series Holdings coupled with the net cashflow payments from the CFTA Counterparties for the relevant Series. The value realised from the Series Holdings may be impacted by other factors in addition to changes to relevant interest rate and credit spreads. In the event that it is not possible or practicable for the Collateral Manager to realise the Series Holdings under normal market conditions (e.g. in the event of market distress), this may negatively impact the value realised from the Series Holdings. If the value realised from the Series Holdings coupled with net cashflow from the CFTA Counterparties for the relevant Series are insufficient to pay the full Early Redemption Amount or Default Redemption Amount for the relevant Notes, the value realised from the Series Holdings coupled with net cashflows from the CFTA Counterparties will be distributed in accordance with Condition 5.2 (*Application of Proceeds*) and the limited recourse provisions applicable to the Notes (as further described in the section titled "*Limited recourse obligations, non-petition and related risks*") will apply. Payment of the Early Redemption Amount and the Default Redemption Amount is not guaranteed by the Issuer, Arranger, any CFTA Counterparty or any other Transaction Party.

**Risks related to repurchases at the request of Authorised Participants**

(a) ***Minimum Redemption Amount is not guaranteed***

Where the Issuer repurchases Notes from an Authorised Participant prior to their Maturity Date at the request of the Authorised Participant, the repurchase price (the "**Repurchase Settlement Amount**") may, if so specified in the Final Terms for a particular Series, be floored at a specified Minimum Redemption Amount (less applicable costs), but subject to the limited recourse provisions applicable to the Notes.

Notwithstanding the above, as a result of the operation of the limited recourse provisions applicable to the Notes (as further described in the section titled "*Limited recourse obligations, non-petition and related risks*"), there is no guarantee that Authorised Participants will receive the Minimum Redemption Amount in connection with a Repurchase Request in the event that the value of the portion of the Series Holdings (the "**Relevant Portion**") realised in relation to such repurchase is insufficient to pay the relevant Minimum Redemption Amount. The payment of such Minimum Redemption Amount is dependent on the value realised from the Relevant Portion and is not otherwise guaranteed by the Issuer, Arranger, any CFTA Counterparty or any other Transaction Party.

In the event that it becomes reasonably likely that the liquidation proceeds of the Series Holdings coupled with the net cashflow payments from the CFTA Counterparties for the relevant Series would fall below the Minimum Redemption Amount (if any) for such Series, the Issuer may determine in its sole discretion that such likelihood constitutes a Collateral Disruption Event and mandatorily redeem all Notes of the relevant Series. The Minimum Redemption Amount does not apply to the Early Redemption Amount payable on an Early Redemption Event. For risks relating to early redemptions, please see risk factors in the section titled "*Risks of Early Redemption*". Noteholders may receive less than the Minimum Redemption Amount and there is a risk that they may receive back less than the amount they originally invested.

## 2. **Risks related to the Series Holdings**

### **Underlying Debt**

*The risks in this section should be considered in the context of the Underlying Debt Securities and the Collateral Criteria for the Series of Notes, as set out in this Base Prospectus and the applicable Final Terms. Not all the risks in this section that relate to the various types of assets that may make up the Underlying Debt Securities will be relevant to all Series.*

#### (a) **Defaults by issuers of debt securities**

If issuers of one or more Underlying Debt Securities of a Series default in their payments to the Issuer and the Issuer is unable to make up such loss from other Underlying Debt Securities invested in by the Issuer for such Series to meet the Collateral Intention, it is the intention of the Issuer to maintain, as far as practicable, its payments of Interest Amounts for such Series. This means that its ability to pay the full principal on maturity or an early termination prior to maturity for such Series would be impacted first and holders of such Notes would be unlikely to receive the full principal payment in such circumstances. The risk of default in respect of the debt securities will depend on the credit worthiness of, and the risks faced by, their issuers. The key risks relating to different types of debt securities that may form the Underlying Debt of various Series are set out in this section.

#### (b) **Fixed income transferable securities**

Debt securities are subject to both actual and perceived measures of creditworthiness. The amount of credit risk may be assessed using the issuer's credit rating which is assigned by one or more independent rating agencies. This does not amount to a guarantee of the issuer's creditworthiness but provides an indicator of the likelihood of default. Securities which have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. Companies often issue securities which are ranked in order of seniority which in the event of default would be reflected in the priority in which investors might be paid back.

The downgrading of a rated debt security or adverse publicity and investor perception, which may not be based on fundamental analysis, could decrease the value and liquidity of the security, particularly in a thinly traded market. Where such securities are downgraded or have their credit ratings withdrawn by the relevant credit rating agencies such that they no longer meet the credit rating requirements for the relevant Series or its Ratings Threshold (where applicable in accordance with the relevant Final Terms), the relevant securities may be held until such time as the Issuer or the Collateral Manager deems reasonable or it is practicable for the Collateral Manager to sell such securities.

Debt securities may be affected by changes in prevailing interest rates and by credit quality considerations. Changes in market rates of interest will generally affect the asset values of debt securities as the prices of fixed rate securities generally increase when interest rates decline and decrease when interest rates rise. Prices of shorter-term securities generally fluctuate less in response to interest rate changes than do longer-term securities. An economic recession may adversely affect an issuer's financial condition and the market value of high yield debt securities issued by such entity. The issuer's ability to service its debt obligations may be adversely affected by specific issuer developments, or the issuer's inability to meet specific projected business forecasts, or the unavailability of additional financing.

(c) **Corporate Bonds**

The Series may invest in corporate bonds issued by companies within a specific range of credit worthiness. Corporate bonds may be upgraded or downgraded from time to time due to a perceived increase or reduction in the credit worthiness of the companies issuing the bonds. Sub-investment grade bonds are generally riskier investments, involving a higher risk of default, by the issuing company.

(d) **Bank Corporate Bonds**

Corporate bonds issued by a financial institution may be subject to the risk of a write down or conversion (i.e. "bail-in") by a relevant authority in circumstances where the financial institution is unable to meet its financial obligations. This may result in bonds issued by such financial institution being written down (to zero), converted into equity or alternative instrument of ownership, or the terms of the bond may be varied. 'Bail-in' risk refers to the risk of relevant authorities exercising powers to rescue troubled banks by writing down or converting rights of their bondholders in order to absorb losses of, or recapitalise, such banks. Investors should be alerted to the fact that relevant authorities are more likely to use a "bail-in" tool to rescue troubled banks, instead of relying on public financial support as they have in the past. Relevant authorities now consider that public financial support should only be used as a last resort after having assessed and exploited, to the maximum extent practicable, other resolution tools, including the "bail-in" tool. A bail-in of a financial institution is likely to result in a reduction in value of some or all its bonds (and possibly other securities).

(e) **Government Bonds**

Investments in government bonds may be subject to liquidity constraints and periods of significantly lower liquidity in difficult market conditions. Therefore it may be more difficult to achieve a fair value on purchase and sale transactions in respect of such bonds. The value of Underlying Debt Securities (where such assets include government bonds) may be adversely affected as a result of the above risks.

(f) **Sovereign, Quasi-sovereign and Local Authority Debt**

Sovereign debt includes securities issued by or guaranteed by a sovereign government. Quasi-sovereign debt includes securities issued by or guaranteed by

or sponsored by an entity affiliated with or backed by a sovereign government. Local authority debt securities are issued by or guaranteed by or sponsored by an entity which is either a local authority or affiliated with or backed by a local authority entity. The entity that controls the repayment of sovereign, quasi-sovereign or local authority debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The entity's ability to repay the principal and/or interest due in a timely manner may be affected by, among other factors, its cashflow, the extent of its foreign reserves (where relevant), the availability of sufficient foreign exchange on the date a payment is due, the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash, the entity's policy towards the International Monetary Fund and the political constraints to which the entity may be subject. Such entities may also be dependent on expected disbursements from foreign governments, multilateral agencies and others abroad to reduce principal and interest arrearage on their debt. The commitment on the part of these governments, agencies and others to make such disbursements may be conditioned on such entities' implementation of economic reforms and/or economic performance and the timely service of such debtors' obligations. Failure to implement such reforms, achieve such levels of economic performance or repay the principal and/or interest when due may result in the cancellation of such third parties' commitments to lend funds to the entities, which may further impair such debtors' ability to service their debt on a timely basis. Consequently, such entities may default on their sovereign, quasi-sovereign or local authority debt. Holders of sovereign, quasi-sovereign or local authority debt may be requested to participate in the rescheduling of such debt and to extend further loans to such entities. Quasi-sovereign and local authority debt obligations are typically less liquid and less standardised than sovereign debt obligations. There is a possibility that there may not be a bankruptcy proceeding by which this debt may be collected in whole or in part. Banks, Governments and companies (including within the EEA and the United Kingdom) invest in each other so if one country performs poorly, the other countries could be impacted. If one country defaults on its debt obligations, other countries could be at risk.

(g) ***High Yield Bonds***

High yield bonds may be more volatile, and subject to greater levels of credit or default risk, than high-rated bonds. Such bonds are more likely to react to developments affecting market and credit risk than more highly rated securities. The value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates, and high yield bonds may be less liquid and more difficult to sell at an advantageous time or price or to value than higher-rated bonds. In particular, high yield bonds are often issued by smaller, less creditworthy companies or by highly leveraged (indebted) firms, which are generally less able than more financially stable firms to make scheduled payments of interest and principal.

Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities generally are not meant for short-term investing. It may be more difficult for the Issuer (or the Collateral Manager on its behalf) to sell high yield securities or it may only be possible to sell the securities at prices lower than if such securities were widely traded. Furthermore, it may be difficult to value certain securities at certain times. Prices realised upon the sale of such lower rated securities, under these circumstances, may be less than the prices used in calculating the Per Note Entitlement for the Series, the Underlying Debt for which includes such assets. In addition, prices for high yield securities may be affected by legislative and regulatory developments which could adversely affect the secondary market for such high yield securities, the financial condition of issuers of these securities and the value of outstanding high yield securities. For example, federal legislation in the United States requiring the divestiture by federally insured savings and loan associations of their investments



in high yield bonds and limiting the deductibility of interest by certain corporate issuers of high yield bonds has adversely affected the market in recent years.

Lower rated (i.e. high yield) securities are more likely to react to developments affecting market and credit risk than more highly rated securities, which primarily react to movements in the general level of interest rates. Lower rated fixed income obligations also present risks based on payment expectations.

(h) ***Euro and Eurozone Risk***

The deterioration of the sovereign debt of several countries, together with the risk of contagion to other, more stable, countries, exacerbated the global economic crisis. There is a continued possibility that Eurozone countries could be subject to an increase in borrowing costs. This situation as well as the United Kingdom's Brexit referendum have raised uncertainties regarding the stability and overall standing of the European Economic and Monetary Union. The departure or risk of departure from the Euro by one or more Eurozone countries could lead to the reintroduction of national currencies in one or more Eurozone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Underlying Debt Securities underlying the Notes, in particular where any such Underlying Debt Securities are denominated in Euro and/or issued by entities domiciled or whose principal activity is in the Eurozone. Investors should carefully consider how any potential changes to the Eurozone and European Union may affect their investment in the Notes.

(i) ***Emerging Markets***

Emerging markets are subject to special risks associated with investment in an emerging market. The material risks include: generally less liquid and less efficient securities markets; (depending on currency) generally greater price volatility; exchange rate fluctuations and exchange control; lack of available currency hedging instruments; abrupt imposition of restrictions on foreign investment; imposition of restrictions on the expatriation of funds or other assets; less publicly available information about issuers; the imposition of taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well regulated markets resulting in more volatile stock prices; different accounting and disclosure standards; governmental interference; risk of expropriation, nationalisation or confiscation of assets or property; higher inflation; social, economic and political instability and uncertainties; the risk of expropriation of assets and the risk of war.

The value of Underlying Debt Securities including emerging market exposures may be adversely affected as a result of the above risks.

(j) ***Illiquidity of Bonds Close to Maturity***

In addition to the liquidity risks of bonds already described above, there is a risk that bonds which are nearing maturity may become illiquid. In such cases, it may become more difficult to achieve fair value on the purchase and sale thereof.

(k) ***Concentration Risk***

If the Underlying Debt Securities for a Series are concentrated in a particular country, region, industry, group of industries or sector the returns on such assets may be adversely affected by the performance of those securities and may be subject to price volatility. In addition, where the Underlying Debt Securities for a Series are concentrated in a single country, region, industry or group of countries or industries the performance of such assets may be more susceptible to any single economic, market, political or regulatory occurrence affecting that country, region, sector, industry or group of countries or industries. Such Series may be

more susceptible to greater price volatility when compared to a more diverse Series. This could lead to a greater risk of loss to the value of your investment.

(I) ***ESG (Environmental, Social and Governance) exclusionary screen risks***

Where "Initial ESG Screen" is specified as applicable to a Series in its Final Terms, the Underlying Debt Securities (or the issuers of such Underlying Debt Securities, as applicable) acquired for such Series will be screened to meet certain ESG-based exclusionary criteria (the Specified Initial ESG Screen Criteria) indicated in the Final Terms at the time the Underlying Debt Securities are first added to the Series Holdings.

The Specified Initial ESG Screen Criteria will be applied only at the time that the relevant Underlying Debt Securities are first added to the Series. Compliance of such debt securities with any ESG screen will not be monitored by the Issuer or Collateral Manager, or any other Transaction Party, following their initial acquisition. Consequently, such debt securities may cease to meet any ESG screen criteria applicable to a Series and no communication will be issued to investors in such event nor will such debt securities be sold for this reason. More debt securities may also be acquired for a Series where such debt securities form or have previously formed part of the Series' Underlying Debt Securities even if such debt securities no longer meet the ESG screen criteria applicable to such Series. If the assessment of the ESG characteristics of any Underlying Debt Securities changes, none of the Issuer, the Collateral Manager, any other Transaction Party or any of their affiliates shall have any liability for such change.

ESG screen criteria will only be applied to debt securities that are acquired for the Underlying Debt of the relevant Series and not to any other assets held in respect of a Series, including any CFTA Collateral, any cash funds or other cash equivalents. For the reasons explained above, assets, which do not comply with the ESG screen criteria applicable to a Series, may therefore be held for such Series even where "Initial ESG Screen" is specified as applicable in the Final Terms for such Series. The application of such ESG-based exclusionary criteria may also result in the Issuer, or the Collateral Manager on its behalf, foregoing opportunities to purchase certain debt securities when it might otherwise be advantageous from a performance perspective to do so.

Further details on any Specified Initial ESG Screen Criteria that may be applied from time to time will be available on request from the Collateral Manager. Investors should make a personal ethical assessment of the extent of ESG-related screening and whether this corresponds with investors' own subjective ethical views prior to investing. Certain screens are not full exclusions and they may allow debt securities to be held even if such debt securities are issued by entities which continue to derive a portion of their revenue from, or continue to have certain ties to, the product or activity being screened, so long as the revenue or ties fall below the applicable thresholds in the screening criteria. ESG screens and standards are a developing area and the methodology used to apply the ESG screens or assess ESG standards may accordingly continue to evolve over the term of a Series.

In assessing a security or issuer based on ESG characteristics, the Issuer (or Collateral Manager on its behalf) will rely on information and data from third party ESG research providers, which are not guaranteed as to their completeness, accuracy or availability. The Issuer or Collateral Manager may also rely on their own proprietary models which may similarly rely on information which is incomplete, inaccurate or unavailable. As a result, there is a risk that the Issuer, or the Collateral Manager on its behalf, may incorrectly assess a security or issuer. There is also a risk that the Issuer, Collateral Manager, or third party ESG providers on which the Issuer or Collateral Manager may depend, may not interpret or apply the relevant ESG characteristics correctly. None of the Issuer, the Collateral Manager, any other Transaction Party or any of their affiliates makes

any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any such ESG assessment.

### **Money Market Instruments**

#### **(a) *Risks related to Money Market Instruments and Funds***

The Issuer may, for cash management purposes and to meet the cashflows corresponding to the scheduled periodic fixed interest amounts due on the relevant Series, arrange for cash attributable to or held in connection with a Series (including pending interest payments and any CFTA Collateral) to be invested into cash equivalents, including liquidity instruments and cash funds, including other funds of the BlackRock Group. A cash fund which invests a significant amount of its assets in money market instruments may be considered as an alternative to investing in a regular deposit account. However, a holding in such a fund is subject to the risks associated with investing in a collective investment scheme and, while a money market collective investment scheme is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of investments of such schemes, increases in interest rates and deteriorations in the credit quality can reduce the scheme's yield and the scheme is still subject to the risk that the value of such scheme's investment can be eroded and the principal sum invested will not be returned in full. Where CFTA Collateral is held in such assets, should the sum invested not be returned in full the Issuer will remain liable to return to the CFTA Counterparty, or account to the CFTA Counterparty for, the full amount of the CFTA Collateral originally received by the Issuer in respect of a Series of Notes and any such shortfall will be met out of the Series Holdings of such Series.

### **3. Risks related to the CFTA Counterparty**

#### **(a) *The Issuer's ability to meet its obligations under the Notes will depend on the receipt by it of payments under any Cash Flow Timing Agreement***

If the Issuer has entered into one or more Cash Flow Timing Agreements in connection with the Notes, the ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under such Cash Flow Timing Agreement(s).

Consequently, the Issuer is exposed to the ability of each CFTA Counterparty to perform its obligations under the relevant Cash Flow Timing Agreement. Default by, cessation of business by and certain other events affecting, the CFTA Counterparty may result in the termination of the relevant Cash Flow Timing 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 a Cash Flow Timing Agreement an amount is payable by the CFTA Counterparty to the Issuer (after taking into account any collateral posted between the parties pursuant to the terms of any Credit Support Annex to the Cash Flow Timing Agreement), then the Issuer will have an unsecured claim against the relevant CFTA Counterparty for such amount and, in any insolvency of the CFTA Counterparty, the Issuer's claim will rank after those of the CFTA Counterparty's secured and other preferred creditors.

The costs of moving a CFTA arrangement from one CFTA Counterparty to another (for example if there is a default by a CFTA Counterparty or reasonable grounds for concern regarding the credit risk it poses) will be borne by the relevant Series.

(b) ***Risks relating to bank recovery and resolution regimes***

One consequence of the global financial crisis has been the regulatory focus on recovery and resolution regimes for financial institutions, the purpose of which is to allow supervisory authorities to take action to manage financial institutions in the event they are unable to perform their principal economic functions.

To this end the European Union has published framework legislation for bank recovery and resolution under Directive 2014/59/EEC, as amended ("**BRRD**"). The BRRD provides supervisory authorities with certain powers to manage financial institutions in an orderly manner. Such powers include:

- (i) the introduction of a bail-in power, which gives the resolution authorities the power to write down certain liabilities and to convert certain liabilities into ordinary shares or other instruments of the surviving entity (if any);
- (ii) powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers; and
- (iii) powers to effect a close-out of derivative transactions and determine the value of such transactions.

If a CFTA Counterparty is within the scope of any BRRD implementing legislation by reason of the relevant Cash Flow Timing Agreement being a liability of the type which may fall within the implementing legislation, then:

- (i) any applicable bail-in power might be exercised in respect of such Cash Flow Timing Agreement to write down or convert any claim of the Issuer as against such person;
- (ii) any applicable suspension power might prevent the Issuer from exercising any termination rights under the Cash Flow Timing Agreement; or
- (iii) any applicable close-out power might be exercised to enforce a termination of the Cash Flow Timing Agreement and to value the transactions in respect of such agreements.

For example, if any Cash Flow Timing Agreement is in-the-money for the Issuer at a time when a resolution regime applies to the CFTA Counterparty, then any claims the Issuer has against the CFTA Counterparty for the close-out amount thereof may be adversely affected by being postponed, converted into other assets or even written down to zero.

The taking of resolution actions by the relevant resolution authorities in respect of the CFTA Counterparty and the Cash Flow Timing Agreement under the foregoing resolution regimes may adversely affect the Noteholders. Following an exercise of resolution powers by a resolution authority, the Issuer may have insufficient assets or sums to meet its obligations under the Notes or any Transaction Document for that Series, the Notes may be the subject of an early redemption and any payment of redemption proceeds to Noteholders may be delayed.

Furthermore, the limitation on the exercise of cross-default rights under the rule published by the Federal Reserve on Qualified Financial Contracts may limit the right of the Issuer or the Trustee on behalf of the Noteholders to exercise its rights under the Cash Flow Timing Agreement against the CFTA Counterparty in the event the CFTA Counterparty were to enter resolution or ordinary insolvency proceedings if the relevant CFTA Counterparty is identified as a "Global Systemically Important Bank" thereunder.

In addition to a resolution regime affecting any CFTA Counterparty, investors should be aware that special resolution regimes may also apply to the obligor of

any Underlying Debt Security in respect of a Series of Notes and that in such case similar considerations to those set out above may apply.

#### 4. **Risks related to the Issuer**

##### (a) ***No regulation of the Issuer by any regulatory authority***

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the securities, commodities or banking laws of that jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. If the Issuer were required to operate within a new regulatory environment, it would need to comply with a potentially complex and changing array of laws, regulations and standards. Compliance may be difficult and may require significant capital and operating expenditures and it may impact the manner in which the Issuer operates, which could adversely affect its performance. Failure to obtain and maintain requisite approvals, certifications, permits and licences could lead to substantial sanctions, including criminal, civil or administrative penalties and/or increased regulatory scrutiny, and liability for damages. In certain cases, the Issuer could also be forced to suspend operations until it obtains required approvals, certifications, permits or licences or otherwise brings its operations into compliance.

Any such requirement or change could have an adverse impact on the Issuer or the holders of Notes and, in such circumstance, the Issuer would be likely (at its discretion) to determine that a Change of Law/Regulatory Event has occurred which could lead to early redemption of the Notes.

##### (b) ***The Issuer is a special purpose vehicle***

The Issuer is a special purpose vehicle established for the purpose of issuing the Notes of each Series with restrictions on the activities that it will undertake. It is established for the purpose of investing in the Underlying Debt Securities underlying the Notes of each Series and entering into and performing its obligations under agreements related to the foregoing. As of the date of this Base Prospectus, the Issuer has an issued and fully-paid up share capital of €25,000. Other than the subscription monies received in respect of the issued share capital (to the extent not applied in discharge of certain establishment expenses of the Issuer), the Issuer has, and will have, no assets other than a small amount of profit received by the Issuer in connection with the issue of each Series of Notes and in respect of a Series of Notes, any rights, property, sums or other assets on which such Series of Notes issued under the Programme are secured.

##### (c) ***No guarantee of the Notes***

No person other than the Issuer will be obliged to make payments on the Notes of any Series and the Notes issued under the Programme will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Collateral Manager, any Transaction Party or any Affiliate or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme or any client money protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body

- (d) ***The Issuer may be subject to anti-money laundering legislation which if violated could materially and adversely affect the timing and amount of payments made by the Issuer***

The Issuer may be subject to legislation and regulations relating to corrupt and illegal payments and money laundering as well as laws, sanctions and restrictions relation to certain individuals and countries. If the Issuer were determined by the relevant authorities to be in violation of any such legislation or regulations, it could become subject to significant penalties, including in certain cases criminal penalties.

Any such violation could have a material and adverse effect on the timing and amount of payments made by the Issuer to Noteholders in respect of the Notes.

## 5. Risks related to other Transaction Parties

### General

- (a) ***Counterparty Risk to the Custodian and sub-custodians***

The Issuer will be exposed to the credit risk of the Custodian or any sub-custodian used by the Custodian ("**Sub-Custodian**") where cash or other assets are held by the Custodian or any Sub-Custodians. Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Issuer. Cash held by the Custodian or any Sub-Custodian will not be segregated in practice but will be a debt owing from the Custodian or any Sub-Custodian to the Issuer as a depositor. Such cash will be co-mingled with cash belonging to other clients of the Custodian and/or Sub-Custodians. In the event of the insolvency of the Custodian or any Sub-Custodian, the Issuer will be treated as a general unsecured creditor of the Custodian or such Sub-Custodian in relation to cash holdings of the Issuer. The Issuer may face difficulties and/or encounter delays in recovering such debt or may not be able to recover it in full or at all, in which case the relevant Series will lose some or all of their cash. The Issuer securities are however required to be maintained by the Custodian and Sub-Custodians used by the Custodian in segregated accounts (in its books and records) and should be protected in the event of insolvency of the Custodian or Sub-Custodians, although there could be a delay in the Issuer being able to access its securities. The Issuer may enter into additional arrangements (for example placing cash in money market collective investment schemes) in order to mitigate credit exposure for its cash holdings but may be exposed to other risks as a result.

To mitigate the Issuer's exposure to the Custodian, the Collateral Manager employs specific procedures to ensure that the Custodian is a reputable institution and that the credit risk is acceptable to the Issuer.

The Custodian is however not required to meet any specified minimum rating from a credit rating agency in order to continue to be appointed as a custodian and to hold cash for the Issuer.

- (b) ***The Custodian may hold the Secured Assets in the Custodian's account or accounts with a sub-custodian, a securities depository or a clearing system***

Under the Master Services Agreement, the Custodian may appoint one or more Sub-Custodians to hold the Secured Assets, but such appointment shall not relieve the Custodian of any of its duties under the Master Services Agreement. Investors should note that the Sub-Custodian acts as an agent of the Custodian and not as an agent of the Issuer or of any agent other than the Custodian. The Custodian shall be liable to the Issuer for acts and omissions on the part of the Sub-Custodian. However, the holding of the Secured Assets by the Sub-Custodian on behalf of the Custodian would mean that the Issuer may not have

any direct claim against the Sub-Custodian in respect of the Secured Assets. The Issuer may only have a claim against the Custodian in respect of the Secured Assets even though the Secured Assets will be held by the Sub-Custodian. Consequently, the Noteholders are relying also on the creditworthiness of the Custodian in respect of the performance of the Sub-Custodian's obligations with respect to the Secured Assets.

(c) ***The Custodian's failure to pay clearing system costs may result in the Issuer failing to receive any payments due to it in respect of the Secured Assets***

Sub-Custodians, security depositories or clearing systems may, in relation to their fees and/or expenses, have rights of set-off and/or liens with respect to any Secured Assets held by them.

If the Custodian fails to pay such fees and/or expenses, the relevant Sub-Custodian, security depository or clearing system may exercise such lien or right of set-off. This may result in the Issuer failing to receive any payments due to it in respect of the Secured Assets, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes and result in loss to Noteholders.

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 Master Services Agreement for the Notes but will also be dependent on any Sub-Custodian, security depository or clearing system not exercising any lien or right of set-off in respect of any Secured Assets that it holds.

(d) ***The security interest in respect of the Secured Assets held by the Custodian and/or the Paying Agent might take the form only of a security interest over the Issuer's rights against the Custodian and/or the Paying Agent in respect of such Secured Assets rather than a charge over or an encumbrance on the Secured Assets themselves***

Where any Secured Assets are held by the Custodian in book entry form or held by the Paying Agent as banker, the security interests granted in respect of such Secured Assets might take the form only of a security interest over the Issuer's rights against the Custodian or the Paying Agent (respectively) in respect of such Secured Assets rather than a charge over the Secured Assets. Noteholders are therefore exposed to risks in respect of the Custodian and Paying Agent.

It is unlikely that the Trustee will have a sufficient level of possession and control over the Secured Assets for the security created by the Trust Deed to be considered to be a Financial Collateral Arrangement as defined in the Financial Collateral Arrangements (No. 2) Regulations 2003, as amended, and therefore the rights and protections given to the charge by such regulations will likely not apply.

(e) ***Noteholders are exposed to the creditworthiness of the Paying Agent***

Any payments and/or deliveries made to Noteholders in accordance with the Conditions (except for the Repurchase Settlement Amounts) will be made by the Paying Agent on behalf of the Issuer. Pursuant to the terms of the Paying Agency and Account Bank Agreement, the Issuer is required to transfer to the Paying Agent such amount as may be due under the Notes (except for the Repurchase Settlement Amounts), on or before each date on which such payment and/or deliveries in respect of the Notes becomes due.

If the relevant Paying Agent is declared insolvent while holding funds for payment to Noteholders in respect of the Notes, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the relevant Paying Agent. The Issuer will remain liable to Noteholders in respect of such

unpaid amounts but will have insufficient assets to make such payments and Noteholders may not receive any amounts due to them.

Consequently, Noteholders are exposed to the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Paying Agency and Account Bank Agreement to make payments to Noteholders.

(f) ***Discretion of the Administrator to make certain determinations and calculations***

The Conditions of the Notes confer on the Administrator certain discretions in making determinations and calculations in relation to the Notes, and calculations made by the Administrator in respect of any Notes are conclusive and binding on the Noteholders. The Administrator has no direct obligations to the Noteholders, and only has obligations to the Issuer as set out in the Master Services Agreement (please see the section titled "*Transaction Parties and Documents*" for a description of the Master Services Agreement).

Where the Administrator (acting in a commercially reasonable manner) determines that, as a result of market disruption, war, natural disaster, systems failure or any other force majeure event, it is unable to make a calculation or determination in the manner required by any Transaction Document, then the Administrator shall not be liable for failure to make such calculation or determination in the required manner.

Such an event may have a negative impact on the value of the Notes or the occurrence of an early redemption of the Notes or the amount payable or deliverable in connection therewith.

(g) ***Failure of the Administrator to perform calculations and determinations***

The Administrator has a vital role in performing calculations and determinations in relation to the Notes. If the Administrator ceases to perform such a role or does not make such calculations and determinations required under the Master Services Agreement, the Issuer will enforce its rights against the Administrator under the Master Services Agreement but, in the interim, the Issuer might cease making payments or performing other obligations until the Administrator resumes its performance or a replacement administrator is appointed.

**Conflicts of interest**

(a) ***Transaction Parties and conflicts of interest***

Transaction Parties (including the Collateral Manager on behalf of other clients) and/or their respective Affiliates may engage in trading and market-making activities and may hold long or short positions in the Series Holdings and other financial instruments or products based on or related to the Series Holdings for their own accounts or for other accounts under their management. Transaction Parties and their affiliates may also issue securities or enter into financial instruments in relation to the Series Holdings. Such activities could present certain conflicts of interest, that could adversely affect the price and liquidity of the Notes and may have an adverse effect on the value of the Notes.

A Transaction Party and/or its Affiliates may be entitled to receive fees or other payments under or in connection with other products linked to the Series Holdings to which the Notes relate or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in the Notes.

A Transaction Party and/or its Affiliates may, from time to time, by virtue of such activities and their status in relation to such activities as underwriter, adviser or otherwise, possess or have access to information relating to the Secured Assets



and/or the other Transaction Parties. There is no obligation on any Transaction Party to disclose to any investor in the Notes any such information.

A Transaction Party and/or its Affiliates may, as an issuer or counterparty of obligations or transactions relating to assets or categories of assets underlying a Series from time to time, engage in activities designed to reduce its exposure to the risk of adverse price movements that may impact on the prices of such assets or categories of assets on any particular day, meaning it may be different from the level which it would otherwise have been, whether directly or indirectly. Such activities may have an adverse effect on the value of the Notes.

- (b) ***The Arranger and Collateral Manager is BlackRock Advisors (UK) Limited which is ultimately owned by BlackRock, Inc.***

Any member within the BlackRock group or any substantial shareholder of BlackRock, Inc., and any of the directors of the foregoing, may have an interest in the Issuer or in any transaction effected with or for it, or a relationship of any description with any other person, which may involve a potential conflict with their respective duties to the Arranger and Collateral Manager, and none of them will be liable to account for any profit or remuneration derived from so doing.

**6. Risks associated with certain other miscellaneous features and terms of the Notes, including settlement, discretions, Issuer substitution and amendments**

- (a) ***Modification, waivers and substitution***

There are some matters set out in Condition 21 (*Modification and Waiver*) which do not require the approval of Noteholders or the consent of the Trustee. Additionally, there are some matters set out in Conditions 21.2 and 21.3 to which the Trustee may or shall consent without obtaining the consent of the Noteholders. All other matters affecting the interests of the Noteholders must be sanctioned by resolution of the Noteholders, which resolution will be binding on all Noteholders of the relevant Series, including any Notes who did not vote in favour of such resolution.

To the extent that the consent of the Trustee is required under the Conditions or the relevant Trust Deed, the Trustee may agree, without the consent of the Noteholders, to certain matters as well as any modification to the Conditions or the Trust Documents which is of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the Noteholders of the relevant Series or is necessary to comply with any mandatory provision of law or the rules of any stock exchange, market or quotation system, central securities depository, trading facility or clearing system or is a change to the operating model of a Series to address or adapt to any upcoming or potential changes in law, regulations, best practice or market practice, where such change are in the interests of Noteholders.

Prospective investors should note that in certain circumstances the Issuer and the relevant Transaction Party may take certain actions, and certain amendments may be made to the terms of the Notes and/or the relevant Transaction Documents without the requirement for the approval of Noteholders or the consent of the Trustee.

These include (without limitation):

- (i) the transfer of any Series Holdings to an Authorised Participant under an Authorised Participant Agreement or in respect of Notes subject to physical delivery and/or to the Custodian under the Master Services Agreement, and the related release of Transaction Security provided such transfer and release is effected in accordance with the terms of the

relevant Authorised Participant Agreement, the Master Services Agreement, the Security Deed or the Conditions, as applicable;

- (ii) any change to the Operational Fee at any time;
- (iii) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Documents so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (iv) any amendment to the Conditions or any Transaction Document which relates to, or is necessary or desirable to address, an operational, procedural, administrative or technical issue;
- (v) any change to or of the clearing or settlement system in which Notes are or may be cleared, held or deposited;
- (vi) any change to the number or Nominal Amount of Notes which may be evidenced by a Global Note, or similar or equivalent instrument held in or deposited with a settlement system other than through an ICSD;
- (vii) by notice to the Trustee and Administrator, any change to the form, nature, or method for registration, transfer and/or clearing of the Notes, including without limitation the conversion of the Notes from certificated to uncertificated form, or from uncertificated to certificated form;
- (viii) the marketing or listing of the Notes of any Series in any additional jurisdiction and/or on any additional stock exchange, market or trading facility;
- (ix) any change to the Applicable Discount Rate or any other reference rate in the event that (i) such Applicable Discount Rate or other reference rate ceases or will cease to be calculated or published, or (ii) such Applicable Discount Rate or other reference rate is no longer recognised by the market as an appropriate reference rate; or
- (x) any other modifications to the Conditions, Notes, or Transaction Documents which relates or is incidental to, or is necessary or desirable to give effect to, any of the foregoing,

in each case which the Issuer (or the Collateral Manager on its behalf) does not consider to be materially prejudicial to the interests of Noteholders.

Such actions or amendments may, in certain circumstances, have adverse consequences for investors. Prospective investors should recognise that such actions or amendments can take place without any requirement for consent from them or the Trustee and should ensure that they accept and are aware of the potential consequences of such actions or amendments.

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to the substitution of a company other than the Issuer as principal debtor under any Notes.

Accordingly, Noteholders are exposed to the risk that their rights in respect of the Notes are varied against their will, which may result in an investment in any Notes becoming less advantageous to a particular Noteholder depending on individual circumstances.

**(b) Issuer discretion in respect of the method of settlement**

Although an Authorised Participant may express a preference in any Repurchase Request as to the method of settlement of the Repurchase Settlement Amount, the Issuer shall have the right to determine (in its absolute discretion) the method of settlement of such Repurchase Settlement Amount.

Consequently, an Authorised Participant may receive a cash amount or Underlying Debt Securities (or a combination of cash and Underlying Debt Securities) irrespective of any preference expressed for a particular form of settlement.

**(c) Cash settlement following an Early Redemption Event or Event of Default**

Following the delivery of an Early Redemption Notice or Event of Default Redemption Notice, the ability of the Issuer (or the Collateral Manager on its behalf) to sell or otherwise realise the Underlying Debt in cash at their market value (less costs) or at all may be adversely affected by a number of factors, including without limitation if any such Underlying Debt Securities have become subject to sanctions or their sale is otherwise restricted by law or regulation.

Additionally, Underlying Debt Securities which are rated as high yield (rather than investment grade) at the time of such Early Redemption Notice or Event of Default Redemption Notice may also be less liquid and/or more volatile which may adversely affect the ability of the Issuer or Collateral Manager to realise such assets.

Consequently, the Issuer may not be able to sell or otherwise realise the Underlying Debt in full in one day and may need to sell such assets over a series of days. For these reasons, redemption proceeds (in cash) may take longer to be paid out than redemption proceeds (in securities) for physical redemptions.

The Issuer may not be able to achieve a price equal to the estimated market value of the Series Holdings. Prospective investors should note that there can be no assurance that the redemption proceeds received by Noteholders following an Early Redemption Event or Event of Default will be greater than or equal to the amount invested by any Noteholder and that an investor may lose the entire value of their investment.

**(d) Physical settlement**

A repurchase of Notes from an Authorised Participant in accordance with Condition 12.5 (*Repurchase prior to the Maturity Date at the Option of an Authorised Participant*) may in certain circumstances be settled (in whole or part) by physical delivery of a portfolio of Underlying Debt Securities.

***Conditions to settlement***

If the Notes are to be settled by delivery of physical assets (from the Series Holdings), the Issuer's obligation to deliver the relevant property is subject to conditions to settlement. No delivery will be made in respect of a physically settled Note unless the Issuer has received the required instructions, certifications and information and, where applicable, the relevant Note has been delivered and/or surrendered in accordance with the Conditions of the Notes.

***Exposure to value of Underlying Debt and transfer expenses***

Where Notes are settled by delivery of physical assets rather than by payment of cash, investors will be exposed to the issuer(s) of such delivered assets. Investors may not be able to sell such delivered assets for a specific price and the delivered assets may have a very low value or may in fact be worthless. Investors may also be subject to documentary or stamp taxes and/or other charges in relation to the

delivery and/or disposal of such assets. Settlement is subject to satisfaction of all settlement costs by the investor.

***Settlement disruption risk***

Certain settlement disruption events may occur which could restrict the Issuer's ability to deliver physical assets from the Series Holdings, and the date of delivery of payments and/or entitlements could be delayed accordingly. In accordance with Condition 12.15 (*Postponement of Settlement during a Suspension Period*), where the delivery of the relevant entitlement using the method of delivery specified or agreed is impossible or impracticable by reason of a Suspension Period being on-going on (or having been on-going immediately prior to) the Relevant Settlement Date, the Relevant Settlement Date may be postponed and the Issuer (or the Collateral Manager on its behalf) also has the right to either (a) deliver some or all of the entitlement in any commercially reasonable manner, or (b) pay an amount in lieu of delivering the relevant entitlement. **Such a disruption event and related determinations may have an adverse effect on the value of the relevant Notes.**

(e) ***Failure to settle***

If an Authorised Participant submits a dealing request and subsequently fails or is unable to settle and complete the dealing request, the Issuer's only recourse to the Authorised Participant is its contractual right to recover such costs. In the event that no recovery can be made from the Authorised Participant, any costs incurred as a result of the failure to settle will be borne by the assets attributable to the relevant Series.

(f) ***Insufficiency of Duties and Charges***

Duties and Charges are levied in order to defray the costs associated with the purchase, sale or amendment of Series Holdings and/or any Cash Flow Timing Agreement in connection with subscriptions and repurchases. The level of Duties and Charges may be determined by the Issuer or Collateral Manager in advance of the actual purchase or sale of Underlying Debt Securities, execution of associated foreign exchange or amendment to the Cash Flow Timing Agreement. It may be estimated based on historic information concerning the costs incurred in trading the relevant securities in the relevant markets. This figure is reviewed periodically and adjusted as necessary. If the Duties and Charges levied are insufficient to discharge all of the costs incurred in the purchase or sale of Underlying Debt Securities or amendment of the Cash Flow Timing Agreement, the difference will be paid out of the assets attributable to each Series, which, pending the reimbursement of the shortfall by an Authorised Participant, will result in a reduction in the value of the Series Holdings for such Series.

(g) ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in the Series Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Series Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Series Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Series Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

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

(h) ***No guarantee that the Notes will be admitted to listing and trading***

Although application will be made to Euronext Dublin for the Notes issued under the Programme to be admitted to listing and trading, there is no assurance that such application will be accepted, or that any particular Tranche of Notes will be so admitted.

The Issuer may, with notice to Noteholders, discontinue any listing of the Notes or arrange for the Notes to be listed on another stock exchange or exchanges (which may be other than a regulated market).

This may have an adverse effect on a Noteholder's ability to hold, or resell, the Notes depending on the circumstances of the particular Noteholder.

7. **Potential regulatory change or accounting standards change**

(a) ***Risk of application of AIFMD and equivalent legislation***

The EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013. The AIFMD has been implemented into Irish law by the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257/2013) (the "**Irish AIFM Regulations**"). The AIFMD provides, amongst other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. However, the AIFMD does not apply to "securitisation special purpose entities" (the "**SSPE Exemption**").

The Central Bank has published certain guidance on the application of the Irish AIFM Regulations, including the scope of the SSPE Exemption. In particular, the Central Bank has indicated that "financial vehicles engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle as are provided by the sale of units or shares" may be considered outside the scope of the Irish AIFM Regulations. Accordingly, the Issuer believes that it falls within the SSPE Exemption as the Notes to be issued under the Programme are structured as debt instruments which do not provide ownership rights in the Issuer. However, in providing its guidance, the Central Bank alluded to the possibility that the European Securities and Markets Authority ("**ESMA**") may provide additional guidance on the types of structures that will be considered AIFs and the scope of the SSPE Exemption under the AIFMD, although, as at the date of this Base Prospectus, ESMA has not issued additional guidance that would preclude the Issuer from falling within the SSPE Exemption.

The AIFMD has been implemented in the UK by the Alternative Investment Fund Managers Regulations 2013. Guidance issued by the FCA states that, pending any future clarification at the EU level, the FCA assumes that certain special purpose vehicles that are set up to invest in financial assets and which finance the purchase of those assets by an issue of debt securities are not AIFs if the arrangements meet the "debt issues" exclusion in paragraph 5 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 (the "**CIS Order**"). In the Issuer's view, the Notes are likely to fall into the exclusion for "debt issues" set out in paragraph 5 of the CIS Order and is therefore unlikely to be an AIF. There can be no assurance that courts or regulatory authorities would not apply another interpretation and re-characterise the Issuer as an AIF.

If the position were to change, or (notwithstanding the regulatory position described above) if the Issuer were to be found to be an AIF or an AIFM or if the Arranger (acting as Arranger, Collateral Manager or in any other capacity in respect of the Notes) were found to be acting as an AIFM with respect to the Issuer as an AIF, such AIFM would be subject to the requirements of the AIFMD. A similar risk also applies in other Member States in the European Economic Area. In addition, should the courts or regulatory authorities in the UK or in Ireland re-characterise the Issuer, or the Issuer otherwise become subject to the requirements of the AIFMD, this would be likely to have a knock-on effect on the characterisation of the Issuer in certain other Member States of the European Economic Area.

Owing to the special purpose nature of the Issuer, it would be unlikely that either the Issuer or Arranger could comply fully with the requirements of the AIFMD were AIFMD to apply. In addition, this could have a negative impact on how the Notes are treated from a regulatory perspective.

In such circumstance, the Issuer would be likely (at its discretion) to determine that a Change of Law/Regulatory Event has occurred which could lead to early redemption of the Notes.

(b) ***Risk of categorisation as a collective investment scheme ("CIS")***

The Issuer is of the view that it is unlikely to be treated as a CIS under any Irish legislative provision governing the establishment, promotion and/or supervision of collective investment schemes in Ireland as the Notes constitute debt obligations of the Issuer. Similarly, the Issuer is of the view that it is unlikely to be treated as a CIS in the UK as the Notes fall into the exclusion for "debt issues" set out in paragraph 5 of the CIS Order. There can be no assurance that courts or regulatory authorities would not apply another interpretation and re-characterise the Issuer as a CIS.

If the Issuer were to be found to be a CIS in Ireland or the UK, this could have a negative impact on how the Notes are treated from a regulatory perspective. If such an event were to occur, the Issuer intends to make such changes to the Programme as are necessary for the Issuer to cease being treated as a CIS, including but not limited to amending the Conditions to give the Issuer the ability to accept and reject Repurchase Requests from Authorised Participants at its discretion. If any such changes cannot be implemented or if the Issuer is unable to ensure that it ceases to be treated as a CIS, the Issuer would be likely (at its discretion) to determine that a Change of Law/Regulatory Event has occurred, which could lead to early redemption of the Notes. A re-characterisation risk may similarly be applicable in certain other Permitted Countries (as set out in the applicable Final Terms), having regard to the legislative or regulatory requirements in any such Member State governing the establishment, promotion and/or supervision of collective investment schemes. In addition, should the courts or regulatory authorities in Ireland or the UK re-characterise the Issuer as a CIS, this may have a knock-on effect on the characterisation of the Issuer in certain other Permitted Countries.

(c) ***Potential impact of cessation or replacement of Applicable Discount Rate***

The Applicable Discount Rate for certain Series may be based on variable benchmark or interbank rates, such as the Euro OverNight Index Average ("EONIA") and other similar types of reference rates ("Rates"). The cessation or replacement of a Rate or any other changes or reforms to the determination, calculation methodology, administration or supervision of a Rate, or any increased costs associated with use (or replacement) of a Rate, could have an adverse impact on the market for, or value or performance of, any securities or on payments linked to such Rate and may result in a requirement to use an

alternative Rate as the basis for the Applicable Discount Rate for the relevant Series.

The European Central Bank has announced that the Euro Short Term Rate ("€STR") will replace EONIA on 1 January 2022. Until such date, the European Central Bank intends to correlate EONIA and €STR by proposing a "new EONIA" based on the €STR. There remains some uncertainty regarding the potential effect of a transition away from EONIA to €STR on a Series that uses EONIA as the basis for its Applicable Discount Rate.

(d) ***Potential Implications of Brexit***

On 31 January 2020 the UK formally withdrew from and ceased to be a member of the European Union ("EU"). The UK and the EU have now entered into a transition period, which will run until 31 December 2020 ("**Transition Period**"). During the Transition Period, the UK will be subject to applicable EU laws and regulations.

The negotiation and implementation of the political, economic and legal framework may extend beyond the Transition Period and lead to continued uncertainty and periods of volatility in both the UK and wider European markets throughout the Transition Period and beyond. The terms of the future relationship may cause continued uncertainty in the global financial markets. This may have an impact on Series of Notes which hold debt securities of issuers in the UK and/or the EU and possibly also more broadly and may materially and adversely affect the performance of the Issuer, the Per Note Entitlement for the Series and returns to Noteholders. It could also potentially make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden which could restrict the Issuer's future activities and thereby negatively affect returns.

Volatility resulting from this uncertainty may mean that Series of Notes which hold debt securities of issuers in the UK and/or the EU could be adversely affected by market movements, potential decline in the value of Sterling and/or Euro, and any downgrading of UK sovereign credit rating.

This mid to long term uncertainty may have an adverse effect on the economy generally and on the ability of the Issuer and its investments to execute their respective strategies and to receive attractive returns and may also result in increased costs to the Issuer.

(e) ***Risk of application of EMIR***

Regulation (EU) No 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 (as amended, "**EMIR**") establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations, bilateral risk management requirements and reporting requirements.

EMIR imposes different obligations on entities classified as "financial counterparties" ("**FC**"s) including entities referred to as "small financial counterparties" or "**SFC**"s), "non-financial counterparties exceeding a clearing threshold" ("**NFC+**"s) and "non-financial counterparties below a clearing threshold" ("**NFC-**"s).

Due to the Issuer's unregulated status and the CFTAs that the Issuer has entered or will enter into, the Issuer is likely to be classified as an NFC-. Accordingly, EMIR imposes only a limited amount of obligations on the Issuer when it enters into any CFTA or other derivatives transactions, including obligations to report these derivative contracts to trade repositories.

If the Issuer were to be classified as an entity other than an NFC-, EMIR may require the Issuer to modify the economic terms of any CFTA or other derivative

transaction into which it enters and there is a risk that this may materially increase the costs associated with such derivative transaction or replacement CFTA or other derivative transaction. This is a particular risk should any CFTA or other derivative transaction into which the Issuer enters become subject to (i) a requirement to exchange segregated collateral with the counterparty to such transaction, which forms a part of the risk-management requirements, or (ii) to mandatory clearing. In such circumstances, the Issuer might not be practically able to comply with such requirement and/or the Issuer and/or counterparty would be subject to additional financial and operational burdens.

If the Issuer were to be classified as an entity other than an NFC-, the additional requirements of EMIR may in certain circumstances result in the occurrence of a Regulatory Event and lead to early redemption of the Notes.

(f) ***Risk of application of Dodd-Frank***

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts.

The Issuer has imposed certain restrictions on sales in order to fall outside of the scope of the Dodd-Frank Act. However, there is no assurance that any Cash Flow Timing Agreement would not be treated as a covered swap under the Dodd-Frank Act nor is there assurance that the Issuer or the CFTA Counterparty would not be required to comply with additional regulation under the Commodity Exchange Act including by the Dodd-Frank Act.

Were any Cash Flow Timing Agreement to be treated as a covered swap, the Issuer or the CFTA Counterparty might be subject to increased regulatory requirements. Such additional regulations and such registrations might result in increased reporting obligations and expenses. In addition, it might become illegal for the CFTA Counterparty to perform its obligations under the relevant Cash Flow Timing Agreement.

In such circumstance, the Issuer would be likely (at its discretion) to determine that a Regulatory Event had occurred which would lead to early redemption of the Notes.

(g) ***Risk of change of law or interpretation***

The Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

In particular, in light of the United Kingdom's exit from the EU ("**Brexit**"), there could be significant changes to those EU laws applicable in the United Kingdom. While relevant legislative measures implementing EU directives will be preserved, and EU regulations have been on-shored (with amendments) pursuant to the European Union (Withdrawal) Act 2018 for the duration of the Transition Period, it is possible that subsequent changes in law affecting the rights of Noteholders could take place following the end of the Transition Period.

**Accordingly, investors are exposed to the risk that their rights in respect of the Notes may be varied, which may result in an investment in the Notes becoming less advantageous.**

(h) ***Risk of change to tax law or interpretation***

If there is a change to tax law or its interpretation or tax practice, it may have an impact on the tax payable by the Issuer and/or it may have an impact on the tax payable by an investor on payments received from the Issuer pursuant to the



Notes. Either of these may result in an investment in the Notes becoming less advantageous. Depending on the type of change, it could also give rise to a Tax Event or a Change in Law/Regulation Event and consequently lead to an early termination of the affected Series, and/or reduce the amounts available for payment to Noteholders.

(i) ***Risk of change to accounting standards or interpretation***

If there is a change to accounting standards or their interpretation (e.g. IFRS or GAAP), it may have an impact on the accounting treatment that an investor applies to the Notes which may result in an investment in the Notes becoming less advantageous.

**Accordingly, investors are exposed to the risk that the tax or accounting treatment of their Notes may change, which may result in an investment in the Notes becoming less advantageous.**

8. **Risks related to legal framework of the Notes**

(a) ***The Issuer is structured to be insolvency-remote, but it is not insolvency-proof; consequences of insolvency proceedings in relation to the Issuer***

The Issuer is structured to be insolvency-remote and will include in its contracts with other parties that they may not make any application for the commencement of winding-up or bankruptcy or similar proceedings under the Applicable Laws of any jurisdiction against the Issuer. In addition, there are restrictions on the Noteholders and Transaction Parties bringing insolvency proceedings against the Issuer (see "*Limited recourse obligations, non-petition and related risks*" above). If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

However, there is no guarantee that all claims that arise against the Issuer will be on a non-petition basis, in particular where claims arise from third parties that have no direct contractual relationship with the Issuer or if the Issuer fails for any reason to comply with its contractual obligations (including the obligation only to contract on a "non-petition" basis). A creditor that has not accepted non-petition provisions in respect of the Issuer may be entitled to make an application for the commencement of insolvency proceedings against the Issuer. The commencement of such proceedings may entitle such a creditor to terminate contracts with the Issuer and claim damages for any loss suffered as a result of such early termination.

Additionally, should the limited recourse or non-petition provisions be found to be unenforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of Noteholders and may prevent Noteholders from enforcing their rights or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Transaction Security created in favour of the Trustee may be set aside or ranked behind certain other creditors and the assets subject to such security may be transferred to another person free of such Transaction Security.

In addition, certain jurisdictions (including Ireland) have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions, the rights of the Trustee to enforce the Transaction Security may be limited or delayed by such procedures.

(b) ***Preferred creditors under Irish law***

The Issuer is an Irish incorporated company. Under Irish law, when applying the proceeds that may have been realised in the course of a liquidation or receivership

of assets subject to a fixed security interest (such as that created by the Issuer pursuant to the Security Deed), the claims of a limited category of preferential creditors will take priority over the claims of the creditors holding the security in such assets. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (see "*Examinership under Irish law*" below).

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

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding Irish taxes. The Irish courts have not yet determined the scope of this right of the Irish Revenue Commissioners and the right may override the rights of holders of security over the debt in question.

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

(c) ***Examinership under Irish law***

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

An examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid any negative pledge given by the company prior to his appointment. Furthermore, such examiner may sell the assets which are the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

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

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

amounts due by the Issuer to the Noteholders. The primary risks to the Noteholders if an examiner were appointed to the Issuer are as follows:

- (a) during the period of protection, no action may be taken by Noteholders to enforce their rights to payment of amounts due by the Issuer or to enforce or realise any security granted by the Issuer and accordingly such payments could be deferred;
- (b) the potential for a scheme of arrangement to be approved involving the writing down of the debt due by the Issuer to Noteholders as secured by the Security Deed;
- (c) the potential for the examiner to set aside any negative pledge in the Trust Deed prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders.

(d) ***Taxation and no gross up***

The Issuer will not be obliged to gross up, or pay any additional amounts in respect of, any payments in respect of the Notes in respect of which any withholding or deduction has been required to be made in respect of any tax. Noteholders will not be entitled to receive amounts to compensate for such withholding or deduction. Accordingly, investors may receive a lower return than would be received on an investment where no withholding tax is payable or where the relevant issuer has an automatic obligation to gross up any payments. No Event of Default will occur as a result of any such withholding or deduction.

The tax treatment of the Notes, including but not limited to the question of whether the Notes should be treated as debt securities or units in a collective investment scheme for tax purposes, is fundamentally unclear in some jurisdictions. Prospective investors' attention is therefore drawn to the section titled "*Taxation*" of this Base Prospectus and the other tax disclosures in this Base Prospectus.

Investors should also read the information set out under the heading "*FATCA and other cross-border reporting systems*", particularly in relation to the consequences of the Issuer being unable to comply with the terms of such reporting systems.

(e) ***Notes where denominations involve integral multiples: definitive Notes***

In relation to any issue of Notes which have denominations consisting of a minimum denomination plus one or more integral multiples of a smaller amount in excess of the minimum denomination (together the "**Specified Denomination**"), it is possible that such Notes may be traded in amounts in excess of the minimum denomination but which are not integrals of the minimum denomination. In such a case, a holder who, as a result of trading amounts which are not integral multiples of the minimum denomination, holds an amount which is less than the minimum denomination or which does not amount to a Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase an amount of Notes of such Series such that its holding amounts to at least the minimum denomination and also a Specified Denomination. Holdings which are not in a Specified Denomination will be rounded downwards in all instances.

**If definitive Notes are issued, investors should be aware that definitive Notes which have a denomination that is not an integral multiple of the incremental Specified Denomination may be illiquid and difficult to trade.**

**9. Risks in relation to Notes in global form held by or on behalf of Euroclear and/or Clearstream**

**(a) *Notes in global form are or will be held by or on behalf of Euroclear and/or Clearstream and investors will have to rely on their procedures for transfer, payment and communication with the Issuer***

The Notes will be represented by the Global Note except in certain limited circumstances described in the Global Note and will be cleared and settled in the international central securities depository ("**ICSD**") settlement system. The Global Note will be registered in the name of the Common Depositary's Nominee as nominee for, and deposited with, the common depositary for the ICSDs, Euroclear and Clearstream. Individual Note Certificates evidencing holdings of Notes will only be available in very limited circumstances. Each ICSD will maintain records of the beneficial interests in the Global Note. While the Notes are represented by the Global Note, investors will be able to clear and settle their beneficial interests through an ICSD (only).

The Issuer will discharge its payment obligations under the Notes by making payments to, or to the order of, the Common Depositary for the ICSDs (for example to the Paying Agent as directed by the Common Depositary) for distribution to their account holders. A holder of a beneficial interest in the Global Note must rely on the procedures of the ICSDs to receive payments under the Notes. Such ICSDs will pass on payments received from the Issuer to account holders that hold beneficial interests in the Notes in their accounts. Where a beneficial owner is not an account holder in an ICSD, it will have to rely on its nominee, custodian, broker or central securities depository (as appropriate) which is an account holder in an ICSD to pass on such payments. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Note.

Holders of beneficial interests in the Global Note will not have a direct right to vote in respect of the Notes. Instead, such holders which are account holders in an ICSD will rely on the relevant ICSD to receive notices and other communication from the Issuer and will be permitted to provide voting instructions only to the extent that they are enabled by the relevant ICSD to appoint appropriate proxies. Where a beneficial owner is not an account holder in an ICSD, it will have to rely on its nominee, custodian, broker or central securities depository (as appropriate) which is an account holder in an ICSD to pass on such notices and other communication from the Issuer and to enable it to provide voting instructions via the appointment of appropriate proxies.

**10. Risks in relation to market and other external events**

**(a) *Market events may lead to volatility and loss***

Global financial crises have in the past caused significant declines in the value and liquidity of many securities and volatility in the markets. Periods of market volatility may continue to occur in the future in response to various political, social and economic events. These conditions have previously resulted in greater price volatility, less liquidity, widening credit spreads and a lack of price transparency, with many securities remaining illiquid and of uncertain value.

Risks resulting from any future debt or other economic crisis could also have a detrimental impact on the global economic recovery and the financial condition of financial institutions. Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy

rates, levels of incurrence and default on consumer debt and home prices, among other factors.

Such events and market conditions could increase volatility and the risk of default by issuers of Underlying Debt Securities and thereby also increase the risk of loss to holders of Notes.

(b) ***Impact of natural or man-made disasters***

The performance of Underlying Debt Securities, and in turn the Notes, may be negatively affected by natural disasters, catastrophic natural events and/or man-made disasters. These events may have a significant negative impact on essential communications and services and local or international infrastructure (including supply chains), as well as overall consumer confidence, which in turn may materially and adversely affect the performance of the Underlying Debt Securities, whether or not such Underlying Debt Securities or the issuers of the same are directly involved in or located in a jurisdiction directly affected by any such event.

Outbreaks of infectious diseases may also have a negative impact on the performance of Underlying Debt Securities. For example, an outbreak of respiratory disease caused by a novel coronavirus was first detected in December 2019 and then spread globally. This coronavirus led to borders closing, restrictions on the movement of people, quarantines, cancellations of transportation and other services, disruptions to supply chains, businesses and customer activity, as well as general concern and uncertainty. It is possible that there may be similar outbreaks of other infectious diseases in the future. The impact of this coronavirus, and other epidemics and pandemics that may arise in the future, could affect the economies of many nations, individual companies and the market in general in ways that cannot necessarily be foreseen at the present time. In addition, the impact of infectious diseases in developing or emerging market countries may be greater due to less established health care systems. Health crises caused by the recent coronavirus outbreak may exacerbate other pre-existing political, social and economic risks in certain countries. The impact of the outbreak may be short term or may last for an extended period of time.

Such events and market conditions could increase volatility and the risk of default by issuers of Underlying Debt Securities and thereby also increase the risk of loss to holders of Notes.

## OVERVIEW

*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.*

*Words and expressions defined in the section below titled "Terms and Conditions of the Notes" or elsewhere in this Base Prospectus have the same meanings in this overview.*

### Transaction Parties

<b>The Issuer:</b>	Diversified Notes plc, a company incorporated and registered in Ireland with registration number 651932.
<b>Arranger and Collateral Manager:</b>	BlackRock Advisors (UK) Limited, a company incorporated and registered in England and Wales with number 00796793 and regulated by the FCA.
<b>Cash Flow Timing Agreement (CFTA) Counterparties:</b>	<p>Citigroup and/or BNP Paribas may act as CFTA Counterparty if so appointed in relation to a Series of Notes.</p> <p>One or more CFTA Counterparties will be appointed in relation to a Series of Notes, as specified in the Final Terms. The Issuer may, from time to time, appoint additional CFTA Counterparties or remove CFTA Counterparties in respect of the relevant Series of Notes. The Issuer will use reasonable endeavours to ensure that there are at least two CFTA Counterparties for each Series.</p>
<b>Authorised Participants:</b>	The Authorised Participant(s) of a Series of Notes will be specified in the Final Terms relating to each Series or otherwise specified in relation to the relevant Series of Notes on the website maintained on behalf of the Issuer at <a href="http://www.blackrock.com/DIVRSE">www.blackrock.com/DIVRSE</a> (or such other website as may be notified to Noteholders). The Issuer may, from time to time, appoint additional Authorised Participants or remove Authorised Participants in respect of the relevant Series of Notes. The Issuer will use reasonable endeavours to ensure that there are at least two Authorised Participants for each Series.
<b>Administrator and Transfer Agent</b>	State Street Bank and Trust Company, a company with a principal office located at 1 Lincoln Street, Boston, MA 02111, USA.
<b>Registrar</b>	State Street Fund Services (Ireland) Limited, a company incorporated in Ireland under registered number 186184 with a principal office located at 78 Sir John Rogerson's Quay Dublin 2.
<b>Custodian:</b>	State Street Custodial Services (Ireland) Limited, a company incorporated in Ireland under registered number 174330 with a principal office located at 78 Sir John Rogerson's Quay Dublin 2.
<b>Trustee:</b>	State Street Bank and Trust Company, a company with a principal office located at 1 Lincoln Street, Boston, MA 02111, USA.

**Paying Agent:** Citibank, N.A., London branch, having its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

### ***Features of the Notes***

**Method of Issue:** Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on different issue dates. Each Tranche will be the subject of a Final Terms (the "**Final Terms**"). Each Note of such Tranche will, on issue, be immediately fungible with all Notes of other Tranches of the same Series.

**Subscription:** Only an Authorised Participant may request that the Issuer issues additional Tranches of Notes by delivering a valid Subscription Request in accordance with the terms of the Conditions of the Notes and the relevant Authorised Participant Agreement. Once submitted, a Subscription Request is irrevocable, unless otherwise determined by the Issuer (or the Collateral Manager on its behalf).

An Authorised Participant may make a request to settle a Subscription Request by delivery of Eligible Debt Instruments (on a delivery versus payment basis) and/or in cash. The Issuer (or the Collateral Manager on its behalf) may in its absolute discretion determine whether to accept such request or require subscriptions to be settled by delivery of Eligible Debt Instruments (on a delivery versus payment basis) and/or in cash. The Issuer (or the Collateral Manager on its behalf) has the absolute discretion to accept, reject or cancel in whole or in part any Subscription Request.

Investors which are not Authorised Participants may only purchase Notes on the secondary market from an Authorised Participant or another investor.

**Subscription Settlement Amount:** An amount equal to the principal amount of the Notes to be purchased multiplied by the Per Note Entitlement for the relevant Series as at the Subscription Trade Date, plus associated Duties and Charges (which Duties and Charges may be varied to reflect the cost of execution).

**Status and Limited Recourse:** The Notes constitute secured, limited recourse obligations of the Issuer.

The purpose of the limited recourse provisions is to ensure, in respect of a Series of Notes, that the recourse of the Noteholders and the Transaction Parties against the Issuer is limited to the Mortgaged Property in respect of that Series only and that they shall not have recourse to any other assets of the Issuer, including assets attributable to another Series. The inclusion of such provisions ensures that assets attributable to one Series are not available to meet the liabilities attributable to another Series.

**Form and Denomination:** The Notes will be issued in registered form in the denominations agreed between the Issuer and the Arranger for each Series (**provided that** such denomination shall be

	not less than EUR 100,000 (or the equivalent in an alternate currency)).
<b>Maturity:</b>	Subject to compliance with all relevant laws, regulations and directives, the Final Terms may specify any maturity in relation to a Series of Notes.
<b>Fixed Rate Interest:</b>	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Final Redemption:</b>	Unless previously redeemed or purchased and cancelled, each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Maturity Amount.
<b>Early Redemption:</b>	<p>If an Early Redemption Event occurs, the Issuer will give notice of such Early Redemption Event (an "<b>Early Redemption Notice</b>") to the Noteholders, the Trustee and the Administrator. Such Early Redemption Notice shall specify the nature of the Early Redemption Event.</p> <p>Following the giving of an Early Redemption Notice, the Notes shall be redeemed at the Early Redemption Amount on the date specified for redemption in the Early Redemption Notice (the "<b>Early Redemption Date</b>").</p>
<b>Issuer Call Option:</b>	<p>Where the Notes of a Series are specified in the relevant Final Terms as being subject to an Issuer Call, the Issuer may, on giving not less than 5 Business Days' irrevocable notice (such notice a "<b>Issuer Call Notice</b>") to the Administrator and the Trustee and (if so required by such competent authority or stock exchange) the competent authority or stock exchange on which the Notes are listed, if any, redeem all (but not some) of the Notes on the Business Day specified in the Issuer Call Notice (the "<b>Issuer Call Date</b>") where such date falls no more than 45 calendar days prior to the Maturity Date.</p> <p>Any such redemption of Notes shall be at the Issuer Call Amount.</p>
<b>Repurchase Prior to the Maturity Date at the Option of an Authorised Participant</b>	<p>Only an Authorised Participant in respect of the relevant Series may request that the Issuer repurchases Notes of such Series held by it by delivery of a valid Repurchase Request in accordance with the Conditions of the Notes and the relevant Authorised Participant Agreement.</p> <p>Notes that are repurchased by the Issuer from an Authorised Participant shall be purchased at a price equal to the Repurchase Settlement Amount on the Relevant Settlement Date.</p> <p>An Authorised Participant may express a preference in its Repurchase Request to receive the Repurchase Settlement Amount in the form of Underlying Debt Securities (on a delivery versus payment basis) or in cash. Regardless of any preference expressed by the Authorised Participant, the Issuer shall have the right to determine in its absolute discretion whether to pay the Repurchase Settlement Amount in the form of Underlying Debt Securities (on a</p>



delivery versus payment basis) or in cash or in a combination of both.

Investors which are not Authorised Participants can only realise value from Notes prior to their Maturity Date or prior to any early termination of a Series by selling such Notes on the secondary market to an Authorised Participant or to other investors at a price agreed with such parties.

**Use of Proceeds:**

Please see the section titled "*Use of Proceeds*".

**Rating:**

Notes of each Series issued under the Programme may be rated or unrated. As at the date of this Base Prospectus, the Notes of each Series are not expected to be rated, unless otherwise specified in the applicable Final Terms.

**Operational Fee:**

An Operational Fee is payable by the Issuer to the Collateral Manager in respect of each Series under the Collateral Management Agreement. The Collateral Manager will discharge all operational expenses of each Series out of the Operational Fee, including the fees and expenses of the Administrator, Custodian, Registrar, Transfer Agent, Paying Agent, Company Secretary and directors of the Issuer. Such operational expenses include listing and audit fees and the ongoing fee payable to the CFTA Counterparties under the CFTAs, but exclude other fees payable to the CFTA Counterparties (including costs (if any) of moving CFTA arrangements from one CFTA Counterparty to another), transaction costs and taxes, (if relevant) indemnities payable to counterparties in certain circumstances and (if relevant) any extraordinary legal expenses (for example costs of class actions and other litigation if they arise).

The Operational Fee is accrued daily by applying the pro-rated Operational Fee Rate to the then current Nominal Amount of the relevant Series of Notes.

The Operational Fee Rate in respect of each Series is set out in the relevant Final Terms. The Operational Fee Rate and any proposed change to the Operational Fee Rate can also be found on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE).

**Other Fees and Expenses Payable by the Issuer:**

Apart from the Operational Fee, the Issuer will also be responsible for paying, in respect of each Series, the following fees and expenses (to the extent such fees and expenses are not related to Subscription Requests or Repurchase Requests and are therefore not payable as Duties and Charges by Authorised Participants): transaction costs and taxes, fees payable to the CFTA Counterparties that are not payable out of the Operational Fee or as Duties and Charges (including costs (if any) of moving CFTA arrangements from one CFTA Counterparty to another), (if relevant) indemnities payable to counterparties in certain circumstances and (if relevant) any extraordinary legal expenses relating to the Series (for example costs of class actions and other litigation if they arise). On a termination of a Series at maturity or prior to maturity, the realisation proceeds in respect of such Series will be applied in accordance with Condition 5.2 (*Application of Proceeds*).

<b>Withholding Tax:</b>	All payments of principal and interest in respect of the Notes will be made free and clear of withholding or deduction for or on account of taxes imposed by the Republic of Ireland, unless required by law. In the event that any such withholding or deduction is made, the Issuer will not be required to pay additional amounts in respect of interest.
<b>Governing Law:</b>	The Notes and the Trust Deed will be governed by English law.
<b>Listing and Trading:</b>	<p>An application is intended to be made to Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. The Notes are however expected to trade OTC rather than on Euronext Dublin.</p> <p>Application may also be made for a Series of Notes to be admitted for listing on the official list of, and to be admitted to trading on, the regulated market of any other stock exchange.</p>
<b>Clearing Systems:</b>	The Notes will be cleared through Euroclear and/or Clearstream and any other relevant International Central Securities Depository that may be added from time to time.
<b>Selling Restrictions:</b>	<p>Notes may not be legally or beneficially owned or at any time by, or acquired by or transferred to, any person who is not a Qualified Holder.</p> <p>The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (i.e. any investor which is not a "qualified investor" under the Prospectus Regulation) in the European Economic Area.</p> <p>See "<i>Important Information</i>" and "<i>Subscription and Sale</i>" for additional selling restrictions.</p>
<b>Risk Factors:</b>	Investing in the Notes involves risks. Please see the section titled " <i>Risk Factors</i> ".
<b>Assets backing the Notes</b>	
<b>Underlying Assets:</b>	<p>Payments due in respect of the Notes of a Series will be met out of amounts received by or on behalf of the Issuer in respect of the following underlying assets:</p> <ul style="list-style-type: none"> <li>(a) the Series Holdings for such Series; plus</li> <li>(b) the Cash Flow Timing Agreements for such Series.</li> </ul>
<b>Series Holdings:</b>	<p>The Series Holdings for each Series comprise:</p> <ul style="list-style-type: none"> <li>(a) Underlying Debt, and</li> <li>(b) any cash or cash equivalents (other than cash or cash equivalents comprising CFTA Collateral and cash held in the Profit Account) held by the Issuer (or any person on its behalf) in respect of such Series.</li> </ul>
<b>Underlying Debt:</b>	To enable the Issuer to meet its payment obligations in respect of the Notes, the Issuer (or the Collateral Manager

on its behalf) will at its discretion invest in underlying debt securities ("**Underlying Debt Securities**") in the manner and within the parameters set out in the Collateral Criteria applicable to such Series.

Each Series will operate a buy and hold strategy for its Underlying Debt Securities with the aim of meeting its payment obligations for the Notes and with the intention that the projected aggregate interest and principal payments of the Series Holdings from time to time at least equal the projected aggregate interest and principal amounts due on the Notes from time to time (the "**Collateral Intention**").

There is no guarantee that the Collateral Intention will be met at any particular time or at all.

In respect of any Series, if, at any time prior to the relevant Maturity Date or any early termination of a Series:

1. any of the Underlying Debt Securities ceases to fall within the parameters of the Debt Securities Initial Inclusion Criteria of the Debt Securities Inclusion Criteria (as set out in the section titled "Collateral Criteria"); or
2. the net aggregate value of the Underlying Debt Securities that have ceased to meet the Specified Credit Rating or Specified Credit Range (as applicable), as a percentage of the Series Entitlement, exceeds the Rating Threshold Percentage; or
3. the Issuer (or the Collateral Manager on its behalf) determines that circumstances (including, without any limitation, any default or corporate action) in relation to an Underlying Debt Security which did not exist on the date that the relevant Underlying Debt Security was first included in the Underlying Debt have arisen or are reasonably likely to arise, and are likely to have an adverse effect on the ability of the Issuer to meet the Collateral Intention (whether or not such circumstance would result in the Collateral Intention not being met),

the Issuer (or the Collateral Manager on its behalf) may at its discretion sell and/or substitute such affected and other Underlying Debt Securities of such Series for alternate securities, provided that any such replacement security is within the parameters of the Debt Securities Inclusion Criteria.

At any time that the Series Holdings include any cash component, the Issuer (or the Collateral Manager on behalf of the Issuer) may invest such cash in additional securities which comply with the Debt Securities Inclusion Criteria.

**Collateral Criteria (including the Debt Securities Inclusion Criteria):**

Please see the section titled "*Collateral Criteria*".

**Cash Flow Timing Agreements:**

The main purpose of the Cash Flow Timing Agreements is to align the cashflows received from the Underlying Debt with the timing of the scheduled payments of Interest Amounts and other payment obligations of the Issuer for each Series. The Cash Flow Timing Agreements are designed to ensure that, following the receipt of payments under the Cash Flow Timing Agreements and in the absence of material defaults of the Underlying Debt Securities, the Issuer will have sufficient funds, when taken together with cash comprised in the Series Holdings relating to the relevant Series, as are necessary for it to meet its obligations under the Notes and the related Transaction Documents.

Without prejudice to the obligations of the Issuer pursuant to the Collateral Criteria, the Issuer (or the Collateral Manager on its behalf) may, at any time and in its sole discretion, amend, terminate or vary any provision of any Cash Flow Timing Agreement.

Please see the section titled "*Description of Cash Flow Timing Agreement*" for further details.

**Cash Management:**

In addition to any Underlying Debt Securities, the Collateral Manager may invest cash held in the Series Holdings from time to time in cash equivalents, including liquidity instruments and cash funds, for cash management purposes. The cash funds may include money market and other cash funds managed by the Collateral Manager or its affiliates.

### **INFORMATION INCORPORATED BY REFERENCE**

Following the publication of this Base Prospectus, one or more supplements may be prepared by the Issuer and approved by the Central Bank in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

This Base Prospectus (and any supplement hereto) will be available, in electronic format, on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)). For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes of each Tranche (the "Conditions"), subject to completion by the Final Terms applicable to that Tranche. References in these terms and conditions to "Notes" are to the Notes of the relevant Series only.*

Italicised wording contained in these Conditions is included as instructions, guidance or disclosure only and does not form part of the Conditions of the Notes.

### 1. INTRODUCTION

- 1.1 Diversified Notes plc (the "**Issuer**") has established a secured notes programme (the "**Programme**") for the issuance of secured, limited recourse notes (the "**Notes**").
- 1.2 Notes will be issued in series (each, a "**Series**") and each Series may comprise one or more tranches (each, a "**Tranche**") of Notes issued on different issue dates. Each Tranche will be the subject of a Final Terms (the "**Final Terms**"). Each Note of such Tranche will, on issue, be immediately fungible with all other Notes of the same Series. The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented and/or completed by the relevant Final Terms.
- 1.3 The Notes will be constituted by, subject to and have the benefit of the terms of the Trust Deed.
- 1.4 In connection with the Notes, the Issuer has entered into each of the following agreements:
  - (a) the Trust Deed, under which, amongst other things, the Trustee is appointed by the Issuer as trustee in respect of the Notes;
  - (b) the Paying Agency and Account Bank Agreement, pursuant to which the Paying Agent is appointed by the Issuer as paying agent in respect of the Notes and the Account Bank is appointed as account bank to the Issuer in relation to the Notes,
  - (c) a Master Services Agreement pursuant to which:
    - (i) the Administrator and Transfer Agent is appointed by the Issuer as administrator and transfer agent in respect of the Notes;
    - (ii) the Registrar is appointed by the Issuer, via the Administrator, as registrar in respect of the Notes;
    - (iii) the Custodian is appointed by the Issuer as custodian and commits to hold (and release) the Secured Assets for each Series of Notes in the custody accounts opened in relation to such Series (each a "**Series Custody Account**");
  - (d) a Collateral Management Agreement, under which, amongst other things, (i) certain proposals may be made, and advice provided, to the Issuer in connection with the Programme and the Notes by the Collateral Manager and (ii) the Collateral Manager is appointed by the Issuer to manage the Series Holdings and any Cash Flow Timing Agreement; and
  - (e) the Authorised Participant Agreements under which, amongst other things, the Authorised Participants are appointed by the Issuer as authorised participants in respect of the Programme or a Series under the Programme.
- 1.5 Upon the issue of the first Tranche of the relevant Series of Notes, the Issuer will enter into the following agreements:
  - (a) a Security Deed relating to that Series of Notes, under which, amongst other things, the Issuer grants certain Security Interests over the Series Custody

Account in favour of the Trustee for itself and as trustee for and on behalf of the Secured Creditors in respect of that Series;

- (b) one or more Cash Flow Timing Agreements each with a CFTA Counterparty, in each case relating to the relevant Series.

1.6 Certain provisions of these Conditions are summaries of the Trust Documents, the Paying Agency and Account Bank Agreement, the Authorised Participant Agreements, the Master Services Agreement and/or the Collateral Management Agreement. The Noteholders (and all persons claiming through or under them) are bound by the terms of the Trust Documents and are deemed to have notice of all the provisions of the Trust Documents.

1.7 Copies of the Trust Documents are available for inspection by Noteholders during normal business hours at the specified office for the time being of the Trustee, the Registrar and the Issuer. The addresses of the Trustee, the Registrar and the Issuer are set out in the section titled "*Directory*" at the end of the Base Prospectus.

1.8 All subsequent references in these Conditions to "**Notes**" are, unless otherwise stated, to the Tranche of Notes which are the subject of the relevant Final Terms and subsequent references in these Conditions to "**Noteholders**" or "**holders of the Notes**" are, unless otherwise stated, to the "**Noteholders**" or the "**holders of the Notes**" which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing and copies may be obtained from, in each case during normal business hours, the registered office for the time being of the Issuer and the Collateral Manager.

## 2. DENOMINATION AND CURRENCY

The Notes are denominated in the Series Currency. The Specified Denomination (including the minimum denomination) for the Notes of each Series will be specified in the applicable Final Terms.

## 3. FORM, REGISTER, TITLE AND TRANSFERS

*Investors in Notes held in Global Form should refer also to the section of the Prospectus "Summary of Provisions Relating to the Notes in Global Form".*

3.1 **Form:** The Notes shall be issued in registered form.

3.2 **Register:** The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Master Services Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding if joint holders appear in the Register, the first named thereof), except that (unless the context otherwise requires), for so long as the Notes of any Series are cleared through an ICSD, each investor who has for the time being a particular principal amount of such Notes credited to the investor's securities account in the records of the relevant ICSD shall also be deemed to be a Noteholder in respect of the principal amount of such Notes for all purposes in these Conditions other than for the purpose of (a) payments in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the registered holder of such Notes whose name is registered in the Register, as applicable, in accordance with and subject to the terms of these Conditions, and (b) any right to attend, vote at and/or convene meetings of Noteholders, and "**Noteholder**" shall be construed accordingly.

3.3 **Certificate:** A certificate (each, a "**Note Certificate**") may be issued to each Noteholder in respect of its registered holding. While the Notes are cleared through an ICSD, the Notes will be evidenced by a certificate in the form of an up to global note ("**Global Note**"). The Global Note may be exchanged in whole (but not in part) for one or more individual note certificates (each an "**Individual Note Certificate**") if the Issuer notifies Noteholders as such in the event that (i) the ICSDs are closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise), or (ii) the ICSDs announce an intention to permanently cease business or do in fact do so.

- 3.4 **Title:** Without prejudice to the following paragraph, the Holder of each Note whose name is registered in the Register shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder.
- 3.5 **Transfers:** Legal title to Notes will pass upon registration of the transfer in the Register. All transfers of legal title to a Note in the open market or otherwise must be effected upon surrender of the relevant Note, with the endorsed form of transfer duly completed, at the specified office of the Registrar, together with such evidence as the Registrar may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer.
- 3.6 All transfers of Notes in definitive form (if any) will be subject to detailed regulations concerning the transfer of such Notes. A copy of the applicable regulations will be made available (free of charge) by the Registrar to any Noteholder holding a Note in definitive form who requests in writing a copy of such regulations.

#### 4. **CONSTITUTION, STATUS AND RANKING OF THE NOTES**

##### 4.1 **Constitution and status**

The Notes are constituted by the Trust Deed. The Notes constitute secured, limited recourse obligations of the Issuer that, within each Series, rank and will rank *pari passu* among themselves. The Notes are secured in the manner described in Condition 5 (*Transaction Security and Priority of Payment*) and recourse in respect of the Notes is limited in the manner described in Condition 14 (*Trustee Enforcement Right*) and Condition 15 (*Limited Recourse and Non-petition*).

##### 4.2 **Ranking**

The Notes within each Series will at all times rank without preference or priority *pari passu* amongst themselves.

#### 5. **TRANSACTION SECURITY AND PRIORITY OF PAYMENT**

- 5.1 **Security:** The Secured Payment Obligations in respect of each Series are secured in favour of the Trustee for the benefit of itself and the other Secured Creditors, by:
- (a) an assignment by way of security of the Issuer's rights, title and interest under each of the Transaction Documents (in each case to the extent that they relate to the Notes, Secured Assets and issuer cash accounts (including the relevant Series Custody Account(s)), and in the case of the Cash Flow Timing Agreements, without prejudice to, and after giving effect to, any contractual netting provisions contained therein);
  - (b) a first fixed charge over the Secured Assets and all property, income, sums and assets derived therefrom from time to time, in each case to the extent that they relate to the relevant Series;
  - (c) an assignment by way of security of all the Issuer's rights, title and interest attaching to or in respect of the Secured Assets and all property, income, sums or other 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, in each case to the extent that they relate to the relevant Series;
  - (d) a first fixed charge over the issuer cash accounts (including the relevant Series Custody Account(s)) and all amounts standing to the credit thereof from time to



time (together with all interest accruing from time to time thereon and the debts represented thereby), in each case to the extent that they relate to the relevant Series; and

- (e) a first fixed charge over (a) all sums held now or in the future by the Custodian and/or Paying Agent to meet payment obligations of the Issuer owed under the Transaction Documents to the extent that they relate to the relevant Series, and (b) all amounts in respect of the Secured Assets held now or in the future by any entity on trust for the Issuer to the extent that they relate to the relevant Series.

As further provided in the Trust Documents, the Transaction Security shall be released automatically, without the need for any notice or other formalities, to the extent required for the Issuer (or the Collateral Manager on its behalf) to trade, liquidate or substitute any Series Holdings and/or CFTA Collateral and/or any interest or distributions on any CFTA Collateral in accordance with the parameters applicable to such for the relevant Series and/or to duly make any payment or delivery in respect of the Notes and/or under the related Cash Flow Timing Agreement(s) (including any redelivery of collateral) and/or under the other Transaction Documents which is due and payable or deliverable, or in connection with the repurchase and redemption of Notes or as otherwise provided for under the Conditions or the Transaction Documents in respect of the Notes.

## 5.2 Application of proceeds

Following the delivery of an Enforcement Notice by the Trustee, or in connection with the redemption in full of a Series at or prior to its Maturity Date, all monies received by or on behalf of the Trustee or the Issuer, as the case may be, in connection with the Notes of the relevant Series shall be applied in the manner specified in the Trust Documents, which shall be, to the extent such amounts relate to the relevant Series:

- (a) *first*, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by and any indemnity payments owed by the Issuer to the Trustee or any receiver in preparing and executing the trusts created by the Trust Documents (including any amounts representing or otherwise in respect of VAT), the costs of realising any Transaction Security and the Trustee's remuneration, each in respect of the relevant Series;
- (b) *secondly, pro rata and pari passu* in payment of (A) any amounts payable by the Issuer, in relation to the relevant Series, to the Custodian, the Administrator, the Transfer Agent, the Registrar, the Paying Agent and the Collateral Manager pursuant to the relevant Transaction Documents, and (B) any fees and expenses payable by the Issuer to any tax or legal advisors, auditors or other service providers to the Issuer (apart from the CFTA Counterparties) in relation to the relevant Series;
- (c) *thirdly, pro rata and pari passu* in payment of any amounts owing to the CFTA Counterparties under the Cash Flow Timing Agreements for the relevant Series;
- (d) *fourthly, pro rata and pari passu* in payment of (A) any Final Maturity Amount, Early Redemption Amount, Default Redemption Amount, Issuer Call Amount or Repurchase Settlement Amount (as applicable) then due and payable and/or (B) any interest that became due and payable on or prior to the Maturity Date and that remains due and payable, as applicable, and, in each case, any interest accrued thereon to the Holders of Notes of the relevant Series; and
- (e) *fifthly*, in payment of any remaining balance to the Issuer.

- 5.3 **Enforceability:** The Transaction Security constituted by the Trust Documents will become enforceable upon the delivery by the Trustee of an Enforcement Notice in accordance with, and subject to the matters referred to, in Condition 14 (*Trustee Enforcement Right*).

## 6. FEES AND EXPENSES

Where any Operational Fee is payable pursuant to the terms of the Collateral Management Agreement, the Administrator shall arrange for the transfer of an amount equal to the relevant accrued fee amount from a cash account of the Issuer to the Collateral Manager or as otherwise directed by the Issuer in accordance with the terms of the Collateral Management Agreement.

Where any other fees and expenses (including without limitation trading costs and, if relevant, indemnity payments and extraordinary legal expenses) are payable by the Issuer, the Administrator shall arrange for payment of such fees and expenses out of the Issuer Cash Account or as otherwise directed by the Issuer.

Any fees and expenses attributable to a Series will be paid out of the cash held by the Issuer for such Series.

## 7. COLLATERAL MANAGEMENT

Notwithstanding anything to the contrary in any other Condition or Transaction Document, the Issuer (or the Collateral Manager on its behalf) shall be entitled at any time, without notice to and/or consent from the Noteholders or the Trustee or any other Transaction Party to substitute, realise, dispose of or acquire additional Series Holdings within the parameters of the Collateral Criteria and/or enter into, amend or terminate any Cash Flow Timing Agreement in any manner which the Issuer (or the Collateral Manager on its behalf) considers in its sole discretion to be reasonable.

The Issuer (or the Collateral Manager on its behalf) shall exercise its discretion in the selection and management of Series Holdings with the intention that the projected aggregate interest and principal payments of the Series Holdings from time to time at least equal the projected aggregate interest and principal amounts due on the Notes from time to time (the "**Collateral Intention**"). There is no guarantee that the Collateral Intention will be achieved at any particular time or at all.

## 8. CALCULATIONS AND NOTIFICATIONS

### 8.1 Calculation of Per Note Entitlement

Save where a Suspension Period is continuing, the Administrator shall calculate the Per Note Entitlement for the Series for each Business Day and such Per Note Entitlement shall be available for viewing, as soon as reasonably practicable, on the Euronext Dublin website ([www.ise.com](http://www.ise.com)), [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) or at such other location as is notified to Noteholders in accordance with Condition 19 (*Notices*).

### 8.2 Notification of a Suspension Period

To the extent that a Suspension Period is continuing and the circumstances giving rise to such Suspension Period have not otherwise been notified by way of an Early Redemption Notice, the Issuer (or the Collateral Manager on its behalf) shall, no later than the Business Day following the Business Day on which the Issuer (or the Collateral Manager on its behalf) becomes aware of such circumstances, notify the Administrator and the Trustee of such circumstances.

## 9. ISSUER COVENANTS

The Issuer Covenants contain certain covenants in favour of the Trustee from the Issuer which, amongst other things, restrict the ability of the Issuer to create or incur any indebtedness (save as permitted in the Trust Deed including issuing further Notes), dispose of assets, deal with the Mortgaged Property or change the nature of its business.

So long as any Notes of any Series remain outstanding, the Issuer shall comply with the Issuer Covenants.

## 10. INTEREST

### 10.1 Interest Periods and Interest Payment Dates

Each Note shall bear interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. Subject to sub-paragraph 10.2 below, the Interest Amount payable in respect of each Interest Period will be payable in arrear on the relevant Interest Payment Date except that, if the Interest Payment Date is not a Payment Day, the payment will be postponed to the next Payment Day following the Interest Payment Date.

### 10.2 Calculation of Interest

The "**Interest Amount**" payable per Calculation Amount in respect of any Interest Period shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such figure by the applicable Day Count Fraction (if specified) and rounding the resultant figure down to the nearest six (6) decimal places (or such other rounding methodology as may be used by the Relevant Clearing System from time to time).

Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) of interest payable in relation to the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination and such Interest Amount shall be rounded down to the nearest cent (or its equivalent sub-unit in the Series Currency).

### 10.3 Cessation of accrual of interest

Each Note will cease to bear interest (if any) from the due date for its redemption or repurchase.

### 10.4 Determination and Publication of Interest Amounts, Final Maturity Amounts, Early Redemption Amounts, Default Redemption Amounts, Issuer Call Amounts and Repurchase Settlement Amounts

The Administrator shall calculate any Interest Amount, Final Maturity Amount, Early Redemption Amount, Default Redemption Amount, Issuer Call Amount, Repurchase Settlement Amount and/or any other amounts payable to Noteholders and Authorised Participants. The Administrator shall notify such amounts to the Trustee, the Issuer and the Collateral Manager no later than the dates agreed from time to time between the Administrator and the Issuer. If the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, the Administrator shall also notify such amounts to such exchange or other relevant authority within the time periods required by such exchange or other relevant authority.

The Interest Payment Dates and Rate of Interest (where relevant) for each Series will be as set out in the applicable Final Terms. Any changes to the Interest Payment Dates and Rate of Interest for each Series (where relevant) will be published in accordance with Condition 19 (*Notices*). The Interest Payment Dates and Rates of Interest that have been previously published or notified may subsequently be amended and/or republished or re-notified, without having to give the same prior notice, in the event of an extension or shortening of the Interest Period or to correct an error (or other appropriate alternative arrangements may be made with the consent of the Trustee by way of adjustment). If the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such amendment will also be notified to such exchange or other relevant authority. If the Notes become due and payable under Condition 13 (*Events of Default*), the accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Amount so calculated need be made unless the Trustee otherwise requires.

## 10.5 **Determination or Calculation by Issuer (or the Collateral Manager on its behalf)**

If the Administrator does not at any time for any reason determine or calculate any Interest Amount, Final Maturity Amount, Early Redemption Amount, Default Redemption Amount, Issuer Call Amount or Repurchase Settlement Amount or any other amount due to be calculated by the Administrator, the Issuer (or the Collateral Manager on its behalf) may (but shall not be obliged to) perform the calculation or appoint a third party to do so, and shall be entitled to do so in reliance on its professional advisors. Such determination or calculation shall be deemed to have been made by the Administrator. In doing so, the Issuer (or the Collateral Manager on its behalf) or the relevant third party shall apply the foregoing provisions of this Condition, 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. Any such determination or calculation shall be deemed to have been made by the Administrator.

## 11. **PAYMENTS**

### 11.1 **Method of payment**

#### 11.1.1 **Payments via Settlement Systems**

Where Notes are held in a clearing system and represented by a Global Note (or similar) in such system, the obligations of the Issuer to make payments in respect of the Notes will be discharged by payment to the relevant securities depositories of the clearing system or as they may direct, for distribution by them to the entitled accountholders in the settlement system in accordance with their usual rules and operating procedures.

While Notes are held in the ICSD settlement system and represented by a Global Note (or similar), the obligations of the Issuer to make payments in respect of the Notes will be discharged by payment to the nominee (the registered legal title holder of the Notes) of the Common Depositary of the ICSDs, Euroclear and Clearstream, or as such nominee may direct, for distribution by such entity to the entitled accountholders in the ICSDs in accordance with their usual rules and operating procedures.

None of the Issuer, the Collateral Manager, the Administrator or the Registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

#### 11.1.2 **Other Methods of Payment**

In the event that the Notes are not held in a clearing system or the clearing system in which the Notes are held ceases to or does not facilitate payments, at the discretion of the Issuer, the Issuer shall make one or more of the following methods of payment available:

- (a) payments may be made by credit or transfer to an account of the same currency (or any other account to which the relevant currency may be credited or transferred) specified by the payee; or
- (b) payments may be made by cheque (if so requested by the payee).

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 16 (*Taxation*).

### 11.2 **Interest**

Payments of interest in respect of each Note will be made by the Issuer in accordance with Condition 11.1 (*Method of payment*) on the relevant due date to the Holder (or the first named of joint holders if joint holders appear in the Register) of the Note appearing in the Register on the relevant Record Date for the payment of the interest.

Holders of Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Note, including as a result of a cheque posted in accordance with this Condition 11 (*Payments*) arriving after the due date for payment or being lost in the post or as a result of a delay in settlement of a Repurchase Request made by an Authorised Participant. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Notes.

### 11.3 **Principal**

Payments of principal (i.e. payments other than payments of interest) in respect of each Note will be made by the Issuer in accordance with Condition 11.1 (*Method of payment*) in exchange for receipt or cancellation of the Note. Such payments will be made to the Holder (or the first named of joint holders if joint holders appear in the Register) of the Note appearing in the Register on the relevant record date for the payment of principal.

Payments of principal in respect of each Note (whether or not in global form) to the holder of legal title to the Note may (if agreed by the Issuer) be made against presentation and surrender of the Note at the specified office of the Registrar.

### 11.4 **Payment Day**

Notwithstanding any provision to the contrary, if the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

### 11.5 **Interpretation of principal and interest**

Any reference in these Conditions to principal in respect of the Notes shall be deemed to refer to, as applicable, the Final Maturity Amount, the Early Redemption Amount, the Default Redemption Amount or the Issuer Call Amount of the Notes and/or any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include any arrears of interest (if applicable).

### 11.6 **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), and in each case as may be adjusted by the Issuer (or the Collateral Manager on its behalf) from time to time, including to reflect changes in rounding conventions for the trading of the relevant Underlying Debt Securities or payments in Euro, USD or any other Series Currency, all cash amounts used in or resulting from such calculations will be rounded as follows:

- (i) all amounts of cash to be paid to the Issuer shall be rounded up to the nearest cent (or its equivalent sub-unit in the Series Currency); and
- (ii) all amounts of cash to be paid by the Issuer shall be rounded down to the nearest cent (or its equivalent sub-unit in the Series Currency).

## 12. SUBSCRIPTIONS, REDEMPTIONS, CALLS AND SUSPENSIONS

*Investors should refer also to the section of the Prospectus titled "Procedure for Dealing on the Primary Market".*

### **Subscriptions**

#### 12.1 Subscriptions

- (a) Only an Authorised Participant may request that the Issuer issue additional Tranches of Notes. Subject to and in accordance with the terms of the relevant Authorised Participant Agreement, such request shall be made by the Authorised Participant delivering a valid Subscription Request by the relevant cut-off time. The Issuer will only accept a Subscription Request if valid and given by an Authorised Participant of the relevant Series.
- (b) Once submitted, a Subscription Request is irrevocable, unless otherwise determined by the Issuer (or the Collateral Manager on its behalf). The Issuer (or the Collateral Manager on its behalf) has the absolute discretion to accept, reject or cancel in whole or in part any Subscription Request.
- (c) Authorised Participants subscribing for Notes are, pursuant to the relevant Authorised Participant Agreement, required to deliver:
  - (i) an amount of Eligible Debt Instruments, together with a cash component; or
  - (ii) an amount in cash,

in each case with a value that is equal to the Subscription Settlement Amount on or prior to the Subscription Settlement Date.

The Issuer may in its absolute discretion determine whether to accept or require subscriptions to be settled by delivery of Eligible Debt Instruments (on a delivery versus payment basis) and/or in cash.
- (d) The "**Subscription Settlement Amount**" shall be an amount equal to the principal amount of Notes being subscribed multiplied by an amount equal to the Per Note Entitlement for the Series as at the Subscription Trade Date, plus associated Duties and Charges (which Duties and Charges may be varied to reflect the cost of execution).
- (e) The Issuer will only issue Notes to an Authorised Participant on the Subscription Settlement Date if all conditions precedent to an issue of the Notes are satisfied, which includes, without limitation the Authorised Participant having satisfied all of its settlement obligations by the Subscription Settlement Date as set out in Condition 12.1(c).
- (f) In accordance with Condition 12.1(a), the Issuer is not obliged to accept any Subscription Request, and it (or the Collateral Manager on its behalf) may at its absolute discretion reject or cancel any Subscription Request, including without limitation if the Subscription Trade Date or Subscription Settlement Date would fall:
  - (i) within a Suspension Period; or
  - (ii) on or after the date of service of an Early Redemption Notice, an Issuer Call Notice, or an Event of Default Redemption Notice.
- (g) Any Subscription Request in respect of which the Subscription Settlement Date occurs after the determination of a Scheduled Redemption Date may, if not already cancelled prior to such date, be cancelled (for the avoidance of doubt,

notwithstanding the acceptance of such Subscription Request prior to such date). Any Notes issued on a Subscription Settlement Date which are pending settlement to the relevant Authorised Participant as at the determination of a Scheduled Redemption Date may, if not already cancelled prior to such date, be cancelled.

### ***Redemptions and Calls***

#### **12.2 Final Redemption**

Unless previously redeemed or repurchased and cancelled, each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Maturity Amount.

#### **12.3 Early Redemption**

Following the occurrence of an Early Redemption Event, the Issuer shall give notice of such Early Redemption Event (an "**Early Redemption Notice**") to the Noteholders, the Trustee and the Administrator. Such Early Redemption Notice shall specify the nature of the Early Redemption Event.

Following the giving of an Early Redemption Notice, the Notes shall be redeemed at the Early Redemption Amount on the date specified for redemption in the Early Redemption Notice (the "**Early Redemption Date**").

#### **12.4 Redemption at the Option of the Issuer (Issuer Call)**

Where the Notes of a Series are specified in the relevant Final Terms as being subject to an issuer call (an "**Issuer Call**"), the Issuer may, on giving not less than 5 Business Days' irrevocable notice (such notice an "**Issuer Call Notice**") to the Administrator, the Trustee and the Registrar and (if so required by such competent authority or stock exchange) the competent authority or stock exchange on which the Notes are listed, if any, redeem all (but not some) of the Notes on the Business Day specified in the Issuer Call Notice (the "**Issuer Call Date**") where such date falls no more than 45 calendar days prior to the Maturity Date.

Any such redemption of Notes shall be at the Issuer Call Amount.

#### **12.5 Repurchase Prior to the Maturity Date at the Option of an Authorised Participant**

##### ***Exercise***

- (a) Only an Authorised Participant in respect of the relevant Series may request that the Issuer repurchases Notes of a Series.
- (b) An Authorised Participant may, subject to the remainder of this Condition 12.5 below and the terms of the relevant Authorised Participant Agreement, request the repurchase of Notes held by it by delivery of a valid Repurchase Request subject to and in accordance with the terms of these Conditions and the relevant Authorised Participant Agreement.
- (c) Notes that are repurchased by the Issuer from an Authorised Participant shall be purchased at a price equal to the Repurchase Settlement Amount on the Relevant Settlement Date in accordance with the terms of the relevant Authorised Participant Agreement and these Conditions.
- (d) Regardless of any preference expressed in any Repurchase Request by the Authorised Participant, the Issuer shall have the right to determine in its absolute discretion whether to pay the Repurchase Settlement Amount in the form of Underlying Debt Securities (on a delivery versus payment basis) or in cash or in a combination of both.

- (e) In order to exercise the option contained in this Condition 12.5, the relevant Authorised Participant must, in the manner specified in the relevant Authorised Participant Agreement, before the relevant cut-off time deliver to the Issuer (or as directed by it) such Notes as are to be repurchased by the Issuer.
- (f) Any Repurchase Request and Notes delivered on a day which is not a Business Day or after the relevant cut-off time may not be accepted. Any Repurchase Request, once delivered, is irrevocable unless otherwise determined by the Issuer (or the Collateral Manager on its behalf). No Notes once so delivered and accompanied by a duly completed Repurchase Request in accordance with this Condition 12.5, may be withdrawn, **provided, however, that** if, prior to the Relevant Settlement Date, the Note(s) so deposited become subject to an early termination event prior to the Maturity Date of such Notes or if, on the Relevant Settlement Date payment (in the manner prescribed in the Conditions) is improperly withheld or refused by the Issuer or any of its agents, such Notes shall be returned to the relevant Authorised Participant.

*Circumstances in which a Repurchase Request may be null and void*

- (g) The Issuer (or the Collateral Manager on its behalf) may treat a Repurchase Request as null and void and shall not be obliged to accept such Repurchase Request or repurchase any Notes if such Repurchase Request:
  - (i) is not properly completed and delivered or otherwise does not comply with the requirements of this Condition 12.5 and/or the relevant Authorised Participant Agreement; or
  - (ii) is delivered during, or at such time that the relevant Repurchase Trade Date or Relevant Settlement Date would fall:
    - (A) during a Suspension Period; or
    - (B) on or after the date of service of an Early Redemption Notice, an Issuer Call Notice, or an Event of Default Redemption Notice.

Any determination as to whether such Repurchase Request has been properly completed and delivered and is otherwise in compliance with the requirements of these Conditions and the relevant Authorised Participant Agreement, and/or whether a Suspension Period is on-going, and/or whether any Early Redemption Notice, Issuer Call Notice or Event of Default Redemption Notice has been issued will be made by the Issuer or the Collateral Manager on its behalf and shall be conclusive and binding on the Authorised Participants and the Noteholders.

- (h) If any Repurchase Request is determined to be null and void, and the relevant Authorised Participant still wishes to request the repurchase of the relevant Notes, it must submit a new, duly completed, Repurchase Request.
- (i) If an Early Redemption Event and/or Event of Default has occurred (but no Early Redemption Notice or Event of Default Redemption Notice (as applicable) has been delivered) and there are still outstanding Repurchase Requests from Authorised Participants that have been accepted and processed but which have not yet settled, the Issuer will use reasonable endeavours to continue to settle such Repurchase Requests to the extent possible, save in relation to any Repurchase Request that has failed to settle on the Relevant Settlement Date due to the relevant Authorised Participant having failed to satisfy its settlement obligations, in which case such Repurchase Request may be cancelled by the Issuer and the relevant Notes redeemed as part of the Early Redemption Event or Event of Default process. Where the Repurchase Request has not yet been accepted, such Repurchase Request may be cancelled by the Issuer and the relevant Notes redeemed as part of the Early Redemption Event or Event of Default process.



## 12.6 Compulsory Redemption of Notes from non-Qualified Holders

- (a) Notes may not be legally or beneficially owned at any time by any person who is not a Qualified Holder. Notes may not be transferred to, or acquired on behalf of, any person who is not a Qualified Holder.
- (b) If the Issuer (or the Collateral Manager on its behalf) becomes aware that any Notes are or may be legally or beneficially owned by a person who is not a Qualified Holder, the Issuer (or the Collateral Manager or Administrator on its behalf) may compulsorily redeem such Notes following at least one Business Day's notice in writing to the holder (copied to the Administrator) of such Notes.
- (c) The relevant Notes shall, to the extent practicable, be redeemed at the Repurchase Settlement Amount (determined as if the Repurchase Trade Date was the date on which written notice is delivered to such holder). The Issuer shall have the right to determine in its absolute discretion whether to pay such Repurchase Settlement Amount in Underlying Debt Securities (on a delivery versus payment basis) or in cash or in a combination of both. Pending redemption, the Issuer will be entitled to cease to make any payments in respect of Notes held by a non-Qualified Holder.
- (d) Any costs and expenses incurred in relation to such compulsory redemption may be deducted from the Repurchase Settlement Amount, together with a fee to compensate the Issuer (for itself and on behalf of the relevant Series) for any loss it or any investor has suffered or may suffer in respect of such holding. Investors and Authorised Participants which acquire Notes despite failing to meet the requirements for a Qualified Holder are required to indemnify the Issuer for any loss suffered by the Issuer, the Arranger, the Collateral Manager, the Custodian, the Administrator and other investors to the extent resulting from such investor or Authorised Participant having acquired and/or held the Notes.
- (e) Notwithstanding the foregoing provisions of this Condition 12.6, if evidence satisfactory to the Issuer (or the Collateral Manager or Administrator on its behalf) that the Notes are legally and beneficially owned by a Qualified Holder is provided prior to the redemption of such Notes, the Issuer will not redeem the relevant Notes.

## 12.7 Cash Settlement of Relevant Redemption Amount

- (a) If any Notes are to be repurchased or otherwise redeemed and the relevant Redemption Amount is to be paid in cash, other than where the Series Holdings as at the relevant date are comprised entirely of cash in the Series Currency, the Issuer (or the Collateral Manager on behalf of the Issuer) shall, acting in good faith and a commercially reasonable manner:
  - (i) make any adjustments to the Cash Flow Timing Agreement considered necessary or prudent in relation to the relevant repurchase or redemption; and
  - (ii) select any portion of the Series Holdings (the "**Relevant Portion**") to satisfy the relevant Redemption Amount, and, to the extent it is reasonably practicable to do so, effect a sale of any non-cash assets and/or conversion of cash denominated in a currency other than the Series Currency (if any) comprising the Relevant Portion.
- (b) None of the Issuer, the Custodian, the Administrator or the Collateral Manager makes any representation or warranty as to the price at which any assets comprising the Relevant Portion will be realised. For the avoidance of doubt, in no circumstances will investors have the right to select the portion of the Series Holdings comprising the Relevant Portion.

- (c) If, having determined or agreed that any Repurchase Settlement Amount is to be paid in cash, the Issuer (or the Collateral Manager on its behalf) is unable for any reason to realise any assets comprising the Relevant Portion by the applicable Relevant Settlement Date, the Issuer or the Collateral Manager on its behalf may at its sole discretion determine that such Repurchase Settlement Amount will, in whole or in part, be settled by delivery of any part of the Relevant Portion which has not been realised, together with any cash component.

## 12.8 Physical Settlement

An Authorised Participant may, in the relevant Repurchase Request, request that the relevant Repurchase Settlement Amount be paid by delivery of the Repurchase Physical Settlement Amount. Any such request shall only be valid to the extent that such Repurchase Request includes full details of the securities account to which the Repurchase Physical Settlement Amount is to be delivered along with any other details requested by or on behalf of the Issuer (the "**Physical Delivery Details**").

Notwithstanding the foregoing, the Issuer (or the Collateral Manager on its behalf) may, in its sole and absolute discretion, accept or reject any request for physical settlement under this Condition 12.8 and any such acceptance or rejection may be in whole or in part. If the Issuer (or the Collateral Manager on its behalf) accepts any such request (in whole or in part), then the Issuer shall discharge in full its obligation to deliver the Repurchase Physical Settlement Amount in respect of the Notes being repurchased by crediting, or procuring the credit of, the same on or as soon as reasonably practicable following the Relevant Settlement Date to the securities account in the Relevant Clearing System or as otherwise specified in the relevant Repurchase Request. To the extent that any request for physical settlement under this Condition 12.8 is rejected by the Issuer in whole or in part, then the Note(s) (or part thereof) in respect of which the request has been rejected shall be repurchased by payment of the Repurchase Settlement Amount in cash in accordance with Condition 12.7 (*Cash Settlement of Relevant Redemption Amount*).

The Issuer shall not be in breach of its obligations to deliver the Repurchase Settlement Amount where failure to do so results partly or wholly from a failure of the relevant Authorised Participant or Noteholder to provide the Physical Delivery Details either in the relevant Repurchase Request or upon request by the Issuer.

None of the Issuer, the Collateral Manager or any Transaction Party makes any representation or warranty as to the price at which the assets comprising the Repurchase Physical Settlement Amount delivered in accordance with the foregoing will be sold (or may be sold following delivery to the relevant Authorised Participant or Noteholder).

## 12.9 Settlement of Redemption Amount

Subject to the remainder of this Condition 12, the Issuer shall discharge its obligation to pay or deliver the relevant Redemption Amount in respect of each Note being redeemed or any Notes being repurchased by paying or delivering such Redemption Amount to the relevant Noteholder on the Relevant Settlement Date in accordance with Condition 11 (*Payments*).

## 12.10 Purchases

The Issuer, any holding company of the Issuer or any subsidiary of such holding company may at any time (but is not obliged to) purchase Notes in the open market or otherwise at any price.

## 12.11 Cancellation

Notes purchased by or on behalf of the Issuer pursuant to a Repurchase Request will be cancelled. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged. In accordance with the relevant Trust Documents, the Trustee will and will be deemed to release without the need

for any notice or other formalities from such Transaction Security the relevant portion of the Mortgaged Property relating to the Notes so purchased.

#### 12.12 Insufficient Proceeds

(a) In relation to any Redemption Amount (except for a Repurchase Settlement Amount), if the realised value of the Relevant Portion is insufficient for the Noteholders to receive payment in full of:

- (i) any relevant Redemption Amount that has become due and payable; and/or
- (ii) any interest that has become due and payable,

as applicable, and in each case any interest accrued thereon, the Noteholders will receive an amount which is less than any such amount, and the provisions of Condition 15 (*Limited Recourse and Non-petition*) will apply.

(b) Where a Repurchase Settlement Amount is to be settled in cash in accordance with Condition 12.7 (*Cash Settlement of Relevant Redemption Amount*), if the realised value of the Relevant Portion is insufficient for the relevant Authorised Participant or Noteholder to receive payment in full of such Repurchase Cash Settlement Amount which has become due and payable (and any interest accrued thereon), the relevant Authorised Participant or Noteholder will receive an amount which is less than any such amount, and they shall not have recourse to any other assets of the Issuer (including any Series Holdings other than the Relevant Portion thereof).

Following realisation of the Relevant Portion relating to the Repurchase Cash Settlement Amount and application of the proceeds of the realisation of the Relevant Portion, any outstanding claim, debt or other liability of the Issuer to such Holder which remains unsatisfied shall be extinguished in full and no debt or obligation shall be owed by the Issuer in respect thereof. Failure by the Issuer to make payment in respect of any shortfall shall in no circumstances constitute an Event of Default.

Following the extinguishment of any such claim, neither the relevant Noteholder nor Authorised Participant, or any other person acting on behalf of them, will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further amount in respect of the extinguished claim and no obligation will be owed to any such persons by the Issuer in respect of such further amount.

#### ***Disruption Events and Suspensions***

#### 12.13 Disruption Events

The Issuer, or the Collateral Manager on its behalf, in each case acting in good faith and a commercially reasonable manner may (but is not obliged to) determine that on any Business Day one or more Disruption Event has occurred or exists in respect of a given Series.

#### 12.14 Determination of Suspension Periods

If the Issuer, or the Collateral Manager on its behalf, determines that a Disruption Event has occurred or exists with respect to any Business Day, the Issuer, or the Collateral Manager on its behalf, may (but shall not be obliged to) give notice of the postponement or suspension of (depending on the activity affected by the Disruption Event):

- (a) the right to deliver Subscription Requests and/or Repurchase Requests;

- (b) the settlement of Subscription Requests and/or Repurchase Requests and/or other redemptions; and/or
- (c) the determination and/or publication of the Per Note Entitlement for the Series,

and/or the cancellation of any existing Subscription Requests and/or Repurchase Requests (such notice, a "**Suspension Notice**"), specifying the Disruption Event which has occurred or is existing on the relevant Business Day. The Suspension Notice may state that the suspension or postponement is for a single day or will continue for as long as the Disruption Event continues. If the Suspension Notice is for a period of time, the Suspension Period will end when the Issuer, or the Collateral Manager on its behalf, notifies the Authorised Participants and the Trustee that it shall recommence the affected activity/ies.

Neither the Issuer nor the Collateral Manager is under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to any Business Day unless a Suspension Notice has been given which will continue until the Disruption Event has ceased (and in such case, only until notification of the end of the Suspension Period) and shall have no liability to any Noteholder, Authorised Participant or any other person for any determination or non-determination that it makes of the occurrence or existence of a Disruption Event.

#### 12.15 Postponement of Settlement during a Suspension Period

- (a) Subject to the remainder of this Condition 12.15,
  - (i) if a Suspension Period is on-going on the Scheduled Redemption Date and the Issuer (or the Collateral Manager on its behalf), in each case acting in good faith and a commercially reasonable manner, determines that the relevant Disruption Event would disrupt the actions required to be performed by the Issuer or a relevant Transaction Party in connection with any redemption or repurchase of the Notes, the Scheduled Redemption Date shall be deemed to have been postponed until the first following Non-Disrupted Day, **provided that** if no such Non-Disrupted Day has occurred on or before the 10th Business Day following the date on which the Scheduled Redemption Date would otherwise have occurred (the "**Original Scheduled Redemption Date**"), the Issuer, acting in good faith and in consultation with the Trustee and the Collateral Manager, shall determine an appropriate and practicable method for redeeming the Notes and determining the Scheduled Redemption Date; and
  - (ii) if a Suspension Period is on-going at any point in the 10 Business Days prior to the Original Scheduled Redemption Date (but is not on-going on the Original Scheduled Redemption Date), and the Issuer (or the Collateral Manager on its behalf), in each case acting in good faith and a commercially reasonable manner, determines that the relevant Disruption Event has disrupted the actions required to be performed by the Issuer or a relevant Transaction Party in connection with any redemption or repurchase of the Notes, the Scheduled Redemption Date shall be deemed to have been postponed until the later of (i) the Original Scheduled Redemption Date and (ii) the date falling five (5) Business Days from the date on which a Suspension Period ceased to be on-going, **provided that** if no such Non-Disrupted Day has occurred on or before the 10th Business Day following the Original Scheduled Redemption Date, the Issuer, acting in good faith and in consultation with the Trustee and the Collateral Manager, shall determine an appropriate and practicable method for redeeming the Notes and determining the Scheduled Redemption Date.
- (b) Notwithstanding the provisions of Condition 12.15(a), the Issuer (or the Collateral Manager on its behalf) may, in respect of a repurchase in accordance with

Condition 12.5 (*Repurchase Prior to the Maturity Date at the Option of an Authorised Participant*), at its sole discretion and at any point following the Original Scheduled Redemption Date in respect of the Suspension Period: (a) pay or deliver some or all of the relevant Repurchase Settlement Amount in a commercially reasonable manner; or (b) in relation to delivery of a Repurchase Physical Settlement Amount, satisfy the Repurchase Settlement Amount by payment of the Repurchase Cash Settlement Amount.

- (c) For the avoidance of doubt, no additional amounts of interest shall be payable in respect of the postponement of any payment in accordance with Conditions 12.13 (*Disruption Events*) to 12.16 (*Postponement and cancellation of Subscriptions and Repurchases*).

#### 12.16 Postponement and cancellation of Subscriptions and Repurchases

- (a) If a Suspension Period has commenced on a Business Day and the right to deliver Subscription Requests is suspended but not the settlement of Subscription Requests, from such Business Day until the end of the Suspension Period:
  - (i) the Issuer is entitled not to accept Subscription Requests; and
  - (ii) any Subscription Request that has been accepted and processed but not yet settled shall continue to be settled.
- (b) If a Suspension Period has commenced on a Business Day and the settlement of Subscription Requests is suspended, from such Business Day until the end of the Suspension Period:
  - (i) the Issuer is entitled not to accept Subscription Requests; and
  - (ii) the settlement of any Subscription Request that has been accepted and processed but not yet settled at the time that the Suspension Period commenced shall be deemed to have been postponed until the first following Non-Disrupted Day, **provided that** if no such Non-Disrupted Day has occurred on or before the 10th Business Day following the Business Day on which the Suspension Period commenced, the Issuer (or the Collateral Manager or Administrator on its behalf) may cancel such Subscription Request.
- (c) If a Suspension Period has commenced on a Business Day and the right to deliver Repurchase Requests is suspended but not the settlement of Repurchase Requests, from such Business Day until the end of the Suspension Period:
  - (i) the Issuer is entitled not to accept Repurchase Requests; and
  - (ii) any Repurchase Request that has been accepted and processed but not yet settled shall continue to be settled.
- (d) If a Suspension Period has commenced on a Business Day and the settlement of Repurchase Requests is suspended, from such Business Day until the end of the Suspension Period:
  - (i) the Issuer is entitled not to accept Repurchase Requests; and
  - (ii) the settlement of any Repurchase Request that has been accepted and processed but not yet settled at the time that the Suspension Period commenced shall be deemed to have been postponed until the first following Non-Disrupted Day, **provided that** if no such Non-Disrupted Day has occurred on or before the 10th Business Day following the Business Day on which the Suspension Period commenced, the Issuer (or the Collateral Manager or Administrator on its behalf) may cancel such Repurchase Request.

Where one or more of the above (paragraphs (a) to (d)) occurs simultaneously, each relevant set of provisions shall also apply simultaneously.

- (e) No additional amount shall be payable or deliverable to any Authorised Participant or any Noteholder in connection with the cancellation or postponement of the settlement of a Subscription Request or Repurchase Request.

### 13. **EVENTS OF DEFAULT**

If an Event of Default in respect of a Series occurs and is continuing, the Trustee at its discretion may, and if so requested by holders of at least one quarter in Nominal Amount of the Notes then outstanding of such Series or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders shall (subject in each case to being indemnified, secured and/or prefunded to its satisfaction), give notice to the Issuer (with a copy to the Custodian) (such notice being an **"Event of Default Redemption Notice"**) that the Notes of such Series are, and, subject to Condition 12.15 (*Postponement of Settlement during a Suspension Period*), they shall immediately become, due and payable at their Default Redemption Amount together (if applicable) with accrued interest (if any) in respect of such Notes.

### 14. **TRUSTEE ENFORCEMENT RIGHT**

At any time after an Enforcement Event has occurred in respect of a Series, the Trustee may deliver an Enforcement Notice in respect of such Series to the Issuer, the Administrator and the Collateral Manager and, at its discretion, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Documents and the Notes of such Series but it shall not be bound to take any such proceedings or any other action in relation to the Trust Documents or the relevant Series of Notes unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one quarter in Nominal Amount of the Notes of the relevant Series then outstanding and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or other Secured Creditor (other than the Trustee) shall be entitled to institute proceedings directly against the Issuer or prove in the winding up of the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure is continuing, in which event any Noteholder may himself institute such proceedings and/or prove in the winding up of the Issuer to the same extent and in the same jurisdiction (but not further or otherwise) that the Trustee would have been entitled to do so in respect of the Notes and/or the Trust Documents.

### 15. **LIMITED RECOURSE AND NON-PETITION**

#### 15.1 **General Limited Recourse**

In respect of a Series of Notes, the recourse of the Noteholders and the Transaction Parties against the Issuer is limited to the Mortgaged Property in respect of that Series only, subject to the Transaction Security, and they shall not have recourse to any other assets of the Issuer, including any assets of the Issuer attributable to another Series.

If the amounts realised from the Mortgaged Property for a Series of Notes are not sufficient to make payment of all amounts due from the Issuer in respect of that Series pursuant to the Trust Documents, the Notes and the other Transaction Documents, then no other assets of the Issuer shall be available to meet any resulting shortfall which shall be borne by the parties in accordance with the order of priority in Condition 5 (*Transaction Security and Priority of Payment*).

If at any time following:

- (a) the Realisation of the Mortgaged Property in relation to the Relevant Series; and
- (b) application in full of any amounts available to pay amounts due and payable in accordance with the payment priorities set out in clause 10 (*Application of Proceeds*) of the Trust Deed,

the proceeds of such Realisation are insufficient, after payment of all other claims ranking in priority in accordance with the payment priorities set out in clause 10 (*Application of Proceeds*) of the Trust Deed, to satisfy the Obligations of the Issuer relating to the Relevant Series, then the amount remaining to be paid in relation to such Obligations shall, on the day following such application in full of the amounts referred to in (b) above, cease to be due and payable by the Issuer. Failure by the Issuer to make payment in respect of any shortfall described in this Condition 15 (*Limited Recourse and Non-petition*) shall in no circumstances constitute an Event of Default.

For the purposes of the foregoing, "**Realisation**" means, in relation to any Mortgaged Property, the deriving, to the fullest extent practicable, (in accordance with the provisions of the Transaction Documents) of proceeds from or in respect of such Mortgaged Property including (without limitation) through sale or through performance by an obligor.

## 15.2 Non-petition

Only the Trustee may pursue the remedies available under the general law or under the Trust Documents to enforce the Transaction Security and none of the Transaction Parties, the Noteholders or any person acting on behalf of any of them (other than the Trustee) shall be entitled to proceed to instigate any Bankruptcy Event directly against the Issuer to enforce the Transaction Security in relation to any Series of Notes.

None of the Transaction Parties, the Noteholders or any person acting on behalf of any of them (other than the Trustee, where appropriate):

- (a) are entitled, otherwise than as permitted by the Transaction Documents, to direct the Trustee to enforce the Transaction Security in relation to any Series or take any proceedings against the Issuer to enforce the Transaction Security in relation to any Series of Notes;
- (b) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer;
- (c) until the date falling two years after the date on which the Trustee is satisfied that all moneys and other liabilities due or owing by the Issuer in relation to the Programme or each Series of Note issued thereunder have been paid or discharged in full, shall initiate or join any person in initiating a Bankruptcy Event or the appointment of an insolvency official in relation to the Issuer other than a Receiver or an administrator appointed under clause 8 (*Receiver*) of the Security Deed in relation to any Series of Notes; and
- (d) shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the payment priorities set out in Condition 5.2 (*Application of Proceeds*) in relation to any Series of Notes not being complied with.

## 15.3 Corporate Obligation

None of the Transaction Parties, the Noteholders or any person acting on behalf of any of them shall have any recourse against any director, shareholder, member, agent, corporate service provider, 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 Conditions, the Trust Deed or any other Transaction Documents.

## 15.4 Survival

The provisions of this Condition 15 (*Limited Recourse and Non-petition*) shall survive notwithstanding any redemption or repurchase of the Notes of any Series.

**16. TAXATION**

**16.1 No Withholding**

All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer shall not be required to pay to any investor any additional amounts in connection with such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

**16.2 FATCA**

Notwithstanding any other provision in these Conditions, the Issuer, the Trustee and/or the Registrar shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US IRS ("**FATCA withholding**"). None of the Issuer, the Trustee and/or the Registrar will have any obligation to pay additional amounts or otherwise indemnify an investor for any FATCA withholding deducted or withheld by the Issuer, the Trustee, the Registrar or any other party as a result of any person (other than an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. No Event of Default will occur as a result of any such withholding or deduction.

**17. PRESCRIPTION**

The Notes and any claims against the Issuer for payment or delivery under the Conditions in respect of the Notes will be prescribed and become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the due date for payment. Any payment of interest which has remained unclaimed for the periods above shall be forfeited and cease to remain owing by the Issuer.

**18. REPLACEMENT OF NOTES**

Should any Individual Note Certificate or Global Note in certificated form be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

**19. NOTICES**

**19.1 Notices to Noteholders**

For so long as the Notes are listed by or on a competent authority or stock exchange, all notices regarding the Notes will be deemed to be validly given where published:

- (a) on the website of one or more regulatory information services approved for such purposes by the applicable authority/ies or exchange(s); and/or
- (b) otherwise in accordance with the rules and regulations of such authority or exchange, or other relevant authority.



In addition, for so long as any Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, such notice will be published in a daily newspaper of general circulation in the places or places required by that competent authority or stock exchange.

Where the Notes are admitted to the official list and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"), notices shall be published on the website of Euronext Dublin at [www.ise.com](http://www.ise.com).

If, in the opinion of the Trustee, any such publications are not practicable, notice shall be validly given if published on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE), or in a publication in the relevant country with a circulation amongst relevant professional investors.

Any notices published in accordance with the foregoing provisions of this Condition 19 shall be conclusively presumed to have been received by the Noteholders 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.

Notwithstanding the foregoing provisions of this Condition 19, all notices regarding the Notes will also be deemed to be validly given if notified either (i) via the settlement system in which the Notes are held, in which case the notice will be deemed to have been given on the day the notification is provided to the relevant settlement system or as it may direct, or (ii) sent by first class mail or (if posted to an address overseas) by airmail to the Noteholders on the Register (or the first named of joint holders if joint holders appear on the Register) at their respective addresses recorded in the Register, in which case they will be deemed to have been given on the day after mailing.

#### **19.2 Notices from Noteholders**

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Registrar at the registered office of the Issuer.

While any of the Notes are cleared through an ICSD and represented by a Global Note, such notice may be given in respect of such Notes by a Noteholder to the Registrar through the Relevant Clearing System or the Common Depositary in such manner as is acceptable to the Registrar and the Relevant Clearing System (or the Common Depositary).

#### **19.3 Administrator to notify Noteholders**

Where the Administrator is required to give or receives a notice pursuant to these Conditions, the Administrator shall promptly deliver such notice to the Noteholders in accordance with the provisions of this Condition 19 (*Notices*).

### **20. MEETINGS OF NOTEHOLDERS**

#### **20.1 Meeting of Noteholders**

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee if required in writing by Noteholders holding not less than one tenth in Nominal Amount of the Notes of the relevant Series for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is:

- (a) one or more persons holding or representing more than half of the Nominal Amount of the Notes of the relevant Series for the time being outstanding; or

- (b) at any adjourned meeting one or more persons being or representing Noteholders of the relevant Series whatever the Nominal Amount of the Notes so held or represented,

except that at any meeting the business of which includes the modification of certain provisions of the Notes in order to modify the date of maturity of the Notes, reduce or cancel the amount of principal or the Rate of Interest payable in respect of the Notes or alter the currency of payment of the Notes, the quorum shall be:

- (c) one or more persons holding or representing not less than two-thirds in Nominal Amount of the Notes of the relevant Series for the time being outstanding;
- (d) or at any adjourned such meeting one or more persons holding or representing not less than one quarter in Nominal Amount of the Notes of the relevant Series for the time being outstanding.

An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The Issuer may specify a record date (a "**Meeting Record Date**") in relation to such meeting. The persons eligible to vote or to be represented at any such meeting will be the Noteholders on the relevant Meeting Record Date.

The Trust Deed provides for a resolution, with or without notice, in writing signed by or on behalf of the holder or holders of not less than half in Nominal Amount of the Notes of the relevant Series for the time being outstanding to be as effective and binding as if it were an Extraordinary Resolution duly passed at a meeting of the Noteholders.

## 21. MODIFICATION AND WAIVER

21.1 Without prejudice to Conditions 21.2 and 21.3, other than in respect of Reserved Matters (as specified and defined in the Trust Deed) the Trustee may, without the consent or sanction of the Noteholders:

- (a) concur with the Issuer in making any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of these Conditions, the Notes, the Trust Documents or any other Transaction Document, **provided that** the Trustee is of the opinion that such modification, waiver or authorisation will not be materially prejudicial to the interests of the Noteholders;
- (b) determine that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders to do so; or
- (c) agree to any modification, amendment, waiver or supplement (including without limitation any additional document) which in the opinion of the Trustee is not materially prejudicial to the interests of Noteholders.

21.2 Notwithstanding the foregoing or anything to the contrary in these Conditions or the Trust Deed, neither the approval of Noteholders nor the Trustee is required for, without limitation:

- (a) the transfer of any Series Holdings to an Authorised Participant under an Authorised Participant Agreement or in respect of Notes subject to physical delivery and/or to the Custodian under the Master Services Agreement, and the related release of Transaction Security provided such transfer and release is effected in accordance with the terms of the relevant Authorised Participant Agreement, the Master Services Agreement, the Security Deed or the Conditions, as applicable;
- (b) any change to the Operational Fee at any time;

- (c) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Documents, **provided that** so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, to the extent required by such exchange or other relevant authority there will be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (d) any amendment to the Conditions or any Transaction Document which relates to, or is necessary or desirable to address, an operational, procedural, administrative or technical issue;
- (e) any change to or of the clearing or settlement system in which Notes are or may be cleared, held or deposited;
- (f) any change to the number or Nominal Amount of Notes which may be evidenced by a Global Note, or similar or equivalent instrument held in or deposited with a settlement system other than through an ICSD;
- (g) by notice to the Trustee, Registrar(s) and Administrator, any change to the form, nature, or method for registration, transfer and/or clearing of the Notes, including without limitation the conversion of the Notes from certificated to uncertificated form, or from uncertificated to certificated form;
- (h) the marketing or listing of the Notes of any Series in any additional jurisdiction and/or on any additional stock exchange, market or trading facility;
- (i) any change to the Applicable Discount Rate or any other reference rate in the event that (i) such Applicable Discount Rate or other reference rate ceases or will cease to be calculated or published, or (ii) such Applicable Discount Rate or other reference rate is no longer recognised by the market as an appropriate reference rate; or
- (j) any other modifications to the Conditions, Notes, or Transaction Documents which relates or is incidental to, or is necessary or desirable to give effect to, any of the foregoing,

in each case which the Issuer (or the Collateral Manager on its behalf) does not consider to be materially prejudicial to the interests of Noteholders.

21.3 The Trustee shall agree to any modification, amendment, waiver or supplement (including without limitation any additional document) without the consent of Noteholders where such modification, amendment, waiver or supplement is:

- (a) to correct any inconsistency arising in the applicable Final Terms in respect of any Series of Notes as compared to any term sheet, brochure or other written communication in respect of the Notes that has been distributed to Noteholders in respect of that Series and the Issuer (or the Collateral Manager on its behalf) has provided written confirmation distributed to Noteholders of such inconsistency appending the relevant written communication to which the Final Terms are to be conformed;
- (b) of a formal, minor or technical nature;
- (c) to correct a manifest error;
- (d) necessary to comply with any mandatory provision of law or the rules of any stock exchange, market or quotation system, central securities depository, trading facility or clearing system;

- (e) to address or adapt to any upcoming or potential changes in law, regulations, best practice or market practice, including amending the operating model of a Series to address or adapt to such change(s); or
- (f) to adapt any Series of Notes to changes to the settlement model and any related changes to the Global Note or Individual Note Certificate (as applicable),

and, in each case, in the opinion of the Issuer (or the Collateral Manager on its behalf), such change is not materially prejudicial to the interests of Noteholders or investors (as the case may be).

- 21.4 Any modification in accordance with these Conditions shall be binding on the Noteholders and, if the Trustee so requires, any such modification shall be notified to the Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.
- 21.5 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to individual Noteholders whatever their number and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders (whatever their number) 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 any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

#### **Substitution**

- 21.6 The Trustee may, without the consent of the Noteholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes and the Transaction Documents of any other company.

In the case of such substitution, the Trustee may, without the consent of Noteholders, agree to a change of the law governing the Notes and/or the Trust Documents, subject to the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by such change.

In the event of the Issuer becoming subject to any form of Tax on its income or on payments in respect of the Notes, the Trustee may agree or require the Issuer to use all reasonable endeavours to procure the substitution of a company in some other jurisdiction as principal debtor under the Notes and the Transaction Documents

#### **22. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND TRUSTEE'S RETIREMENT AND REMOVAL**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified, secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and to act as trustee for the holders of any other securities issued by, or relating to, the Issuer, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trust Deed contains provisions allowing the Trustee to retire at any time on giving not less than three calendar months' prior written notice to the Issuer without giving any reason and without being responsible for any Expenses (as defined in the Trust Deed) incurred by such retirement. The Noteholders may by Extraordinary Resolution remove any trustee or trustees of the Notes. The Trust Deed provides that the retirement or removal of any such Trustee shall not become effective until a successor trustee (being a trust corporation) is appointed. The Trust Deed provides that, in the event of the Trustee giving notice of retirement or being removed by Extraordinary Resolution under the Trust Deed, the Issuer shall use all reasonable endeavours to procure that a new trustee is appointed. If no appointment has become effective within three calendar months of such notice or Extraordinary Resolution, the Trust Deed provides that the Trustee shall be entitled to appoint a trust corporation. No appointment of a trustee shall take effect unless previously approved by an Extraordinary Resolution. Notice of any such change shall be given to the Noteholders in accordance with Condition 19 (*Notices*) as soon as practicable thereafter.

## 23. FURTHER ISSUES

Subject to the requirements of the Trust Documents, the Issuer shall be at liberty at any time without the consent of the Noteholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the Issue Date and issue price) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

Any new Notes forming a single series with the Notes shall be constituted and secured by the Trust Documents so that the new Notes and the existing Notes shall be secured by the same Mortgaged Property. References in the Conditions to "**Notes**", "**Secured Assets**", "**Series Holdings**", "**Underlying Debt**", "**Underlying Debt Securities**", "**Mortgaged Property**", the "**Cash Flow Timing Agreement**", "**Secured Payment Obligations**" and "**Secured Creditor**" shall be construed accordingly.

## 24. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 25. GOVERNING LAW AND JURISDICTION

### 25.1 Governing Law

The Notes, the Individual Note Certificates, the Global Notes, the Transaction Documents and the Trust Deed and all non-contractual obligations arising from or connected with them are governed by, and shall be construed in accordance with, English law.

### 25.2 Jurisdiction

The English courts are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, and accordingly any legal proceedings arising out of or in connection with the Notes ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the grounds of venue or that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the Noteholders and the Trustee and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

### 25.3 Service of Process

The Issuer has irrevocably appointed a process agent to receive, for it and on its behalf, service of process in any Proceedings in England. Service of process on such process

agent shall be deemed valid service upon the Issuer whether or not it is forwarded to and received by the Issuer. The Issuer shall inform the Trustee in writing of any change in its process agent's address within 28 calendar days of such change. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent in England and to deliver to it a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days.

#### **25.4 Relevant Clearing System**

None of the Issuer or any Transaction Party will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

Where Notes or an interest therein are held in a Relevant Clearing System, a reference in these Conditions to a deposit or return of such Notes shall be deemed to refer to the taking of such action by an account holder in such Relevant Clearing System as is required to deposit or return such account holder's interest in the Notes in or to the relevant account in such Relevant Clearing System (or other Relevant Clearing System, as applicable).

## DEFINITIONS

Unless the context otherwise requires, the following defined terms shall have the meanings set out below:

- "Additional Business Centre"** means, in respect of a Series, any additional business centre specified in the applicable Final Terms.
- "Applicable Discount Rate"** means, in respect of a Series, the rate specified as such in the relevant Final Terms (reflecting the rate set out in the CFTA as at the Issue Date), provided that if the Issuer and the CFTA Counterparty agree to revise the rate applicable in the CFTA, the Applicable Discount Rate shall mean such revised rate. Where the Issuer and CFTA Counterparty agree to amend the rate specified in the CFTA, the revised rate will be made available via the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) (or such other website as may be notified to Noteholders).
- "Authorised Participant"** means an entity specified as such in the Final Terms, or otherwise specified to be an Authorised Participant in relation to the relevant Series of Notes on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) (or such other website as may be notified to Noteholders).
- "Authorised Participant Agreement"** means each agreement between the Issuer and each Authorised Participant from time to time which sets out the terms pursuant to which the Authorised Participant may be an authorised participant of the Issuer.
- "Bankruptcy Event"** means, with respect to an entity, such 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, the appointment of an examiner 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, liquidation or examinership, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition either:
    - (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, liquidation or examinership, or

- (ii) 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 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, examiner 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 sub-clauses (a) to (g) above.

**"Bankruptcy Event of Default"**

means that the Issuer:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or sanctioned by an Extraordinary Resolution);
- (b) 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 the Noteholders, 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, examinership or liquidation (including, without limitation, any bankruptcy, insolvency, voluntary, forced or judicial liquidation, composition with creditors, reprieve from payment, controlled management, fraudulent conveyance, general settlement with creditors or reorganisation proceedings or similar proceedings affecting the



rights of creditors generally) of the Issuer, 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, examinership 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 or liquidation (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or sanctioned by an Extraordinary Resolution);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, examiner, custodian or other similar official (including, without limitation, the appointment of an administrator (including, without limitation, any receiver, liquidator, auditor, provisional administrator or any application made or petition lodged or documents filed with the court or administrator in relation to the Issuer) for it or for any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Documents;
- (g) other than the Trustee (except in circumstances where the Trustee is enforcing the Transaction Security pursuant to the Trust Documents) 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 Documents or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against any assets on which the liabilities of the Issuer under the relevant Notes are secured pursuant to the Trust Documents 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 sub-paragraphs (a) to (g) above (inclusive).

**"Business Day"**

means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms (if any); and

- (b) if "TARGET" is specified as an Additional Business Centre in the applicable Final Terms, a day which is a TARGET Settlement Day,

or such other day as the Issuer (or the Collateral Manager on its behalf) may from time to time determine and set out in the applicable Final Terms or otherwise notify to Noteholders. Notwithstanding the above, a Business Day shall (unless otherwise determined by the Issuer (or the Collateral Manager on its behalf)) exclude any day on which a relevant market operator, over-the-counter (OTC) market, regulator or exchange (as applicable) on which an underlying asset is traded, listed or quoted declares a relevant underlying market closed or suspended for trading and/or settlement.

The Issuer (or the Administrator or the Collateral Manager on its behalf) produces dealing calendars for the Series of Notes which detail the relevant business days for dealing and settlement (which may differ) in respect of each Series. Such dealing calendar may be amended from time to time by the Issuer (or the Administrator or the Collateral Manager on its behalf) where, for example, a relevant market operator, over-the-counter (OTC) market, regulator or exchange (as applicable) declares a relevant underlying market closed or suspended for trading and/or settlement. Such closure may be made with little or no notice to the Issuer, the Administrator and/or the Collateral Manager; consequently, the Issuer, the Administrator and/or the Collateral Manager may also make amendments to the dealing calendar on little or no notice.

**"Business Day Convention"**

means, in respect of a Series, any of the following convention specified in the applicable Final Terms:

- (a) the Following Business Day Convention;
- (b) the Modified Following Business Day Convention; and
- (c) the Preceding Business Day Convention.

**"Calculation Amount"**

shall have the meaning given in the applicable Final Terms.

**"Cash Flow Timing Agreement" or "CFTA"**

means, in relation to a Series of Notes, an agreement comprising the ISDA Master Agreement in respect of such Series of Notes, together with all Cash Flow Transactions, the confirmations evidencing such Cash Flow Transactions and any ancillary fee agreements entered into in respect of such Cash Flow Transactions.

**"Cash Flow Transactions"**

means a transaction entered into between the Issuer and a CFTA Counterparty in relation to the Notes.

**"CFTA Collateral"**

means any cash, securities or other assets or property transferred by any CFTA Counterparty to the Issuer pursuant to any Credit Support Annex, or the cash equivalent assets into which such cash is invested, but shall not include any CFTA Collateral Proceeds.

<b>"CFTA Collateral Proceeds"</b>	means any interest or other proceeds generated by the CFTA Collateral and/or the reinvestment of the CFTA Collateral in cash equivalent assets and which is not required to be returned to the CFTA Counterparty/ies pursuant to the Cash Flow Timing Agreement(s).
<b>"CFTA Counterparty"</b>	means, in relation to a Series, each party identified as such in the Final Terms and/or any other party with which the Issuer has entered into a Cash Flow Timing Agreement in relation to the relevant Series (in each case, where any obligations remain outstanding under the Cash Flow Timing Agreement entered into with such party).
<b>"CFTA Value"</b>	means in relation to a Cash Flow Timing Agreement, as determined by the Administrator in good faith and a commercially reasonable manner, the net present value of the cashflows under the Cash Flow Timing Agreement discounted at the Applicable Discount Rate.
<b>"Change in Law/Regulatory Event"</b>	<p>means that, as a result of:</p> <ul style="list-style-type: none"> <li data-bbox="638 840 1359 1052">(a) the adoption of, or any change in any applicable law, regulation, rule, order, ruling, agreement, practice or procedure (including, without limitation, any Tax law and any regulation, rule, order, ruling, agreement, practice or procedure of any applicable regulatory authority, applicable market association, Tax authority and/or any exchange);</li> <li data-bbox="638 1075 1359 1456">(b) a new, or any change in the, interpretation by any court, tribunal, regulatory authority with competent jurisdiction, European Union financial regulatory authority (including the European Securities and Markets Authority), applicable market association, Tax authority, exchange and/or any trading facility (each a <b>"Relevant Authority"</b>) of any applicable law, regulation, rule, order, ruling, agreement, guidance practice or procedure (including, without limitation, any Tax law and any regulation, rule, order, ruling, agreement, guidance, practice or procedure of any Relevant Authority); or</li> <li data-bbox="638 1478 1359 1601">(c) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity,</li> </ul> <p>in each case at any time after the Issue Date of the first Tranche of any Series, the Issuer determines in its sole discretion that:</p> <ul style="list-style-type: none"> <li data-bbox="638 1758 1359 1818">(i) there is a reasonable likelihood of it becoming unlawful; or</li> </ul>

- (ii) it is or there is a reasonable likelihood of it becoming unduly onerous, impracticable or impossible, for:
  - (A) the Issuer to maintain the Notes and/or the Programme; and/or
  - (B) the Issuer to perform any duties in respect of or in connection with the Notes or any Transaction Document.

For the purpose of this definition, the reference to "unduly onerous, impossible or impractical" shall include, without limitation, circumstances in which the Issuer would or may suffer an increase in costs and/or less favourable regulatory, accounting or tax treatment in connection with the Notes, any Transaction Documents, the Programme or other instruments issued under the Programme generally.

<b>"Clean-up Call Threshold"</b>	means, in respect of a Series, the amount specified as such in the relevant Final Terms.
<b>"Clearing System"</b>	means any of: (i) Euroclear, (ii) Clearstream; and/or (iii) any other recognised clearing system in which Notes of a Series may be cleared.
<b>"Clearstream"</b>	means Clearstream Banking, <i>société anonyme</i> .
<b>"Collateral Criteria"</b>	means the criteria set out in the section titled "Collateral Criteria" in the Base Prospectus approved in relation to the Programme and in effect as at the Issue Date of the first Tranche of Notes of the relevant Series, as completed by the Final Terms for the relevant Tranche.
<b>"Collateral Disruption Event"</b>	<p>means, in the determination of the Collateral Manager, the occurrence or continuance at any time of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) the Issuer is unable (acting on the advice of, and as determined by, the Collateral Manager) to maintain appropriate diversification in the Underlying Debt;</li> <li>(b) the value of Notes remaining outstanding is such that it would be uneconomical to maintain the underlying Underlying Debt;</li> <li>(c) where "Clean-up Call Threshold" is specified as applicable in the relevant Final Terms, the aggregate outstanding notional of the Notes is less than the Clean-up Call Threshold specified in the Final Terms and the Issuer determines in its discretion that the same will constitute an Early Redemption Event; and/or</li> <li>(d) it is reasonably likely that the liquidation proceeds of the Series Holdings coupled with the net cashflow payments from the CFTA Counterparties under the CFTAs for the relevant Series would (or would in the future) fall below the Minimum Redemption Amount (if any) for such Series, and the Issuer has</li> </ul>

determined in its sole discretion that such likelihood constitutes a Collateral Disruption Event.

<b>"Common Depositary"</b>	means the entity appointed as a depositary for the International Central Securities Depositories, currently Citibank Europe plc, having its registered office at 1 North Wall Quay, Dublin 1.
<b>"Common Depositary's Nominee"</b>	means the nominee of the Common Depositary, currently Citivic Nominees Limited.
<b>"Collateral Intention"</b>	has the meaning given in Condition 7 ( <i>Collateral Management</i> ).
<b>"Credit Support Annex"</b>	has the meaning given in the section " <i>Description of the Cash Flow Timing Agreement</i> " in the Base Prospectus approved in relation to the Programme and in effect as at the Issue Date of the first Tranche of Notes of the relevant Series.
<b>"Credit Support Balance"</b>	shall have the meaning given in the Credit Support Annex to the Cash Flow Timing Agreement.
<b>"Day Count Fraction"</b>	<p>means, in respect of the calculation of an amount of interest in accordance with Condition 10 (<i>Interest</i>):</p> <ul style="list-style-type: none"> <li>(a) if "<b>Actual/Actual (ISDA)</b>" or "<b>Actual/Actual</b>" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);</li> <li>(b) if "<b>Actual/365 (Fixed)</b>" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;</li> <li>(c) if "<b>Actual/365 (Sterling)</b>" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Period End Date falling in a leap year, 366;</li> <li>(d) if "<b>Actual/360</b>" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;</li> <li>(e) if "<b>30/360</b>", "<b>360/360</b>" or "<b>Bond Basis</b>" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:</li> </ul>

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

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

Day Count Fraction =

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls:

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" is the calendar day, expressed as a number, immediately following the last day included in the Interest 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 D<sub>2</sub> will be 30; and

- (h) if "**Act/365L**" is specified in the Final Terms, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if the Interest Period End Date of the relevant Interest Period falls in a leap year, divided by 366).

**"Debt Securities Inclusion Criteria"**

means the criteria set out in the section titled "Debt Securities Inclusion Criteria" of the Collateral Criteria.

**"Debt Securities Initial Inclusion Criteria"**

has the meaning given to it in the section titled "Debt Securities Inclusion Criteria" of the Collateral Criteria.

**"Default Redemption Amount"**

means, in respect of any Note of the relevant Series outstanding on the relevant Default Valuation Date, such Note's *pro rata* entitlement to the sum of:

- (a) the Nominal Amount of such Series as at the Default Valuation Date together with any interest in respect of such Series accrued to and outstanding at the Default Valuation Date; *plus*
- (b) an amount (which may be positive or negative) that reflects the effect of any change in relevant interest rate and credit spreads on the Series Holdings for the relevant Series (as determined by the Issuer (or the Administrator or Collateral Manager on its behalf)); *less*
- (c) any applicable Duties and Charges.

This amount is applied in accordance with and subject to Condition 5.2 (*Application of Proceeds*) and Condition 15 (*Limited Recourse and Non-petition*).

**"Default Valuation Date"**

means the date on which the Notes become due and payable pursuant to Condition 13 (*Events of Default*).

**"Disruption Event"**

means any of the following:

- (a) a Market Disruption Event;
- (b) an Early Redemption Notice has been delivered;
- (c) any of the Collateral Manager, the Registrar, the Custodian, the Paying Agent, the Administrator and/or all of the Authorised Participants resign, or such role is terminated in accordance with the provisions of the relevant Transaction Document, and no replacement Collateral Manager, Registrar, Custodian, Paying Agent, Administrator and/or at least one Authorised Participant (as applicable) has yet been appointed;
- (d) any CFTA Counterparty has failed or is unable, for any reason, to make a payment pursuant to the Cash Flow Timing Agreement; or
- (e) any other event which the Issuer (or the Collateral Manager on its behalf) determines in its sole discretion to constitute a disruption event in relation to the Notes.

**"Duties and Charges"**

all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, custody or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees, hedging-related costs, transaction costs and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Series or the



creation, issue, sale, redemption, switching or repurchase of Notes or the sale, purchase or substitution of Series Holdings, any amendment to or termination of the CFTA(s) or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription, repurchase, redemption and switching prices and amounts (including without limitation any Redemption Amount or Per Note Entitlement), any provision for spreads to take into account:

- (a) the difference between the price or value at which underlying assets were valued for the purpose of calculating the relevant price or amount for the relevant transaction versus the estimated and/or final price at which such assets shall be or are bought as a result of a subscription (or switch) and sold as a result of a redemption or repurchase (or switch);
- (b) any charges payable on an adjustment to a CFTA required as a result of the subscription, repurchase, redemption or switching transaction; and
- (c) (where relevant) applying realised or unrealised gains or losses on foreign exchange or currency forwards to the extent that such gains or losses relate to the relevant transaction or such gains or losses are (in the case of gains) less or (in the case of losses) more than would have been incurred in the absence of the relevant subscription, redemption, repurchase, or switching transaction, but shall not include any commission, taxes, charges or costs which may have been taken into account in ascertaining the price or amount for the relevant transaction.

**"Early Redemption Amount"**

means, in respect of any Note of the relevant Series outstanding on the relevant Early Redemption Date, such Note's *pro rata* entitlement to the sum of:

- (a) the Nominal Amount of such Series as at the Early Redemption Date together with any interest in respect of such Series accrued to and outstanding at the Early Redemption Date; *plus*
- (b) an amount (which may be positive or negative) that reflects the effect of any change in relevant interest rate and credit spreads on the Series Holdings for the relevant Series (as determined by the Issuer (or the Administrator or Collateral Manager on its behalf)); *less*
- (c) any applicable Duties and Charges.

	This amount is applied in accordance with and subject to Condition 5.2 ( <i>Application of Proceeds</i> ) and Condition 15 ( <i>Limited Recourse and Non-petition</i> ).
<b>"Early Redemption Date"</b>	has the meaning given in Condition 12.3 ( <i>Early Redemption</i> ).
<b>"Early Redemption Event"</b>	means any of a Tax Event, a Service Provider Non-Replacement Event, an Illegality Event, a Change in Law/Regulatory Event, a Hedging Disruption Event or a Collateral Disruption Event.
<b>"Early Redemption Notice"</b>	has the meaning given in Condition 12.3 ( <i>Early Redemption</i> ).
<b>"Eligible Credit Support"</b>	shall have the meaning given in the Credit Support Annex to the Cash Flow Timing Agreement.
<b>"Eligible Debt Instruments"</b>	means debt securities which, at the time of purchase (or at the time of delivery by an Authorised Participant in connection with a Subscription (as applicable)): <ul style="list-style-type: none"> <li>(a) satisfy the Collateral Criteria for that Series; and/or</li> <li>(b) are fungible with existing Underlying Debt Securities comprising the Underlying Debt or will become fungible with existing Underlying Debt Securities upon expiry of any distribution constraint on such debt securities.</li> </ul>
<b>"Enforcement Event"</b>	means that the Notes have become immediately due and repayable pursuant to Condition 13 ( <i>Events of Default</i> ) and the Default Redemption Amount has not been paid.
<b>"Enforcement Notice"</b>	means a notice given by the Trustee pursuant to Condition 14 ( <i>Trustee Enforcement Right</i> ) that (i) the Trustee intends to enforce, in respect of one or more Series, the Transaction Security constituted by the Trust Documents and (ii) the Issuer (or the Collateral Manager on its behalf) is to cease to effect any further sale or substitution of the Series Holdings or any adjustment of any Cash Flow Timing Agreement in respect of the relevant Series, save that any transaction entered into prior to the effective date of such Enforcement Notice shall be settled and the Issuer (or the Collateral Manager on its behalf) shall take any steps and actions necessary to settle such transaction and/or that are incidental thereto.
<b>"Euroclear"</b>	Euroclear Bank SA/NV.
<b>"Event of Default"</b>	means any of a Payment Event of Default, a Non-Compliance Event of Default or a Bankruptcy Event of Default.
<b>"Event of Default Redemption Notice"</b>	shall have the meaning given in Condition 13 ( <i>Events of Default</i> ).
<b>"Expenses"</b>	shall have the meaning given in the Trust Documents.

<b>"Extraordinary Resolution"</b>	shall have the meaning given in the Trust Deed.
<b>"FATCA withholding"</b>	has the meaning given in Condition 16.2 ( <i>FATCA</i> ).
<b>"Final Maturity Amount"</b>	means, in respect of any Note of the relevant Series finally redeemed on the Maturity Date, such Note's <i>pro rata</i> entitlement to the Nominal Amount of the relevant Series, applied in accordance with and subject to Condition 5.2 ( <i>Application of Proceeds</i> ) and Condition 15 ( <i>Limited Recourse and Non-petition</i> ).
<b>"Following Business Day Convention"</b>	means, if any date which is specified to be subject to adjustment in accordance with the Following Business Day Convention would otherwise fall on a day that is not a Business Day for the relevant purpose, then such date shall be postponed to the next day that is such a Business Day.
<b>"Global Note"</b>	has the meaning given in Condition 3.3 ( <i>Certificate</i> ).
<b>"Hedging Disruption Event"</b>	<p>means that the Issuer is unable, after using commercially reasonable efforts, to:</p> <ul style="list-style-type: none"> <li>(a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) or any futures or options contract(s) it deems necessary to hedge risk in relation to the relevant Series, or</li> <li>(b) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s) or any futures or option contract(s) or any relevant hedge positions relating to the Notes,</li> </ul> <p>including in each case, without limitation, the Cash Flow Timing Agreement.</p>
<b>"Illegality Event"</b>	<p>means that the Issuer determines in its sole discretion that:</p> <ul style="list-style-type: none"> <li>(a) the performance of the Issuer's obligations has or will become unlawful or impracticable, in whole or in part, in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power; or</li> <li>(b) the Issuer would be subject to an increased cost (as compared to the circumstances existing on the Issue Date in respect of such Series of Notes) in entering into or maintaining a Series of Notes in particular as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive or with any requirement or request of any governmental, administrative, legislative or judicial authority or power.</li> </ul>
<b>"Individual Note Certificate"</b>	has the meaning given in Condition 3.3 ( <i>Certificate</i> ).

<b>"Interest Amount"</b>	has the meaning given in Condition 10.2 ( <i>Calculation of Interest</i> ).
<b>"Interest Commencement Date"</b>	means (unless otherwise specified in the applicable Final Terms) the Issue Date in respect of the Notes.
<b>"Interest Payment Date"</b>	means the date specified as such in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, the Business Day Convention will not apply to the Interest Payment Date.
<b>"Interest Period"</b>	<p>means (unless otherwise specified in the applicable Final Terms):</p> <ul style="list-style-type: none"> <li>(a) the period beginning on (and including) the relevant Interest Commencement Date and ending on (but excluding) the first Interest Payment Date occurring after such Interest Commencement Date; and</li> <li>(b) each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if earlier, the date on which the relevant Note is redeemed or repurchased). An Interest Period will not be adjusted by the Business Day Convention.</li> </ul>
<b>"International Central Securities Depository" or "ICSD"</b>	means an international central securities depository. The ICSDs in which the Notes are cleared and/or settled include Euroclear and Clearstream. Any change to the ICSDs will be set out in the section titled "Relevant Clearing System" in the applicable Final Terms.
<b>"ISDA Master Agreement"</b>	means a 2002 ISDA Master Agreement together with the Schedule thereto and the Credit Support Annex thereto.
<b>"Issue Date"</b>	means, in relation to each Note, the date on which settlement is to take place for the issuance of the Note, as specified in the applicable Final Terms.
<b>"Issuer Call"</b>	has the meaning given in Condition 12.4 ( <i>Redemption at the Option of the Issuer (Issuer Call)</i> ).
<b>"Issuer Call Amount"</b>	<p>means, in respect of any Note of the relevant Series outstanding as at the Issuer Call Date, such Note's <i>pro rata</i> entitlement to the higher of:</p> <ul style="list-style-type: none"> <li>(a) the Nominal Amount of the Series as at the Issuer Call Date together with any Interest Amounts scheduled to become due in the period from (but excluding) the Issuer Call Date to (and including) the Maturity Date; and</li> <li>(b) the Series Entitlement as at the date specified in the relevant Issuer Call Notice <i>less</i> any fees, costs and expenses attributable to the relevant Series (save for any fees, costs and expenses already captured in the Series Entitlement) and any applicable Duties and Charges,</li> </ul>

	as at the Valuation Date.
	Such amount shall be applied in accordance with and subject to Condition 5.2 ( <i>Application of Proceeds</i> ) and Condition 15 ( <i>Limited Recourse and Non-petition</i> ).
<b>"Issuer Call Date"</b>	shall have the meaning given in Condition 12.4 ( <i>Redemption at the Option of the Issuer (Issuer Call)</i> ).
<b>"Issuer Call Notice"</b>	has the meaning given in Condition 12.4 ( <i>Redemption at the Option of the Issuer (Issuer Call)</i> ).
<b>"Issuer Cash Account"</b>	means, in respect of a Series of Notes, the cash account being maintained by the Custodian for the Issuer in respect of such Series of Notes under the terms of the Master Services Agreement.
<b>"Issuer Covenants"</b>	shall have the meaning given to it in the Trust Deed.
<b>"Market Disruption Event"</b>	<p>means, in the determination of the Collateral Manager, the occurrence or continuance at any time of any of the following events:</p> <ul style="list-style-type: none"> <li>(a) the material suspension of, or the material limitation in, trading and/or settlement of any of the Underlying Debt Securities in the relevant exchange or principal trading market (including a permanent discontinuation of trading);</li> <li>(b) any circumstances exist as a result of or in which it is impossible or not reasonably practicable to dispose of the Underlying Debt Securities and/or determine the value of the Underlying Debt;</li> <li>(c) it is impossible or impracticable for the Collateral Manager to determine the Per Note Entitlement for the Series and/or to or notify the Noteholders of the same;</li> <li>(d) as a result of the imposition of exchange controls or any other circumstances, it is impossible or impracticable for the Issuer to receive or transfer amounts through, to or from its accounts;</li> <li>(e) as a result of any circumstances, it is not reasonably practicable for the Issuer to settle any issuance, repurchase or other redemption of the Notes in accordance with the Conditions and/or to transfer cash or assets required in connection with any issue, repurchase or other redemption of the Notes; or</li> <li>(f) it is impracticable (from a cost, risk or operational perspective, or for any other reason) to invest in the assets from which the Underlying Debt Securities are required to be selected and/or to trade the Underlying Debt Securities.</li> </ul>
<b>"Market Value"</b>	means, in relation to the following assets within the Series Holdings:

- (a) in respect of an amount of cash, the amount of such cash;
- (b) in respect of a unit in a money market or other cash fund, such unit's net asset value; and
- (c) in respect of any other type of security, the bid price, closing price, closing mid-market price or any other pricing basis (as specified in the Final Terms) of such security on the regulated market on which it is traded (or where such security is traded on more than one regulated market, such regulated market that constitutes the main market for such securities as determined by the Issuer (or the Administrator on its behalf), **provided that**, where such securities were acquired or traded by the Issuer at a premium or at a discount outside of trading on or off a regulated market or over-the-counter (OTC) market, such securities may be valued by the Issuer (or the Administrator on its behalf) taking into account the value of such premium or discount in determining the Market Value of such securities if the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the securities,

in each case in the Series Currency or converted to the Series Currency, **provided that** (i) if prices or values for any security in (b) or (c) are unavailable, (ii) if market quotations are not readily available for any security in (c), or (iii) the bid price, closing price or closing mid-market price or any other pricing basis set out in the relevant Final Terms or any applicable premium or discount (as the case may be) does not, in the opinion of the Issuer (or the Collateral Manager acting on its behalf), reflect the fair value of the relevant security, the Market Value of the relevant security shall be valued at its probable realisation value as determined by the Issuer (or by the Collateral Manager acting on its behalf) or by such other competent person or firm appointed by the Issuer (or the Collateral Manager acting on its behalf) with care and in good faith.

If it is impossible or impracticable to determine the probable realisation value of a security or if such valuation is not representative of such security's fair market value in the context of currency, marketability and such other considerations which are deemed relevant by the Issuer (or the Collateral Manager acting on its behalf), the Issuer (or the Collateral Manager acting on its behalf) shall be entitled to use (in consultation with the Administrator) other generally recognised valuation methods in order to reach a fair market valuation of such security.

**"Master Services Agreement"**

means the agreement from time to time between the Issuer, the Collateral Manager, the Administrator and Transfer Agent, the Custodian and the Registrar relating to the provision to the Issuer of administration, custody, registration and transfer agency services.

<b>"Maturity Date"</b>	means, in respect of a Series, the date specified as such in the applicable Final Terms.
<b>"Meeting Record Date"</b>	has the meaning given in Condition 20 ( <i>Meetings of Noteholders</i> ).
<b>"MiFID II"</b>	means Directive 2014/65/EU on markets in financial instruments directive, as amended, and any successor or replacement legislation, each as implemented in each relevant member state of the European Economic Area from time to time.
<b>"Minimum Redemption Amount"</b>	means, in respect of a Series, an amount equal to the Minimum Redemption Amount Percentage multiplied by the Note Nominal Amount, or such other amount as may be specified in the applicable Final Terms.
<b>"Minimum Redemption Amount Percentage"</b>	means, in respect of a Series, the percentage specified as such in the applicable Final Terms.
<b>"Modified Following Business Day Convention"</b>	means, if any date which is specified to be subject to adjustment in accordance with the Modified Following Business Day Convention would otherwise fall on a day that is not a Business Day for the relevant purpose, then such date shall be postponed to the next day that is such 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 such Business Day.
<b>"Mortgaged Property"</b>	means, in relation to the Notes of a Series, the items described in Conditions 5.1 ( <i>Security</i> ) (a) – (e), as applicable for such Series, and the rights, title and interest of the Issuer in respect of such Series in any other assets, property, income, rights and/or agreements of the Issuer (other than the Issuer's share capital and any amounts held in the Profit Account(s)) 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 Trust Documents, as the case may be, in each case securing the Secured Payment Obligations for the respective Series and includes, where the context permits, any part of that Mortgaged Property.
<b>"Nominal Amount"</b>	means, in respect of the Notes of a Series, the aggregate principal amount outstanding of the Series in the Series Currency as at the relevant time.
<b>"Non-Compliance Event of Default"</b>	means the Issuer does not perform or comply with any one or more of its material obligations under the Notes or the Trust Documents entered into in relation to the Notes, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time).

<b>"Non-Disrupted Day"</b>	means, in respect of a Series, the Series Issue Date and each day thereafter that is a Business Day and is not a day which falls within a Suspension Period.
<b>"Note Certificate"</b>	means a Global Note or an Individual Note Certificate as the case may be.
<b>"Note Nominal Amount"</b>	means in respect of a Series, the amount in the Series Currency specified as such in the relevant Final Terms.
<b>"Noteholder"</b>	has the meaning given in Condition 3.2.
<b>"Notes"</b>	means the notes of the relevant Series, and a reference to a <b>"Note"</b> shall be to each Individual Note Certificate and each Global Note (as applicable).
<b>"Operational Fee"</b>	means the fee payable, in respect of each Series, by the Issuer to the Collateral Manager pursuant to the provisions of the Collateral Management Agreement, accruing daily on the Nominal Amount of the relevant Series at a rate equal to the pro-rated Operational Fee Rate for the relevant Series.
<b>"Operational Fee Rate"</b>	means, in respect of each Series, the annual fee rate specified as such in the applicable Final Terms.
<b>"Order Entry Facility"</b>	means each electronic facility which may be used by Authorised Participants to submit dealing requests in respect of Notes and to obtain information in relation to the dealing procedures.
<b>"Order Entry Operator"</b>	means each operator of an Order Entry Facility.
<b>"Original Scheduled Redemption Date"</b>	has the meaning given in Condition 12.15(a).
<b>"Paying Agency and Account Bank Agreement"</b>	means the agreement from time to time between the Issuer and the Paying Agent relating to the provision by the Paying Agent to the Issuer of paying agency and account bank services.
<b>"Payment Day"</b>	<p>(a) in relation to all Notes:</p> <ul style="list-style-type: none"> <li>(i) in relation to any sum payable in Euro, a TARGET Settlement Day; and</li> <li>(ii) in relation to any sum payable in a Series Currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Series Currency (which if the Series Currency is Australian dollars or New Zealand dollars, the principal financial centre shall be as specified in the applicable Final Terms); and</li> </ul> <p>(b) in the case of Notes in definitive form only, unless otherwise specified in the applicable Final Terms, a</p>



day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation.

<b>"Payment Event of Default"</b>	means default is made for more than 14 calendar days in the payment of any sums due and payable in relation to the Notes of the relevant Series, other than where any such default occurs during a Suspension Period or as otherwise permitted by these Conditions.
<b>"Per Note Entitlement"</b>	<p>means in relation to any Series and any relevant date, the sum of:</p> <ul style="list-style-type: none"> <li>(a) the Market Value of the relevant Series Holdings; <i>plus</i></li> <li>(b) the CFTA Value of each Cash Flow Timing Agreement of the relevant Series; <i>less</i></li> <li>(c) any fees and expenses (including any accrued but unpaid Operational Fee) attributable to the relevant Series of Notes,</li> </ul> <p>divided by the Nominal Amount of the Series as at such time.</p>
<b>"Physical Delivery Details"</b>	has the meaning given in Condition 12.8 ( <i>Physical Settlement</i> ).
<b>"Preceding Business Day Convention"</b>	means, if any date which is specified to be subject to adjustment in accordance with the Preceding Business Day Convention would otherwise fall on a day that is not a Business Day for the relevant purpose, then such date shall be brought forward to the immediately preceding such Business Day.
<b>"principal"</b>	has the meaning given in Condition 11.5 (Interpretation of principal and interest).
<b>"Proceedings"</b>	has the meaning given in Condition 25.2 ( <i>Jurisdiction</i> ).
<b>"Profit Account"</b>	means an account opened in connection with a profit or rebate received by the Issuer or in connection with the administration and management of the Issuer which does not form part of the Mortgaged Property in respect of the Issuer.
<b>"Programme"</b>	means the secured notes programme established by the issuer.
<b>"Qualified Holder"</b>	<p>means any person, corporation or entity other than:</p> <ul style="list-style-type: none"> <li>(a) an investor in the European Economic Area which is a 'retail client' under MiFID II (or any corresponding category of investor in a jurisdiction outside the European Economic Area into which the Notes may be sold in accordance with the terms of the Base Prospectus approved in relation to the Programme</li> </ul>

and in effect as at the Issue Date of the first Tranche of Notes of the relevant Series);

- (b) a U.S. person as defined under Regulation S;
- (c) a Plan Investor;
- (d) any other person, corporation or entity to whom a sale or transfer of Notes, or in relation to whom the holding of Notes (whether directly or indirectly affecting such person, and whether taken alone or in conjunction with other persons, connected or not, or any other circumstances appearing to the Issuer to be relevant) (i) would cause the Notes to be required to be registered under the Securities Act, (ii) would cause the Issuer to become a "controlled foreign corporation" within the meaning of the US Internal Revenue Code of 1986, (iii) would cause the Issuer to have to file periodic reports under Section 13 of the Exchange Act, (iv) would cause the assets of the Issuer to be deemed to be "plan assets" of a Benefit Plan Investor, or (v) would cause the Issuer otherwise not to be in compliance with the Securities Act, the US Employee Retirement Income Security Act of 1974, Section 4975 of the US Internal Revenue Code of 1986, Similar Law or the Exchange Act; or
- (e) a custodian, nominee, trustee or the estate of any person, corporation or entity described in (b) to (d) above.

<b>"Rate of Interest"</b>	means, in respect of a Series, the rate of interest determined in accordance with the provisions of the applicable Final Terms.
<b>"Rating Threshold Percentage"</b>	means the percentage specified as such in the relevant Final Terms.
<b>"Record Date"</b>	in respect of a Series, is (unless otherwise specified in the applicable Final Terms) the date that is three (3) Business Days prior to the Interest Payment Date.
<b>"Redemption Amount"</b>	means the Early Redemption Amount, Default Redemption Amount, Final Maturity Amount, Repurchase Settlement Amount or Issuer Call Amount (as applicable).
<b>"Register"</b>	means the register of holders of Notes maintained by the Registrar for the Issuer.
<b>"Relevant Clearing System"</b>	means, in respect of a Series, each Clearing System through which such Series of Notes is to be cleared, as specified in the Final Terms relating to such Series, and any additional Clearing System through which such Series is to be cleared from time to time.
<b>"Relevant Portion"</b>	has the meaning given in Condition 12.7(a) ( <i>Cash Settlement of Relevant Redemption Amount</i> ).

<b>"Relevant Settlement Date"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) in respect of a redemption of any Note in accordance with Condition 12.2 (<i>Final Redemption</i>), the Maturity Date;</li> <li>(b) in respect of a redemption of any Note in accordance with Condition 12.3 (<i>Early Redemption</i>), the Early Redemption Date, or such other date for settlement as may be specified by the Issuer in the relevant Early Redemption Notice;</li> <li>(c) in respect of a redemption of any Note in accordance with Condition 12.4 (<i>Redemption at the Option of the Issuer (Issuer Call)</i>), the date specified in the relevant Issuer Call Notice; or</li> <li>(d) in respect of a repurchase of any Note in accordance with Condition 12.5 (<i>Repurchase Prior to the Maturity Date at the Option of an Authorised Participant</i>), (i) the second Business Day following the Repurchase Trade Date; or (ii) such other Business Day as may be specified or agreed in relation to a Series in the Order Entry Facility,</li> </ul> <p>in each case subject to Condition 12.15 (<i>Postponement of Settlement during a Suspension Period</i>).</p>
<b>"Repurchase Cash Settlement Amount"</b>	<p>means, in relation to the Notes to be redeemed (the <b>"Relevant Notes"</b>), an amount equal to the higher of:</p> <ul style="list-style-type: none"> <li>(a) the Per Note Entitlement for the Series as at the Repurchase Trade Date; and</li> <li>(b) the Minimum Redemption Amount, applied in accordance with and subject to Condition 15 (<i>Limited Recourse and Non-petition</i>) and (where relevant) Condition 5.2 (<i>Application of Proceeds</i>),</li> </ul> <p>multiplied by the aggregate principal amount of the Relevant Notes, less the Relevant Notes' <i>pro rata</i> share of any fees, costs and expenses attributable to the relevant Series (save for any fees, costs and expenses captured in the Per Note Entitlement if the Per Note Entitlement is the higher amount) and any applicable Duties and Charges.</p>
<b>"Repurchase Physical Settlement Amount"</b>	<p>means a portion of the Underlying Debt selected by the Issuer (or the Collateral Manager on behalf of the Issuer) together with any cash component, the aggregate value of which (as determined by the Issuer or the Collateral Manager on its behalf, which determination shall be binding on the relevant Authorised Participants, Noteholders and any other party) shall be as close as possible to the Repurchase Cash Settlement Amount (subject to any rounding and any specific applicable Duties and Charges).</p>
<b>"Repurchase Request"</b>	<p>means a request for the Issuer to repurchase or redeem Notes from either an Authorised Participant, such request being delivered in accordance with the relevant Authorised Participant Agreement.</p>

<b>"Repurchase Settlement Amount"</b>	means the Repurchase Cash Settlement Amount or the Repurchase Physical Settlement Amount, as applicable.
<b>"Repurchase Trade Date"</b>	means, subject to any Suspension Period, a Business Day on which a Repurchase Request is treated as being received from an Authorised Participant by the relevant cut-off time and determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the relevant Authorised Participant Agreement.
<b>"Reserved Matters"</b>	shall have the meaning given in the Trust Deed.
<b>"Scheduled Redemption Date"</b>	<p>means, subject to any Suspension Period, the earlier of:</p> <ul style="list-style-type: none"> <li>(a) the Relevant Settlement Date; and</li> <li>(b) the date of an Event of Default Redemption Notice,</li> </ul> <p>or if such day is not a Business Day, the next following Business Day.</p>
<b>"Secured Assets"</b>	<p>means, in connection with a Series of Notes, the Issuer's rights, title and/or interests in and to:</p> <ul style="list-style-type: none"> <li>(a) the Series Holdings for such Series; and</li> <li>(b) from time to time, any CFTA Collateral held by the Issuer for such Series,</li> </ul> <p>including, the rights, title and/or interests in and to any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) for such Series into which any such asset is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Secured Assets for or on behalf of the Issuer) by virtue of its holding thereof.</p>
<b>"Secured Creditor"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>(a) each Transaction Party; and</li> <li>(b) each Noteholder,</li> </ul> <p>in each case in respect of the relevant Series, which is entitled to the benefit of Secured Payment Obligations.</p>
<b>"Secured Payment Obligation"</b>	<p>means any payment obligations of the Issuer in respect of the relevant Series to:</p> <ul style="list-style-type: none"> <li>(a) any Transaction Party under the Trust Documents, the Cash Flow Timing Agreement and each Note; and/or</li> <li>(b) each Noteholder under the Trust Documents and each Note,</li> </ul> <p>together with any obligation of the Issuer to make payment to the Collateral Manager or any other agent as described in</p>

	the applicable sub-paragraph of Condition 5 ( <i>Transaction Security and Priority of Payment</i> ).
<b>"Security Deed"</b>	means the deed so named entered into prior to the issuance of the first Tranche of a Series of Notes, between the Issuer and the Trustee.
<b>"Security Interest"</b>	means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.
<b>"Series Currency"</b>	means, in respect of a Series, the currency specified as such in the applicable Final Terms.
<b>"Series Custody Account"</b>	has the meaning given in Condition 1.4(c).
<b>"Series Entitlement"</b>	means in relation to any Series and any relevant date, the sum of: <ul style="list-style-type: none"> <li>(a) the Market Value of the relevant Series Holdings; <i>plus</i></li> <li>(b) the CFTA Value of each Cash Flow Timing Agreement of the relevant Series; <i>less</i></li> <li>(c) any fees and expenses (including any accrued but unpaid Operational Fee) attributable to the relevant Series of Notes.</li> </ul>
<b>"Series Holdings"</b>	means, in relation to each Series, at any time: <ul style="list-style-type: none"> <li>(a) the Underlying Debt for such Series; and</li> <li>(b) any cash or cash equivalents (other than cash or cash equivalents comprising CFTA Collateral and cash held in the Profit Account) held by the Issuer (or any person on its behalf) in respect of such Series.</li> </ul>
<b>"Series Issue Date"</b>	means, in respect of a Series of Notes, the Issue Date of the first Tranche of such Series.
<b>"Service Provider Non-Replacement Event"</b>	means any of the Registrar, the Custodian, the Paying Agent, the Administrator, the Collateral Manager, all of the Authorised Participants and/or (where applicable) all CFTA Counterparties resign or such role is terminated in accordance with the provisions of the relevant Transaction Document, and no replacement Collateral Manager, Registrar, Custodian, Paying Agent, Administrator, Collateral Manager and/or at least one Authorised Participant and/or (where applicable) at least one CFTA Counterparty (as applicable) is appointed within 90 days of such resignation or termination and the Issuer in its sole discretion determines that such vacancy should constitute a Service Provider Non-Replacement Event.
<b>"Specified Credit Rating"</b>	means the rating specified as such in the relevant Final Terms.

<b>"Specified Denomination"</b>	means, in respect of a Series, the denomination specified as such in the Final Terms issued for each Tranche of Notes of such Series.
<b>"specified office"</b>	means, in relation to a Transaction Party, the office identified in respect of such Transaction Party in the relevant Transaction Document or any other office notified to Noteholders from time to time in accordance with Condition 19 ( <i>Notices</i> ).
<b>"sub-unit"</b>	means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.
<b>"Subscription Request"</b>	means a request by an Authorised Participant for the Issuer to issue Notes delivered in accordance with the relevant Authorised Participant Agreement.
<b>"Subscription Settlement Amount"</b>	has the meaning given to it in Condition 12 ( <i>Subscriptions, Redemptions, Calls and Suspensions</i> ).
<b>"Subscription Settlement Date"</b>	means, subject to any Suspension Period: <ul style="list-style-type: none"> <li>(a) the second Business Day following the Subscription Trade Date; or</li> <li>(b) such other Business Day as may be specified or agreed in relation to a Series in the Order Entry Facility.</li> </ul>
<b>"Subscription Trade Date"</b>	means, subject to any Suspension Period, a Business Day on which a Subscription Request is treated as being received from an Authorised Participant by the relevant cut-off time and determined to be valid and accepted and processed by or on behalf of the Issuer in accordance with the relevant Authorised Participant Agreement.
<b>"Suspension Notice"</b>	has the meaning given to it in Condition 12.14 ( <i>Determination of Suspension Periods</i> ).
<b>"Suspension Period"</b>	means any period during which one or more Disruption Events has occurred and is continuing and in respect of which a Suspension Notice has been given.
<b>"TARGET2"</b>	means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which uses a single shared platform and which was launched on 19 November 2007.
<b>"TARGET Settlement Day"</b>	means any day on which TARGET2 is open for the settlement of payments in Euro.
<b>"Tax" or "Taxation"</b>	means all forms of taxation levied by a Tax Authority and all penalties, charges, costs and interest relating thereto.
<b>"Tax Authority"</b>	means any government, state or municipality or any local, state, federal or other fiscal, revenue, customs or excise authority, body, or official anywhere in the world competent to impose, administer or collect any Taxation or make any

decision or ruling on any matter relating to Taxation.

**"Tax Event"**

means if the Issuer determines in its sole discretion that it is, or there is a substantial likelihood that it will be:

- (a) unable to receive any payment due in respect of any Underlying Debt Security 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) 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 Underlying Debt Security; or
- (c) required to comply with any reporting requirement (other than in respect of FATCA) of any authority of any jurisdiction in respect of any payment received in respect of any Underlying Debt Security,

in each case where there is no obligation to pay an additional amount in relation to such deduction and/or payment.

**"Tax Jurisdiction"**

means Ireland or any political subdivision or any authority thereof or therein having power to tax.

**"Transaction Documents"**

means, in respect of the Notes, each of the Trust Document(s), the Paying Agency and Account Bank Agreement, the Collateral Management Agreement, the Master Services Agreement, the Cash Flow Timing Agreement(s) and any other agreement specified as an Additional Transaction Document in the applicable Final Terms.

**"Transaction Party"**

means each party to a Transaction Document other than the Issuer and any other person specified as an Additional Transaction Party in the applicable Final Terms.

**"Transaction Security"**

means, in respect of a Series of Notes, the security constituted by the Trust Documents for such Series of Notes.

**"Trust Documents"**

means the Trust Deed and the Security Deed relating to the Series of which the Notes form part and, unless the context requires otherwise, includes any deed or other document executed in accordance with the provisions of the Trust Deed or, as applicable, the Security Deed and expressed to be supplemental to the Trust Deed or the Security Deed, as applicable.

**"Underlying Debt"**

means the debt securities held from time to time by the Issuer (other than debt securities comprising CFTA Collateral) in respect of a Series.

**"Underlying Debt Security"**

means, at any time, each debt security forming part of the Underlying Debt.

<b>"US IRS"</b>	means United States Internal Revenue Service.
<b>"Valuation Date"</b>	means, in respect of a redemption of the Notes in accordance with Condition 12.4 ( <i>Redemption at the Option of the Issuer (Issuer Call)</i> ), the Business Day specified by the Issuer in the relevant notice to Noteholders.

*There will appear at the foot of the Conditions endorsed on each Note in definitive form the names and specified offices of the Registrar as set out at the end of this Base Prospectus.*



## COLLATERAL CRITERIA

Where the Issuer (or the Collateral Manager on its behalf) exercises discretion in:

1. the selection and management of Series Holdings; and/or
2. the investment of any CFTA Collateral in accordance with the section titled "*CFTA Collateral*" below,

the Issuer (or the Collateral Manager on its behalf) shall do so within the parameters of the Collateral Criteria set out below and with the intention that the projected aggregate interest and principal payments of the Series Holdings from time to time at least equal the projected aggregate interest and principal amounts due on the Notes from time to time (the "**Collateral Intention**").

There is no guarantee that the Collateral Intention will be met at any particular time or at all.

The Series Holdings (taken together with net cashflows under the Cash Flow Transactions) shall have characteristics that demonstrate capacity to produce funds to service payments due under the Notes for the relevant Series

### Collateral Criteria

#### *Investment of issuance proceeds in Underlying Debt Securities*

In accordance with the section "Use of Proceeds", to enable the Issuer to meet its payment obligations in respect of the Notes of each Series, where the Issuer issues a Tranche of Notes, the Issuer (or the Collateral Manager on its behalf) shall invest the issuance proceeds in accordance with the criteria below.

The Underlying Debt Securities for each Series will be selected by the Issuer (or the Collateral Manager on its behalf) at its discretion within the parameters of the Debt Securities Inclusion Criteria set out below.

#### *Substitutions of Underlying Debt Securities*

Each Series will operate a buy and hold strategy for its Underlying Debt Securities with the aim of meeting its payment obligations for the Notes and observing its Collateral Intention. However, in respect of any Series if, at any time prior to the relevant Maturity Date, delivery of an Early Redemption Notice, an Issuer Call Notice, Event of Default Redemption Notice or an Enforcement Notice:

1. any of the Underlying Debt Securities ceases to fall within the parameters of the Debt Securities Initial Inclusion Criteria of the Debt Securities Inclusion Criteria;
2. the net aggregate value of the Underlying Debt Securities that have ceased to meet the Specified Credit Rating or Specified Credit Range (as applicable), as a percentage of the Series Entitlement, exceeds the Rating Threshold Percentage (as described further in the section titled 'Rating Threshold' below); or
3. the Issuer (or the Collateral Manager on its behalf) determines that circumstances (including, without any limitation, any default or corporate action) in relation to an Underlying Debt Security, which did not exist on the date that the relevant Underlying Debt Security was first included in the Underlying Debt, have arisen or are reasonably likely to arise, and are likely to have an adverse effect on the ability of the Issuer to meet the Collateral Intention (whether or not such circumstance would result in the Collateral Intention not being met),

the Issuer (or the Collateral Manager on its behalf) may at its discretion sell and/or substitute such affected and other Underlying Debt Securities of such Series for one or more alternate securities, **provided that** any such replacement security is within the parameters of the Debt Securities Inclusion Criteria.

*Investment in additional Underlying Debt Securities or cash equivalents*

At any time that the Series Holdings include any cash component, the Issuer (or the Collateral Manager on its behalf) may at its discretion invest such cash in additional securities within the parameters of the Debt Securities Inclusion Criteria or may invest such cash in cash equivalents, including liquidity instruments and cash funds, for cash management purposes. The cash funds may include money market and other cash funds managed by the Collateral Manager or its affiliates.

*Debt Securities Inclusion Criteria*

In selecting the Underlying Debt Securities (including in relation to substitutions), the Collateral Manager shall ensure that at the time such securities are initially included in the Series Holdings:

1. notwithstanding that a security may not, at the time of acquisition fall within the parameters of the criteria set out in paragraph 2 below (such criteria being the “**Debt Securities Initial Inclusion Criteria**”), such securities are fungible with existing Underlying Debt Securities held in the Underlying Debt or will become fungible with existing Underlying Debt Securities upon expiry of any distribution constraint applicable to such securities; or
2. such securities comply with each of (a) – (i) below (as determined by the Collateral Manager):
  - (a) are debt securities:
    - (i) traded on a regulated or an equivalent third country market for the purpose of the Prospectus Regulation (“**PR Recognised Markets**”); and/or
    - (ii) traded other than on a PR Recognised Market, which may include, without limitation, debt securities traded on a market in the UK which prior to the expiry of the Transition Period following the UK’s departure from the EU was (but at the time of purchase is not) a PR Recognised Market,

such debt securities being “**Eligible Securities**”;
  - (b) such Eligible Securities are denominated in an Eligible Currency;
  - (c) where “Credit Rating” is specified as applicable in the relevant Final Terms, such Eligible Securities are rated by one or more Specified Rating Agencies (A) where a Specified Credit Rating is specified in the applicable Final Terms, no less than such Credit Rating, or (B) where a Specified Credit Range is specified in the applicable Final Terms, within the applicable range of ratings, (the “**Rating Requirement**”) **provided that:**
    - (i) where the Eligible Securities are rated by three or more Specified Rating Agencies, the median rating shall be the rating for the purposes of determining whether the Eligible Securities meet the Rating Requirement;
    - (ii) where ratings for the Eligible Securities are available from only two Specified Rating Agencies, the lower rating shall be the rating for the purposes of determining whether the Eligible Securities meet the Rating Requirement;
    - (iii) where a rating for the Eligible Securities is available from only one Specified Rating Agency, that rating shall be the rating for the purposes of determining whether the Eligible Securities meet the Rating Requirement;

- (iv) local currency treasury and hard currency sovereign debt securities may be classified using the issuer-level local currency and hard currency debt ratings for any or all outstanding debt securities of such issuer from one or more Specified Ratings Agency (in accordance with the foregoing sub-paragraphs (a) to (c)), notwithstanding that ratings may be available for the relevant Eligible Securities themselves; and
- (v) expected ratings may be used to rate Eligible Securities at the point of their issuance;
- (d) where "**Sector Classification(s)**" is specified as applicable in the relevant Final Terms, such Eligible Securities are issued by issuers within one or more Specified Sector(s);
- (e) where "**Country**" is specified as applicable in the relevant Final Terms, such Eligible Securities (or the issuers thereof) shall be from one or more Specified Country or Specified Country Grouping;
- (f) where "**Capital Structure**" is specified as applicable in the relevant Final Terms, the Eligible Securities shall be of a Specified Priority;
- (g) such Eligible Securities will have a scheduled maturity falling within a defined period relative to the Maturity Date of the Notes (the "**Specified Maturity Window**") specified in the relevant Final Terms;
- (h) where "**Embedded Option Exclusion**" is specified as applicable in the relevant Final Terms, securities which include the Specified Excluded Embedded Option(s) shall be excluded (but Eligible Securities may include any embedded options other than the Specified Excluded Embedded Option(s)). Where "Embedded Option Exclusion" is specified as not applicable in the relevant Final Terms, the Eligible Securities may include any (or no) embedded options; and
- (i) where "**Initial ESG Screen**" is specified as applicable in the relevant Final Terms, such Eligible Securities (or the issuers of such Eligible Securities, as applicable) shall meet the Specified Initial ESG Screen Criteria.

As at the date of this Base Prospectus, equivalent third country markets within the definition of PR Recognised Markets for the purposes of paragraph 2(a)(i) above include markets within the United States of America, Hong Kong and Australia. Should additional markets be recognised by ESMA as equivalent third country markets for the purposes of the Prospectus Regulation, such additional markets will be deemed also to be equivalent third country markets within the definition of PR Recognised Markets.

#### *Additional Collateral Guidelines*

##### *Rating Threshold*

Where Rating Threshold is specified as being "Applicable" in the relevant Final Terms, in the event that the net aggregate value of the Underlying Debt Securities that have ceased to meet the Specified Credit Rating, as a percentage of the Series Entitlement, exceeds the Rating Threshold Percentage, the Issuer (or the Collateral Manager on its behalf), within three months of becoming aware (or as soon as reasonably practicable thereafter), shall use reasonable endeavours to sell and/or substitute a sufficient portion of such Underlying Debt Securities such that the Rating Threshold is no longer exceeded.

*Exercise of Voting Rights*

The Issuer shall be entitled to exercise (or direct that the Collateral Manager exercise) or refrain from exercising any voting rights attaching to any Underlying Debt Security, **provided that** in exercising or refraining from exercising such rights, the Issuer shall act in good faith.

*Amendments to CFTA*

For the avoidance of doubt, and without prejudice to the obligations of the Issuer in respect of the management of the Series Holdings set out herein, the Issuer (or the Collateral Manager on its behalf) may, at any time and in its sole discretion, amend, terminate or vary any provision of any Cash Flow Timing Agreement (including, without limitation, by using any cash comprising the Series Holdings for such purpose).

*CFTA Collateral*

Cash comprising CFTA Collateral may be invested in cash equivalents, including liquidity instruments and cash funds. Such cash funds may include money market and other cash funds managed by the Collateral Manager or its affiliates.

For the avoidance of doubt, CFTA Collateral does not form part of the Series Holdings. However, any income in excess of any amount required to be returned to the CFTA Counterparty/ies pursuant to the Cash Flow Timing Agreement(s) generated by such investment of the CFTA Collateral will form part of the Series Holdings and shall be managed in accordance with the Collateral Criteria applicable to the Series Holdings.

*Relevant Definitions*

**"Eligible Currency"** means each currency specified as such in the relevant Final Terms.

**"Rating Threshold Percentage"** means the percentage specified as such in the applicable Final Terms.

**"Specified Country/ies"** means such country or countries as specified in the relevant Final Terms.

**"Specified Country Grouping"** means any of the following, as specified in the relevant Final Terms: emerging markets; developed markets.

**"Specified Excluded Embedded Option"** means any of the following, as specified in the relevant Final Terms: investor put; investor call; merger put; change of control put; issuer call; make-whole redemption; clean-up call.

**"Specified Initial ESG Screen Criteria"** means any one or more of the following screens as specified in the relevant Final Terms, applied to the Eligible Securities of a Series or the issuers of such Eligible Securities (as applicable). Further detail in relation to each of these criteria, as applied from time to time, are available from the Collateral Manager on request:

- (a) Controversial weapons exclusion;
- (b) Nuclear weapons exclusion;
- (c) Thermal coal exclusion;
- (d) Civilian firearms exclusion;
- (e) Tobacco exclusion;
- (f) Oil sands exclusion;
- (g) UN Global Compact principles (non-compliance) exclusion.

**"Specified Priority"** means any one or more of the following, as specified in the relevant Final Terms: secured; senior secured; senior unsecured; subordinated; guaranteed; insured.

**"Specified Rating Agency"** means each rating agency specified in the relevant Final Terms.

**"Specified Sector"** means any one or more of the following, as specified in the relevant Final Terms: treasury; sovereign, supra-national; government-related; local authority; municipal; corporate; industrial; utility; financial institutions; securitised; agency; MBS (mortgage-backed security) pass-through; ABS (asset backed security); CMBS (commercial mortgage-backed security); covered.

## **OVERVIEW OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM**

### **Title to Notes**

Notes will be held by the Common Depositary's Nominee (as registered holder) in registered form. Only persons appearing on the register of Noteholders (i.e. the Common Depositary's Nominee) will be a registered Noteholder and treated as the legal title owner in respect of the principal amount of the Notes registered in their names. Fractional Notes will not be issued. No temporary documents of title or Note certificates will be issued (save as provided below). A trade confirmation will be sent by the Administrator to the Authorised Participants.

Notes may be issued in or converted to dematerialised (or uncertificated) form. In such circumstances, the Issuer will apply for admission for clearing and settlement through an appropriate Clearing System. As the Issuer is an Irish company, the operation of a Clearing System in respect of any dematerialised Notes would be governed by the Companies Act 2014 and the Companies Act, 1990 (Uncertificated Securities) Regulations, 1996.

### **Global Clearing and Settlement**

The Notes will not currently be issued in dematerialised (or uncertificated) form and no temporary documents of title or note certificates will be issued, other than the Global Note required for the International Central Securities Depositories (being, as at the date of this Base Prospectus, the Clearing Systems through which the Notes will be settled).

The Issuer has applied for admission for clearing and settlement of the Notes through the International Central Securities Depositories. The International Central Securities Depositories for the Notes currently are Euroclear and Clearstream. All Notes will ultimately settle in an International Central Securities Depository, but interests could be held through Central Securities Depositories. A Global Note in respect of each Series will be deposited with the Common Depositary (being the entity nominated by the International Central Securities Depositories to hold the Global Note) and registered in the name of the Common Depositary's Nominee (being the registered holder of the Notes, as nominated by the Common Depositary) on behalf of Euroclear and Clearstream and accepted for clearing through Euroclear and Clearstream. Interests in the Notes represented by the Global Notes will be transferable in accordance with applicable laws and any rules and procedures issued by the International Central Securities Depositories. Legal title to the Notes will be held by the Common Depositary's Nominee.

Only the Common Depositary's Nominee will be a registered Noteholder on the Register. A purchaser of interests in the Notes will not be a registered Noteholder, but will hold an indirect beneficial interest in such Notes and the rights of such investors, where they are accountholders in an International Central Securities Depository ("**Participants**"), shall be governed by their agreement with their International Central Securities Depository or, where they are not Participants, shall be governed by their arrangement with their respective nominee, broker or Central Securities Depository (as appropriate) which may be a Participant or have an arrangement with a Participant. All references herein to actions by holders of the Global Note will refer to actions taken by the Common Depositary's Nominee as registered Noteholder following instructions from the applicable International Central Securities Depository upon receipt of instructions from its Participants. All references herein to distributions, notices, reports, and statements to such Noteholder, shall be distributed to the Participants in accordance with such applicable International Central Securities Depository's procedures.

### **International Central Securities Depositories**

All Notes are represented by a Global Note and the Global Note is held by the Common Depositary and registered in the name of the Common Depositary's Nominee on behalf of an International Central Securities Depository. Beneficial interests in such Notes will only be transferable in accordance with the rules and procedures for the time being of the relevant International Central Securities Depository.

Each Participant must look solely to the relevant International Central Securities Depository for documentary evidence as to the amount of its interests in any Notes. Any certificate or other document issued by the relevant International Central Securities Depository, as to the amount of interests in such Notes standing to the account of any person shall be conclusive and binding as accurately representing such records.

Each Participant must look solely to the relevant International Central Securities Depository for such Participant's share of each payment or distribution made by the Issuer to or on the instructions of the Common Depository's Nominee and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Participants may exercise any rights arising under the Global Note will be determined by the rules and procedures of the relevant International Central Securities Depository. Participants shall have no claim directly against the Issuer, the Paying Agent or any other person (other than the relevant International Central Securities Depository) in respect of payments or distributions due under the Global Note which are made by the Issuer to, or on the instructions of, the Common Depository's Nominee and such obligations of the Issuer shall be discharged thereby. The International Central Securities Depositories shall have no claim directly against the Issuer, Paying Agent or any other person (other than the Common Depository).

The Issuer or its duly authorised agent may from time to time require investors to provide them with information relating to: (a) the capacity in which they hold an interest in Notes; (b) the identity of any other person or persons then or previously interested in such Notes; (c) the nature of any such interests; and (d) any other matter where disclosure of such matter is required to enable compliance by the Issuer with applicable laws or the constitutional documents of the Issuer.

The Issuer or its duly authorised agent may from time to time request that the applicable International Central Securities Depository provide the Issuer with certain details in relation to Participants that hold interests in Notes including (but not limited to): ISIN, ICSD Participant name, ICSD Participant type – e.g. fund/bank/individual, residence of ICSD Participants, and holdings of the Participant within Euroclear and Clearstream, as appropriate, including the number of interests in the Notes held by each such Participant (and of which Series), and details of any voting instructions given by each such Participant. Participants which are holders of interests in Notes or intermediaries acting on behalf of such holders agree, pursuant to the respective rules and procedures of the International Central Securities Depositories, to the International Central Securities Depositories disclosing such information to the Issuer or its duly authorised agent.

Similarly, the Issuer or its duly authorised agent may from time to time request that any Central Securities Depository provide the Issuer with details in relation to Notes or interests in Notes held in each Central Securities Depository and details in relation to the holders of those Notes or interests in Notes, including (without limitation) holder types, residence, number and types of holdings and details of any voting instructions given by each holder. Holders of Notes and interests in Notes in a Central Securities Depository or intermediaries acting on behalf of such holders agree, pursuant to the respective rules and procedures of the relevant Central Securities Depository, to the Central Securities Depository disclosing such information to the Issuer or its duly authorised agent.

Investors may be required to provide promptly any information as required and requested by the Issuer or its duly authorised agent, and agree to the applicable International Central Securities Depository providing the identity of such Participant or investor to the Issuer or its duly authorised agent upon request.

Notices of general meetings and associated documentation will be issued by the Issuer to the registered holder of the Global Note, the Common Depository's Nominee. Each Participant must look solely to the relevant International Central Securities Depository and the rules and procedures for the time being of the relevant International Central Securities Depository governing delivery of such notices and exercise of voting rights. For investors other than Participants, delivery of notices and exercise of voting rights shall be governed by the arrangements with a Participant of the International Central Securities Depository (for example, their nominee, broker or Central Securities Depositories, as appropriate).

### **Exercise of Voting Rights through the International Central Securities Depositories**

The Common Depositary's Nominee has a contractual obligation to promptly notify the Common Depositary of any Noteholder meetings of the Issuer and to relay any associated documentation issued by the Issuer to the Common Depositary, which, in turn, has a contractual obligation to relay any such notices and documentation to the relevant International Central Securities Depository. Each International Central Securities Depository will, in turn, relay notices received from the Common Depositary to its Participants in accordance with its rules and procedures. The Issuer understands that, in accordance with their respective rules and procedures, each International Central Securities Depository is contractually bound to collate and transfer all votes received from its Participants to the Common Depositary and the Common Depositary is, in turn, contractually bound to collate and transfer all votes received from each International Central Securities Depository to the Common Depositary's Nominee, which is obliged to vote in accordance with the Common Depositary's voting instructions. Investors who are not Participants in a relevant International Central Securities Depository would need to rely on their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in the relevant International Central Securities Depository to receive any notices of Noteholder meetings of the Issuer and to relay their voting instructions to the relevant International Central Securities Depository.

### **Receipt of Payments through the International Central Securities Depositories**

Payments of the Final Maturity Amount, Early Redemption Amount, Default Redemption Amount, Issuer Call Amount and Interest from the Issuer to holders of Notes will be made via the Paying Agent to the relevant International Central Securities Depository. Timings in respect of such payments which are specified by the Issuer in the Conditions (or otherwise) apply to such payments to the relevant International Central Securities Depository. The relevant International Central Securities Depository will in turn pass on such payments to its relevant Participants. Investors who are not Participants in a relevant International Central Securities Depository would need to arrange with their broker, nominee, custodian bank or other intermediary which is a Participant, or which has an arrangement with a Participant, in a relevant International Central Securities Depository to receive such payments and payment receipt timing may be impacted by the operational process of their broker, nominee, custodian bank or other intermediary.

### **Anti-money laundering identification**

The Administrator, the Order Entry Operator, the Collateral Manager and/ or Issuer reserves the right to request further details from each Authorised Participant and the Common Depositary's Nominee in order to verify their respective identities. Any such party must notify the Administrator of any change in their details and furnish the Issuer with whatever additional documents relating to such change as it may request. Amendments to a party's registration details and payment instructions will only be effected upon receipt by the Administrator of original documentation. Failure to provide requested information or notify the Administrator or the Issuer of any change in details may result in a request for subscription or repurchase of Notes by such party not being accepted or processed until such time as satisfactory verification of identity is received.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Issuer. This obligation arises unless (i) the application is being made through a recognised financial intermediary; or (ii) payment is made through a banking institution, which in either case is in a country with money laundering regulations equivalent to those in Ireland.

The Issuer and/or the Administrator will specify what proof of identity is required, including but not limited to a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.



It is further acknowledged that the Issuer, the Collateral Manager, the Order Entry Operator and the Administrator shall be indemnified by the Authorised Participant applicant against any loss arising as a result of a failure to process the subscription if information that has been requested by the Issuer has not been provided by the applicant.

## **DEALING PROCEDURES**

### **PROCEDURE FOR DEALING ON THE PRIMARY MARKET**

The Primary Market is the market on which Notes are issued or repurchased by the Issuer at the request of Authorised Participants. Only Authorised Participants are able to effect subscriptions and repurchases of Notes on the Primary Market.

Applicants wishing to become Authorised Participants should contact the Collateral Manager or the Order Entry Operator for further details. The Issuer has absolute discretion to accept or reject any application, and to revoke any authorisation, to act as an Authorised Participant. The Common Depositary's Nominee, acting as the registered holder of Notes, may not apply to become an Authorised Participant.

Authorised Participants may submit dealing requests to the Issuer to subscribe for Notes and may submit dealing requests to the Issuer to request that the Issuer repurchases Notes from such Authorised Participants through the Order Entry Facility. The use of the Order Entry Facility is subject to the prior consent of the Order Entry Operator and the Administrator. Requests for subscriptions and repurchases placed electronically are subject to the dealing request cut off times stated in the Order Entry Facility. Authorised Participants may also request such request cut off times from the Collateral Manager (acting on behalf of the issuer). Alternative dealing methods are available with the consent of the Collateral Manager.

All dealing applications are at the Authorised Participant's own risk. Dealing requests, once submitted, shall (save as determined by the Collateral Manager or the Order Entry Operator at its discretion) be irrevocable. The Issuer, the Collateral Manager, the Order Entry Operator and the Administrator shall not be responsible for any losses arising in the transmission of any information or dealing request through the Order Entry Facility or any alternative dealing method approved by the Collateral Manager or the Order Entry Operator. Amendments to registration details and payment instructions will only be effected upon receipt by the Issuer of the relevant original documentation.

Authorised Participants are responsible for ensuring that they are able to satisfy their subscription and repurchase settlement obligations when submitting dealing requests on the Primary Market. Authorised Participants making Repurchase Requests must first ensure that they have a sufficient holding of Notes available for repurchase (which holding in the required number or Nominal Amount of Notes must be delivered to the Administrator for settlement in the relevant International Central Securities Depository by the relevant settlement date). Repurchase requests will be processed only where the payment is to be made to the Authorised Participant's account of record.

### **Dealings in Kind, in Cash and Directed Cash Dealings**

Requests for subscriptions and repurchases of Notes may be made by Authorised Participants on each Business Day as set out in the dealing calendar for the relevant Series. Dealing calendars may be obtained from the Administrator.

The Issuer has absolute discretion to accept or reject in whole or in part any request for subscription of Notes (including switching) without assigning any reason therefor. The Issuer also has absolute discretion to reject or cancel in whole or in part any subscription for Notes (including switching) prior to the issue of Notes.

The Issuer may accept subscriptions and pay for repurchases either in kind or in cash or in a combination of both. The Issuer may determine whether to accept subscriptions in kind and/or in cash (including directed cash dealings) at its absolute discretion. The Issuer has the right to determine whether it will accept only requests for repurchases from an Authorised Participant that are settled by delivery of Eligible Debt Instruments and/or in cash (including directed cash dealings) on a case by case basis.

Notes may be subscribed at the relevant Subscription Settlement Amount. Notes may be repurchased at the relevant Repurchase Settlement Amount. The Issuer may charge such sum as the Collateral Manager considers represents an appropriate figure for Duties and Charges.

The level and basis of calculating Duties and Charges may also be varied depending on the size of the relevant dealing request and the costs relating to, or associated with, the primary market transactions and adjustments to the CFTAs.

In some cases, the level of Duties and Charges must be determined in advance of the completion of the actual purchase or sale of Series Holdings and/or amendment of the Cash Flow Timing Agreement by or on behalf of the Issuer and the subscription or repurchase price may be based on estimated Duties and Charges (which could be based on historic information concerning the costs incurred or expected costs in trading the relevant securities in the relevant markets and/or in amending the Cash Flow Timing Agreement(s)). Where the sum representing the subscription or repurchase price is based on estimated Duties and Charges, and such estimated Duties and Charges differ from the costs actually incurred when acquiring or disposing of Eligible Debt Instruments or Series Holdings, as applicable and/or in amending the Cash Flow Timing Agreement(s) as a result of a Subscription or Repurchase Request in respect of a Series, the Authorised Participant shall reimburse the Issuer for any shortfall in the sum paid to the Issuer (on a subscription) or any excess sum received from the Issuer (on a repurchase), and the Issuer shall reimburse the Authorised Participant for any excess received by the Issuer (on a subscription) or any shortfall paid by the Issuer (on a repurchase), as the case may be. Authorised Participants should note that no interest will accrue or be payable on any amount reimbursed, or to be reimbursed, by or on behalf of the Issuer. In order to protect the holders of Notes, the Issuer (and the Collateral Manager acting on its behalf) reserves the right to factor into the estimated Duties and Charges a buffer to protect the Issuer (on behalf of the relevant Series) from potential market and, where applicable, foreign exchange exposure pending the payment of the actual Duties and Charges. Any amounts received or paid by the Issuer in accordance with the foregoing shall be deemed to be received or paid on behalf of and for the account of the relevant Series.

Dealing orders from Authorised Participants are required to constitute a Specified Denomination, and also the minimum order size determined by the Issuer (or the Collateral Manager on its behalf) and set out in the Order Entry Facility. Such minimum order size may be reduced or increased at the discretion of the Issuer (or the Collateral Manager on its behalf), subject to the minimum Specified Denomination being satisfied for Subscription Requests. Authorised Participants should refer to the Order Entry Facility for details of minimum order sizes and cut-off times for each Series. Details of the dealing cut-off times for primary market orders are also available from the Administrator.

Applications received after relevant cut-off times will generally not be accepted. However, such applications may be accepted for dealing on the relevant Business Day, at the discretion of the Issuer or the Collateral Manager on its behalf, in exceptional circumstances, provided they are received prior to the relevant valuation point. Settlement of the transfer of the relevant Series Holdings or Eligible Debt Instruments and/or cash payments in respect of subscriptions and repurchase must take place within a prescribed number of Business Days after the relevant Subscription Trade Date or Repurchase Trade Date, as applicable (or such earlier time as the Issuer or Collateral Manager may determine in consultation with the Authorised Participant). Authorised Participants should refer to the Order Entry Facility for details of the maximum and minimum settlement times in respect of subscriptions and repurchase. If a significant market is closed for trading or settlement on any Business Day during the period between the relevant Business Day and the expected settlement date (inclusive), and/or settlement in the Series Currency of the relevant Series is not available on the expected settlement date, there may be corresponding delays to the settlement times.

The Issuer may in its sole discretion elect to settle any Repurchase Request by way of a repurchase in kind or in cash. Where a repurchase is to be settled in kind the Issuer will, if requested by the relevant Authorised Participant, sell the assets comprising the Repurchase Physical Settlement Amount on behalf of the Authorised Participant. The cost of such sale(s) may be charged to the Authorised Participant.

#### *Physical settlement of subscriptions and repurchases*

Notes may be subscribed for and/or repurchased in exchange for physical assets.

Authorised Participants subscribing for Notes in exchange for physical assets would need to deliver a basket of Eligible Debt Instruments and a cash component (both as determined by the Collateral Manager based on the underlying collateral held, and to be held, in respect of the relevant Series) to the Issuer as part of its settlement obligations.

In the event that an Authorised Participant fails to deliver, or delays in delivering, one or more of the specified Eligible Debt Instruments by the relevant Subscription Settlement Date, the Issuer may (but shall not be obliged to) require the Authorised Participant to pay to it a sum equal to the value of such Eligible Debt Instruments (including any increase in the price of such securities since the Subscription Settlement Date) plus any Duties and Charges associated with the purchase by the Issuer of such Eligible Debt Instruments, including any foreign exchange costs (where applicable) and other fees, and/or costs incurred as a result of the delay.

Authorised Participants requesting a repurchase of Notes that will be settled in kind would receive their repurchase proceeds in the form of Series Holdings and, if relevant, a cash component, as determined by the Collateral Manager based on the underlying assets of the relevant Series.

#### *Directed Cash Dealings*

If any Authorised Participant making a cash Subscription or Repurchase Request wishes to have any underlying securities traded with a particular designated broker (i.e. a directed cash subscription or repurchase), the Authorised Participant will be required to specify the designated broker in its dealing request. The Issuer (or the Collateral Manager on its behalf) has absolute discretion whether to accept such directed cash dealing request. If it accepts such directed cash dealing request, it will use reasonable endeavours to transact the underlying securities with the designated broker (save in exceptional market circumstances), subject to the designated broker and its sub-brokers being acceptable to the Collateral Manager and being able to transact the underlying securities. Authorised Participants that wish to select a designated broker are required, prior to the Collateral Manager transacting the underlying securities, to contact the relevant portfolio trading desk of the designated broker to arrange the trade and to agree pricing and other terms of the trade.

As part of the Authorised Participant's settlement obligations for a directed cash subscription, the Authorised Participant would be responsible for (i) ensuring that the designated broker transfers to the Issuer (via the Custodian) the relevant underlying securities, and (ii) paying the fees and costs charged by the designated broker for selling the relevant underlying securities to the Issuer plus any associated Duties and Charges, including foreign exchange costs (where applicable), to reflect the cost of execution.

The Authorised Participant is responsible for ensuring that the designated broker purchases the relevant underlying securities from the Issuer for a directed cash repurchase. The Authorised Participant will receive the price paid by the designated broker for purchasing the relevant underlying securities from the Issuer, less any associated Duties and Charges, including foreign exchange costs, to reflect the cost of execution.

The Issuer, the Collateral Manager and any other Transaction Parties will not be responsible, and shall have no liability, if the execution of the underlying securities with a designated broker and, by extension, an Authorised Participant's Subscription or Repurchase Request, is not carried out due to an omission, error, failed or delayed trade or settlement on the part of the Authorised Participant or the designated broker. It is the responsibility of the Authorised Participant to arrange the trade and agree the pricing and other terms of the trade with its selected designated broker and the Issuer, the Collateral Manager and other Transaction Parties will not accept any responsibility or liability if the execution request is not achieved in the way desired by the Authorised Participant for any reason whatsoever. Should an Authorised Participant or the designated broker to which the Authorised Participant directed the underlying securities transaction default on, delay settlement of, or change the terms of, any part of the underlying securities transaction, the Authorised Participant shall bear all associated risks and costs, including costs incurred by the Issuer and/or the Collateral Manager and/or any other Transaction Party as a result of the delay to the underlying securities transaction. In such circumstances, the Issuer and the Collateral Manager have the right to transact with another broker and to amend the terms of the Authorised Participant's Subscription or Repurchase Request, including the

subscription price and/or repurchase proceeds, to take into account the default, delay and/or the change to the terms.

### *Clearing and Settlement*

Authorised Participants' title and rights relating to Notes will be determined by the clearance system through which they settle and/or clear their holdings. Notes will settle through the relevant International Central Securities Depositories and the Common Depositary's Nominee will act as the registered holder of all such Notes. For further details, see the section "Global Clearing and Settlement" below.

### **Failure to Deliver**

In the event that (i) in respect of an in kind dealing resulting in a creation, an Authorised Participant fails to deliver the required Eligible Debt Instruments and cash component, or (ii) in relation to a cash creation, an Authorised Participant fails to deliver the required cash, or (iii) in respect of a directed cash dealing resulting in a creation, an Authorised Participant fails to deliver the required cash or its designated broker fails to deliver the underlying Eligible Debt Instruments, within the stated settlement times for the relevant Series (available on the Order Entry Facility) the Issuer and/or Collateral Manager reserves the right (but shall not be obliged) to cancel the relevant subscription request. The Authorised Participant shall indemnify the Issuer for any loss suffered by the Issuer as a result of a failure or delay by the Authorised Participant to deliver the required Eligible Debt Instruments and cash component or cash and, for directed cash dealings resulting in creations, any loss suffered by the Issuer as a result of a failure by the designated broker to deliver the required underlying Eligible Debt Instruments, within the stated settlement times, including (but not limited to) any market exposure, interest charges and other costs suffered by the Issuer. The Issuer reserves the right to cancel the provisional allotment of the relevant Notes in those circumstances.

The Issuer (or the Collateral Manager on its behalf) may in its sole discretion where it believes it is in the best interests of a Series, decide not to cancel a subscription and provisional allotment of Notes where an Authorised Participant has failed to deliver the required Eligible Debt Instruments and cash component or cash and/or, for directed cash subscriptions, the designated broker has failed to deliver the required underlying Eligible Debt Instruments, within the stated settlement times. The Issuer may temporarily borrow an amount equal to the subscription and invest the amount borrowed in accordance with the Collateral Criteria and Collateral Intention of the relevant Series. Once the required Eligible Debt Instruments and cash component or cash have been received, the Issuer will use this to repay the borrowings. The Issuer reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Issuer as a result of this borrowing. Where a designated broker under a directed cash subscription fails or delays in delivering the required underlying securities, the Issuer and its Collateral Manager has a right to transact with a different broker and to charge the relevant Authorised Participant for any interest or other costs incurred by the Issuer relating to the failed and new transactions. If the Authorised Participant fails to reimburse the Issuer for those charges, the Issuer and/or Collateral Manager will have the right to sell all or part of the applicant's holdings of Notes (of any Series) in order to meet those charges.

A Repurchase Request by an Authorised Participant will only be valid if the Authorised Participant satisfies its settlement obligation to deliver holdings in the required number or Nominal Amount of Notes to the Administrator for settlement in the relevant International Central Securities Depository by the relevant settlement date. In the event an Authorised Participant fails to deliver the required Notes in relation to a Repurchase Request within the stated settlement times for the relevant Series (available on the Order Entry Facility), the Issuer and/or Collateral Manager reserves the right (but shall not be obliged) to treat this as a settlement failure by the Authorised Participant and to cancel the relevant Repurchase Request, and the Authorised Participant shall indemnify the Issuer for any loss suffered by the Issuer as a result of a failure by the Authorised Participant to deliver the required Notes in a timely fashion, including (but not limited to) any market exposure and costs suffered by the Issuer.

If an Authorised Participant makes a Repurchase Request that is due to settle on or prior to a Record Date for distribution of interest by the Issuer for the relevant Series of Notes and

settlement of such Repurchase Request fails or is delayed for any reason (including due to a failure or delay by the Authorised Participant to deliver the Notes to the Issuer on time) until after the relevant Record Date, there will be a delay in the Authorised Participant receiving the interest component of the repurchase proceeds until after the payment date for the Interest. The Issuer, the Transaction Parties and the Order Entry Operator shall not be responsible for such delayed payment nor liable to the Authorised Participant for any interest or other costs relating to such delayed payment.

In the event that an Authorised Participant is liable to reimburse the Issuer in respect of Duties and Charges (e.g. for any shortfall in the sum paid to the Issuer on a subscription or any excess repurchase proceeds received from the Issuer on a Repurchase Request), the Issuer reserves the right to charge the relevant Authorised Participant for any interest or other costs incurred by the Issuer as a result of the Authorised Participant's failure to reimburse the Issuer in a timely manner after receiving notice of the sum payable.

## **PROCEDURE FOR DEALING ON THE SECONDARY MARKET**

Notes may be purchased or sold OTC on the secondary market by investors which are Qualified Holders.

All investors wishing to purchase or sell Notes on the secondary market should place their orders via their broker. Orders to purchase Notes in the secondary market may incur brokerage and/or other costs which are not charged by the Issuer and over which the Issuer and the Collateral Manager have no control. Information on such charges can be obtained from stockbrokers.

Notes cannot be sold directly back to the Issuer by investors who are not Authorised Participants. Investors who are not Authorised Participants must buy and sell Notes on a secondary market with the assistance of an intermediary (e.g. a broker) and may incur fees and additional taxes in doing so. Investors may have their Notes repurchased through an Authorised Participant by selling their Notes to the Authorised Participant (directly or through a broker).

The price of any Notes traded on the secondary market will be determined by the market and prevailing economic conditions which may affect the value of the underlying assets. The market price of Notes may not reflect the Per Note Entitlement for the relevant Series.

The secondary market dealing timetable depends upon the terms of the OTC trade or, where applicable, the rules of any exchange upon which the Notes are traded. Please contact your professional advisor or broker for details of the relevant dealing timetable.

## DESCRIPTION OF THE ISSUER

### History and Development

The Issuer was incorporated on 17 June 2019 as iShares Notes plc and subsequently changed its name to Diversified Notes plc on 9 December 2019. The Issuer is a public limited company in Ireland under the Irish Companies Act 2014 with registration number 651932. The Issuer's registered office is at 1<sup>st</sup> Floor, 2 Ballsbridge Park, Ballsbridge, Dublin 4, D04 YW83, Ireland and the telephone number of its registered office is +353 (01) 2467000..

A website maintained on behalf of the Issuer can be found at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE). The information on the site does not form part of this Base Prospectus, unless that information is incorporated by reference.

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

The Legal Entity Identifier (LEI) code of the Issuer is 549300HCLAFWZXP34F91.

### Share capital

The authorised share capital of the Issuer is €100,000 divided into 100,000 ordinary shares of €1 each, of which €25,000 divided into 25,000 ordinary shares of €1 each has been issued.

### Ownership of the Issuer

All of the issued shares are fully-paid up and are held by or to the order of Sanne Nominees Ireland Limited (the "**Share Trustee**"), under the terms of a declaration of trust (the "**Declaration of Trust**") dated 23 April 2020 pursuant to which the Share Trustee holds such shares on trust for charitable purposes. 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 Issuer.

### Assets and liabilities

The Issuer has, and will have, no assets other than the sum of €25,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Mortgaged Property.

Notes issued by each Issuer are obligations of the Issuer alone and are not obligations of or guaranteed by any other person.

### Fees payable by the Issuer

An Operational Fee is payable by the Issuer to the Collateral Manager in respect of each Series under the Collateral Management Agreement. The Collateral Manager will discharge all operational expenses of each Series out of the Operational Fee, including the fees and expenses of the Administrator, Custodian, Registrar, Transfer Agent, Paying Agent, Company Secretary and directors of the Issuer. Such operational expenses include listing and audit fees and the ongoing fees payable to the CFTA Counterparties under the CFTAs, but exclude other fees payable to the CFTA Counterparties (including costs (if any) of moving CFTA arrangements from one CFTA Counterparty to another), transaction costs and taxes, (if relevant) indemnities payable to counterparties in certain circumstances and (if relevant) any extraordinary legal expenses (for example costs of class actions and other litigation if they arise). The foregoing is without prejudice to the application of Condition 5.2 (*Application of Proceeds*) in the event it is triggered.

The Operational Fee is accrued daily by applying the pro-rated Operational Fee Rate for the relevant Series to the then current Nominal Amount of the relevant Series of Notes.

The Operational Fee Rate may be varied by the Issuer on the request of the Collateral Manager from time to time, provided that no increase in the Operational Fee Rate in respect of a Series will take effect unless Noteholders of such Series have been given at least 30 calendar days' prior notice.

The Operational Fee Rate in respect of each Series is set out in the relevant Final Terms. The Operational Fee Rate and any proposed change to the Operational Fee Rate can also be found on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE).

Apart from the Operational Fee, the Issuer will also be responsible for paying, in respect of each Series, the following fees and expenses (to the extent such fees and expenses are not related to Subscription Or Repurchase Requests by Authorised Participants and are therefore not payable as Duties and Charges by Authorised Participants): transaction costs and taxes, fees payable to the CFTA Counterparties that are not payable out of the Operational Fee or as Duties and Charges (including costs (if any) of moving CFTA arrangements from one CFTA Counterparty to another), (if relevant) indemnities payable to counterparties in certain circumstances and (if relevant) any extraordinary legal expenses relating to the Series (for example costs of class actions and other litigation). On a termination of a Series at maturity and prior to maturity, the realisation proceeds in respect of such Series will be applied in accordance with Condition 5.2 (*Application of Proceeds*).

### **Borrowings**

It is not the intention of the Issuer to leverage any Series of Notes, although the Issuer may draw down on overdrafts for short term cashflow purposes. The CFTAs may give rise to leverage from time to time if there are defaults or corporate actions that reduce the cashflows from the Underlying Debt Securities.

### **Capitalisation**

Shareholders' funds

The Issuer has an authorised share capital of €100,000 divided into 100,000 ordinary shares of €1 each, of which 25,000 have been issued and fully paid up.

### **Indebtedness**

As at the date of this Base Prospectus the Issuer has no indebtedness.

### **Management and supervisory bodies**

The Issuer is managed by its board of directors. The articles of association of the Issuer provide that a majority of the directors on the board of the Issuer may not be directors, officers or employees of the Collateral Manager and its affiliates.

As at the date of this Base Prospectus, the Directors of the Issuer are as follows:

**Kevin O'Brien (Irish):** Mr O'Brien graduated from University College Cork (The National University of Ireland) with an Honours degree in Commerce. He joined Coopers & Lybrand (now PricewaterhouseCoopers) where he qualified as a Chartered Accountant. He joined Lifetime Assurance (the bancassurance subsidiary of the Bank of Ireland Group) as a Senior Financial Accountant, before being appointed Operations Manager and subsequently Managing Director of the Bank of Ireland's general insurance business. He joined Bank of Ireland Asset Management in 2000, where he held a number of senior roles including Director - Wholesale Funds and Director - Business Strategy. In 2009 he completed a Certificate and a Diploma in Company Direction and was admitted by the Institute of Directors as a Chartered Director in 2013. He now works as an Independent Non-Executive Director within the investment funds and insurance sectors. Through his portfolio of directorships he has exposure to a fund services provider, the equity, fixed income, credit, precious metal and derivatives markets, together with life and non-life (re)insurance.

**Lynda Carroll (Irish):** Ms Carroll is a graduate of University College Dublin with an Honours Master of Arts degree. She joined KPMG where she qualified as a Chartered Accountant and Chartered Tax Advisor. She has over 30 years' experience in financial services at Board and Senior Executive level in the private and public sector. She joined the Rabobank group in 1994 in Structured Finance and finished with the group as Managing Director of De Lage Landen Ireland (part of the global vendor financing arm of Rabobank group) and Vice President Global Structured Finance Europe. In 2012 she joined the Central Bank and was lead Central Bank



prudential supervisor of one of Ireland's pillar banks. From 2016 to 2019 she was Head of Capital Allocation & Risk Based Pricing at Allied Irish Banks plc. She holds a Chartered Accountants Ireland Diploma in International Financial Reporting Standards (2008) and the UCD Michael Smurfit Graduate Business School Professional Diploma in Corporate Governance (2016). She now works as an Independent Non-Executive Director in the financial services, state and voluntary sector. She is a member of the Board of Governors and Guardians of the National Gallery of Ireland (November 2016), a member of the Board of Dublin Bus (April 2019), The Ark Children's Cultural Centre Company (December 2019), UniCredit Bank Ireland plc (February 2020) and of NBC Global Finance Limited (April 2020).

**Barry O'Dwyer (Irish):** Mr O'Dwyer is a Managing Director at BlackRock. He is the Head of Fund Governance for BlackRock's European open-ended fund ranges and is the Chief Operating Officer for BlackRock's Irish business. He serves as a director on the boards of a number of BlackRock corporate, fund, and management companies in Ireland, Luxembourg, Switzerland and Germany and on BlackRock's UK Life company. He was the chairman of the Irish Funds Industry Association 2014-2015, is a board director of Financial Services Ireland and is a member of An Taoiseach's Financial Services Industry Advisory Committee. He joined BlackRock Advisors (UK) Limited in 1999 as head of risk management and moved to his present role in 2006. Prior to joining BlackRock Advisors (UK) Limited, Mr O'Dwyer worked as risk manager at Gartmore Investment Management and at HypoVereinsbank and National Westminster Bank. Mr O'Dwyer graduated from Trinity College Dublin with a degree in Business Studies and Economics in 1991. He holds a Chartered Association of Certified Accountants qualification and an MBA from London City University Business School.

The business address of the Directors is the same as the registered office of the Issuer. As at the date of this Base Prospectus, Mr O'Dwyer is connected with the Collateral Manager and its affiliates. For the avoidance of doubt, he shall not be liable to account to the Issuer in respect of such conflict, for example, as a result of receiving remuneration as a director and employee of the Collateral Manager and/or its affiliates.

### Company Secretary

Sanne Corporate Administration Services Ireland Limited, a company incorporated under the laws of Ireland, having its registered office at 4<sup>th</sup> Floor, 76 Lower Baggot Street, Dublin 2, Ireland, has been appointed as company secretary and corporate services provider of the Issuer (the "**Company Secretary**").

Pursuant to the terms of the corporate services agreement that will be entered into between the Company Secretary and the Issuer, the Company Secretary will provide company secretarial and corporate services to the Issuer. In consideration for the foregoing, the Company Secretary will receive various fees payable to it by or on behalf of the Issuer at rates agreed upon from time to time.

The appointment of the Company Secretary may be terminated by either the Issuer or the Company Secretary upon not less than three calendar months prior written notice.

### Financial statements

The financial year of the Issuer begins on 1 July of each year and ends on 30 June of the following year save that the first financial year started on the date of incorporation of the Issuer and will end on 30 June of the following year.

In accordance with Irish law, the Issuer is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of its shareholders. The Issuer is not required to and does not prepare interim financial statements.

Since the date of incorporation, the Issuer has not commenced operations and accordingly, no financial statements have been prepared as at the date of this Base Prospectus.

Any future published annual audited financial statements prepared for the Issuer will be obtainable free of charge from the registered office of the Issuer as described in "*Documents Incorporated by Reference*".

### Statutory auditors

The approved statutory auditor(s) of the Issuer are Ernst and Young, Chartered Accountants, a partnership under the laws of Ireland, with registered office at Harcourt Centre, Harcourt Street, Dublin 2, Ireland, registered with the Institute of Chartered Accountants in Ireland.

### Litigation

There are no, and have not been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Base Prospectus which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer.

### Restrictions

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in the Trust Deed applicable to such series of Notes.

Such restrictions include that the Issuer or the Collateral Manager, as applicable, will not, without the prior consent in writing of the Trustee (which the Trustee may give if it is of the opinion that to give consent would not be materially prejudicial to the interests of the Noteholders) **except as provided for or contemplated in the Conditions or any Transaction Document**:

- (a) engage in any business activities or enter into any agreements, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):
  - (i) enter into or amend (including for the avoidance of doubt by way of supplement or replacement) the Transaction Documents and any other document contemplated by or ancillary to the Transaction Documents, provided always that agreements signed by the Issuer contain provisions that limit the recourse of any counterparty to the Mortgaged Property of the Series to which the agreement relates and contain "non-petition" language substantially similar to that contained in the Trust Deed;
  - (ii) issue, amend, exchange or repurchase and cancel or reissue or resell all or some only of the Notes of any Series under the Programme as may be provided in the Conditions and the Trust Deed and the relevant Transaction Documents
  - (iii) acquire and own rights, property or other assets which are to comprise Mortgaged Property for a Series of Notes issued under the Programme so as to enable it to discharge its obligations under such Series and any relevant Transaction Document relating to such Series;
  - (iv) perform its respective obligations under any Notes issued under the Programme, and any relevant Transaction Document entered into in connection with such Series, and any agreements incidental to the granting of Security relating to any such Series of Notes or incidental to the issue and constitution of any Series of Notes issued under the Programme;
  - (v) engage in any activity in relation to the Mortgaged Property (including the Secured Assets) or any Transaction Document contemplated by the Conditions or such Transaction Document relating to any Series of Notes;
  - (vi) subject as provided in the Trust Deed, the relevant Security Deed and in the Conditions relating to any Series of Notes, enforce any of its rights, whether under the Trust Deed, the relevant Security Deed, any other Transaction Document or otherwise, under any agreement entered into in relation to any Series of Notes or any Mortgaged Property relating to any such Series; and
  - (vii) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any

other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);

- (b) cause or permit the terms of the Transaction Security granted under the relevant Security Deed for any Series of Notes and the order of priority specified in the Conditions, the Trust Deed and the relevant Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the Trust Deed, Security Deed and/or the Conditions relating to such Series of Notes);
- (c) have any subsidiaries, except to the extent that, prior to establishing any such subsidiary, the Issuer has certified to the Trustee that the establishment, existence and operation of such subsidiary will not be materially prejudicial to the interests of the Noteholders of any Series then outstanding;
- (d) release any party to the Trust Deed, the relevant Security Deed or any other relevant Transaction Document relating to a Series of Notes from any existing obligations thereunder (other than as contemplated by the Trust Deed, Security Deed and/or the Conditions relating to such Series of Notes)
- (e) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the Conditions, the Trust Deed, the relevant Security Deed or any other Transaction Document relating to any Series of Notes (other than as contemplated by the relevant Conditions and the relevant Transaction Documents relating to any such Series) which the Issuer (or the Collateral Manager on its behalf) considers would be materially prejudicial to the interests of Noteholders;
- (f) 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 for any Series of Notes);
- (g) have any employees;
- (h) issue any shares (other than 25,000 ordinary shares of EUR 1.00 each all of which are fully paid up and are held by or to the order of the Share Trustee under the terms of the Declaration of Trust under which the Share Trustee holds them on trust for charitable purposes);
- (i) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of Notes or any Mortgaged Property and (other than in respect of certain payment accounts with ICSDs which are not customarily charged in transactions similar to the Series of Notes) the Issuer's interest in such account is simultaneously charged in favour of the relevant Trustee so as to form part of the relevant Mortgaged Property relating to such Series of Notes, or (ii) is a Profit Account and only moneys or securities necessary for the purposes for which such account was opened are credited to it;
- (j) declare any dividends other than any dividends payable out of amounts standing to the credit of the Profit Account(s);
- (k) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (l) 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;
- (m) 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;

- (n) except as contemplated by any relevant Transaction Document and/or the Conditions relating to a Series of Notes, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Mortgaged Property for any such Series of Notes, to any other entity or person; or
- (o) subject as provided in paragraph (a) above, incur any other indebtedness for borrowed moneys, other than issuing further Notes under the Programme (which may or may not form a single series with the Notes of any Series) and creating or incurring further obligations relating to such Notes, **provided that**:
  - (i) such further Notes and obligations are secured on assets of the Issuer other than (a) the Mortgaged Property relating to any other Series of Notes and (b) the Issuer's share capital;
  - (ii) if further Notes form a single series with the Notes of any Series, such further Notes and obligations are secured *pari passu* upon the Mortgaged Property relating to the Series of Notes with which such Notes are to form a single series (as such Mortgaged Property may be increased in connection with the issue of such further securities); and
  - (iii) if further Notes which are to form a single series with a Series of Notes are being issued, the relevant Authorised Participant has transferred to or to the order of the Issuer in accordance with the relevant Authorised Participant Agreement;

**provided that** the Issuer shall not take any action (even where the prior written consent of the Trustee is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its memorandum and articles of association from time to time.

#### **Valuation of assets for each Series for the Per Note Entitlement**

Units in a money market or other cash fund will be valued at their net asset value.

The Final Terms will set out whether the Underlying Debt in respect of each Series will be valued, for the purpose of calculating the Per Note Entitlement for the Series, at bid price, closing price, closing mid-market price or any other pricing basis on the regulated market on which such securities are traded. Where such securities are traded on more than one regulated market, the Issuer (or the Administrator on its behalf) will determine the regulated market that constitutes the main market for such securities. If such securities were acquired or traded by the Issuer at a premium or at a discount outside of trading on or off a regulated market or OTC market, such securities may be valued by the Issuer (or the Administrator on its behalf) taking into account the value of such premium or discount in determining the Market Value of such securities if the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the securities.

Notwithstanding the above, (i) if prices or values for a security are unavailable, (ii) if market quotations are not readily available for a security that is traded on a regulated market, or (iii) the bid price, closing price or closing mid-market price or any applicable premium or discount (as the case may be) does not, in the opinion of the Issuer (or the Collateral Manager acting on its behalf), reflect the fair value of the relevant security, the relevant security shall be valued at its probable realisation value as determined by the Issuer (or by the Collateral Manager acting on its behalf) or by such other competent person or firm appointed by the Issuer (or the Collateral Manager acting on its behalf) with care and in good faith.

If it is impossible or impracticable to determine the probable realisation value of the relevant security or if such valuation is not representative of such security's fair market value in the context of currency, marketability and such other considerations which are deemed relevant by the Issuer (or the Collateral Manager acting on its behalf), the Issuer (or the Collateral Manager acting on its behalf) shall be entitled to use (in consultation with the Administrator) other generally recognised valuation methods in order to reach a fair market valuation of the relevant security.

The Cash Flow Timing Agreements will be valued at the net present value of their cashflows discounted at the Applicable Discount Rate.

**TRANSACTION PARTIES AND DOCUMENTS**

Capitalised terms used but not defined herein shall have the meaning ascribed to them in the Conditions.

**Initial Transaction Parties**

<b>Party</b>	<b>Name</b>	<b>Address</b>	<b>Document under which appointed</b>
CFTA Counterparties			Cash Flow Timing Agreement (as further described below)
1.	Citigroup Global Markets Limited	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	
2.	BNP Paribas	16, boulevard des italiens, 75009 Paris, France	
Trustee	State Street Bank and Trust Company	1 Lincoln Street, Boston, MA 02111, USA	Trust Deed (as further described below)
Administrator and Transfer Agent	State Street Bank and Trust Company	1 Lincoln Street, Boston, MA 02111, USA	Master Service Agreement (as further described below)
Registrar and Issuing Agent	State Street Fund Services (Ireland) Limited	78 Sir John Rogerson's Quay Dublin 2, Ireland	Master Service Agreement (as further described below)
Custodian	State Street Custodial Services (Ireland) Limited	78 Sir John Rogerson's Quay Dublin 2, Ireland	Master Service Agreement (as further described below)
Paying Agent	Citibank, N.A., London branch,	Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB	Paying Agency and Account Bank Agreement (as further described below)
Collateral Manager	BlackRock Advisors (UK) Limited	Drapers Gardens, 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom	Collateral Management Agreement (as further described below)

References in this Base Prospectus to any of the Transaction Parties shall include any successor appointed from time to time in connection with the Transaction Documents, **provided that** where a Transaction Party is so replaced, the Issuer will prepare and publish a supplement to this Base Prospectus.

## KEY TRANSACTION DOCUMENTS

### *Trust Deed*

Notes issued under the Programme will be constituted by a trust deed dated on or about 27 May 2020 (such trust deed as further modified and/or supplemented and/or restated from time to time, the "**Trust Deed**") made between the Issuer, the Collateral Manager and State Street Bank and Trust Company (the "**Trustee**", which expression shall include any successor as Trustee and any other person or persons from time to time acting as Trustee under the Trust Deed).

In respect of each Series of Notes, the Trust Deed will constitute the Notes of the relevant Series and will set out the various obligations of the Issuer and the Trustee. It will contain covenants of the Issuer including, among others, its covenants to pay and to deliver, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated in the Trust Deed (most importantly, in relation to the issue of the Notes of the relevant Series) and its duties with respect to its obligations under such Notes.

The Trustee acts for the benefit of the Holders for the time being of the Notes (as defined in the Conditions) in accordance with the provisions of the Trust Deed.

The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

### *Master Service Level Agreement*

The Issuer will enter into an English law governed master services agreement with various companies within the State Street group (such master services agreement as further modified and/or supplemented and/or restated from time to time, the "**Master Services Agreement**") to appoint such State Street companies to provide the Issuer with administration, registrar and issuing agent, transfer agent and custody services in relation to each Series of Notes (in such capacities the "**Administrator**", the "**Registrar**", the "**Transfer Agent**" and the "**Custodian**"). The State Street companies that act as Administrator, Registrar, Transfer Agent and Custodian are listed at the section titled "Transaction Parties and Documents". The Collateral Manager is also a party to the agreement in order to perform certain obligations on the Issuer's behalf.

The Master Services Agreement sets out the duties and obligations of the Administrator, Registrar, Transfer Agent and Custodian and the basis for their liability, remuneration and indemnification. It also sets out the standard of service expected of them, requirements applicable to subcontracting of services, procedure for the remediation of breaches, compensation payable by them in respect of breaches, their record keeping obligations as well as monitoring, inspection and audit rights of the Issuer. Any variation in the appointment of the State Street companies will not be effective unless the State Street companies have consented to such variation.

Under the Master Services Agreement, the Administrator, Registrar, Transfer Agent and Custodian are required to provide their services diligently with the level of skill, care and technical ability expected of a first class international financial services provider of custodian, trustee, administration, and product accounting services. They will be liable for any losses suffered by the Issuer to the extent arising from their negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality obligations or that of their sub-contractors. The agreement provides for them to indemnify the Issuer for losses arising from third party claims if such losses are based on breach by them of their data protection, information security, or confidentiality obligations.

The Master Services Agreement also provides for certain indemnities from the Issuer in favour of the Administrator, Registrar, Transfer Agent and Custodian otherwise than due to their negligence, fraud, bad faith, wilful default, recklessness, breach of contract, breach of applicable laws and breach of confidentiality obligations or that of their sub-contractors.

Under the Master Services Agreement, the Custodian is required to maintain securities and cash accounts for the Issuer and each Series and to segregate the assets of the Issuer from its own assets.

The Issuer may terminate the appointment of the State Street companies in one or more capacities under the Master Services Agreement on not less than six months' prior notice. Notwithstanding the foregoing, the Issuer may, at any time, terminate the appointment of the State Street companies in one or more capacities under the Master Services Agreement with immediate effect if (among other things) the Administrator, Registrar, Transfer Agent and/or Custodian:

- (a) commits material or persistent breaches of the Master Services Agreement (which is not remedied within 30 days of notification);
- (b) materially fails to comply with applicable laws affecting the services such that it is reasonable for the Issuer (or the Collateral Manager acting on its behalf) to terminate;
- (c) ceases to maintain regulatory approvals required to provide the services and fails to rectify if permitted by the regulatory authority;
- (d) is found to be guilty of misconduct by regulatory authorities in the conduct of its business areas providing the services where such misconduct is of sufficient materiality to make it reasonable for the Issuer to terminate;
- (e) fails to implement audit or inspection recommendations that result in a material breach;
- (f) becomes insolvent; or
- (g) undergoes a change of control in certain circumstances.

The Administrator, Registrar, Transfer Agent and/or Custodian may resign their appointment in respect of one or more capacities at any time by notice to the Issuer and the Collateral Manager on the occurrence of certain events, including a breach by the Issuer or the Collateral Manager of certain material obligations, including material breach by the Issuer of its obligation to indemnify or adhere to its confidentiality obligations (which is not remedied within 30 days of notification) and failure to pay fees. The Administrator, Registrar, Transfer Agent and/or Custodian may also resign their appointment on giving at least 12 months' prior notice to that effect, **provided that** such date of resignation falls after the agreed initial term unless the Issuer (or the Collateral Manager on its behalf) agrees otherwise.

Following service of a notice of termination, the Issuer (or the Collateral Manager on its behalf) may give notice to the Administrator, Registrar, Transfer Agent and/or Custodian that it is required to continue providing the relevant services for an additional period not exceeding 24 months from the original date on which termination would otherwise have taken effect under the relevant notice, until a successor provider is found and the relevant services can be transitioned to the successor provider.

#### *Paying Agency and Account Bank Agreement*

The Issuer will enter into an English law governed paying agency and account bank agreement with Citibank N.A., London Branch (the "**Paying Agent**") (such paying agency and account bank agreement as further modified and/or supplemented and/or restated from time to time, the "**Paying Agency and Account Bank Agreement**"). Pursuant to the Paying Agency and Account Bank Agreement, the Paying Agent will administer payments (except for the Repurchase Settlement Amounts) in relation to the Notes held in global form through the Clearing Systems and the Paying Agent is also designated and appointed as the account bank to hold cash accounts in relation to the Series. The Issuer is entitled to credit such cash accounts with amounts to be paid by the Paying Agent to Noteholders on behalf of the Issuer.

The Paying Agency and Account Bank Agreement sets out the duties and obligations of the Paying Agent in relation to the relevant Series of Notes and the account bank in relation to the cash accounts held on behalf of the Issuer in relation to the Series and the basis for liability, remuneration and indemnification of the Paying Agent (as Paying Agent and account bank). It also sets out the conditions for appointment, resignation and termination of the Paying Agent as Paying Agent and account bank.



### *Collateral Management Agreement*

The Issuer will enter into an English law governed Collateral Management Agreement with BlackRock Advisors (UK) Limited (the "**Collateral Manager**") (such Collateral Management Agreement as further modified and/or supplemented and/or restated from time to time, the "**Collateral Management Agreement**").

The Collateral Management Agreement sets out the duties and obligations of the Collateral Manager in relation to each Series of Notes and the basis for its liability, remuneration and indemnification. It also sets out the conditions for appointment, resignation and termination of the Collateral Manager.

Under the Collateral Management Agreement, the Issuer appoints the Collateral Manager to act on behalf of the Issuer under the Conditions and relevant Transaction Documents in relation to, among other things, the management of the Series Holdings of each Series.

The Issuer may at any time vary the appointment of the Collateral Manager or terminate the appointment of the Collateral Manager relating to a Series of Notes on giving the Collateral Manager not less than 180 calendar days' prior notice to that effect. No variation in the appointment of the Collateral Manager will be effective unless the Collateral Manager has consented to such variation. Notwithstanding the foregoing, the appointment of the Collateral Manager may be terminated by the Issuer with immediate effect if a Bankruptcy Event occurs in relation to the Collateral Manager or the Collateral Manager ceases to be permitted to act as such under any applicable law or commits a material breach (which is not remedied within 30 days if capable of being remedied).

The Collateral Manager in respect of a Series of Notes may resign its appointment at any time without giving any reason by giving the Issuer at least 180 calendar days' prior notice to that effect.

Without prejudice to the automatic termination of the Collateral Manager in connection with a Bankruptcy Event, no resignation or termination of the appointment of the Collateral Manager will take effect until a replacement Collateral Manager has been appointed; provided that if the Issuer fails within a period of 30 calendar days of notice of resignation given pursuant to the preceding paragraph to appoint a successor to such Collateral Manager, the resigning Collateral Manager will be entitled to select a financial institution of recognised good standing and repute acceptable to the Issuer and the Trustee, and the Issuer will appoint such entity as successor Collateral Manager.

### *Authorised Participant Agreements*

The Issuer will enter into an English law governed authorised participant agreement with each of the Authorised Participants in relation to the Programme (such authorised participant agreement as further modified and/or supplemented and/or restated from time to time, the "**Authorised Participant Agreement**").

In order to become an authorised participant to the Issuer in respect of the Programme, an Authorised Participant is required to open an authorised participant account with the Issuer by entering into Authorised Participant Agreement. An Authorised Participant may be an authorised participant to all Series of Notes or to only certain Series of Notes.

Each Authorised Participant Agreement specifies the terms on which the relevant Authorised Participant may subscribe for, and request that the Issuer repurchases, Notes of each Series. In respect of each Series of Notes for which it has been authorised to act as Authorised Participant, the relevant Authorised Participant will be required to comply with the procedures set out in the Authorised Participant Agreement and this Base Prospectus.

Each Authorised Participant Agreement includes the conditions for the appointment of an Authorised Participant by the Issuer and a general right for the Issuer to terminate or suspend the right of an Authorised Participant to be an authorised participant to the Issuer in respect of all or certain Series of Notes.

The Authorised Participant Agreements include indemnities from the relevant Authorised Participant relating to breach by the Authorised Participant of representations given by it in such agreement and for any direct loss suffered by the Issuer arising as a result of delay or failure by the Authorised Participant to settle its Subscription and Repurchase Requests within the agreed settlement times.

#### *Cash Flow Timing Agreement*

Cash Flow Timing Agreements are described in further detail below in the section titled "*Cash Flow Timing Agreements*" below.

#### *Final Terms*

The Conditions applicable to each Series of Notes shall be completed by the information set out the applicable final terms (the "**Final Terms**"). References to the "**applicable Final Terms**" is to the Final Terms executed in relation to such Series of Notes.

While this Base Prospectus includes general information about all Notes, the Final Terms is the document that sets out the specific details of each particular issuance of Notes. For example, the Final Terms will contain:

- (a) the Issue Date;
- (b) information in relation to the interest payable;
- (c) the Maturity Date; and
- (d) any other information needed to complete the terms included in this Base Prospectus for the particular Notes (identified by the words 'as specified in the Final Terms' or other equivalent wording).

The Final Terms will constitute final terms for the purposes of the Prospectus Regulation. Each Final Terms will be filed with the Euronext Dublin.

#### ***Notice of provisions of the Transaction Documents***

The Noteholders are deemed to have notice of, are bound by and are entitled to the benefit of, all the provisions of the Trust Deed and the applicable Final Terms.

Words and expressions defined in the Trust Deed or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Trust Deed and the applicable Final Terms, the applicable Final Terms will prevail.

## **TRANSACTION CASHFLOWS**

The payment obligations of the Issuer in respect of the principal and interest in respect of the Notes will be determined in accordance with the Conditions as completed by the applicable set of Final Terms.

To make payments under the Notes of any Series, the Issuer will use the maturity and liquidation proceeds from the Series Holdings (as described in the section titled "*Collateral Criteria*" above) and the net cashflows in respect of each Cash Flow Timing Agreement (as described in the section titled "*Description of the Cash Flow Timing Agreement*" below) relating to that Series.

## DESCRIPTION OF THE CASH FLOW TIMING AGREEMENT

The Issuer may enter into one or more Cash Flow Timing Agreements in relation to each Series of Notes. Each Cash Flow Timing Agreement will be entered into with a CFTA Counterparty (described below in the section titled "*Description of the CFTA Counterparties*").

### Documentation

Each Cash Flow Timing Agreement will be documented by a 2002 ISDA Master Agreement together with a Schedule thereto (an "**ISDA Master Agreement**") and may also include a credit support annex to the Schedule to the ISDA Master Agreement in the form of the Credit Support Annex (Bilateral Form – Transfer) (a "**Credit Support Annex**").

The Credit Support Annex (if any) will supplement, form part of, and be subject to, the ISDA Master Agreement to which it refers and will form part of the Schedule thereto (the ISDA Master Agreement as supplemented by the Credit Support Annex (if any) the "**Master Agreement**").

In connection with the issue of a Series of Notes, the Issuer will enter into one or more transactions under the ISDA Master Agreement with each CFTA Counterparty (each a "**Cash Flow Transaction**", and the confirmation evidencing such transaction together with the Master Agreement and any ancillary fee agreement referencing the Cash Flow Transaction, the "**Cash Flow Timing Agreement**").

### Key Features

#### *Entry into Cash Flow Timing Agreements*

It is anticipated that in connection with the issuance of the first Tranche of any Series of Notes, the Issuer will enter into one or more Cash Flow Timing Agreements.

Where:

- (a) further fungible Tranches of Notes are issued following the Issue Date of the first Tranche of such Series; and/or
- (b) any Notes are repurchased or redeemed in accordance with Condition 12.5 (*Repurchase Prior to the Maturity Date at the Option of an Authorised Participant*) or Condition 12.6 (*Compulsory Redemption of Notes from non-Qualified Holders*),

it is anticipated that the Issuer will upsize and/or downsize the payments under the Cash Flow Transactions entered into in relation to such Series of Notes to reflect such further issuance or redemption.

#### *Payments*

Each Cash Flow Timing Agreement will require certain payments to be made from the Issuer to the CFTA Counterparty and *vice versa* in relation to a particular Series of Notes. The Issuer may be required to pay the CFTA Counterparty a fee for providing the Cash Flow Transaction, the amount of which will be determined by reference to the proportion of the Series of Notes to which the Cash Flow Transaction relates.

The payments required between the Issuer and the CFTA Counterparty under each Cash Flow Timing Agreement will be set out in a fixed schedule to the such Cash Flow Timing Agreement, and are designed to ensure that, following the receipt of payments under all Cash Flow Timing Agreements relating to a Series of Notes, the Issuer will have sufficient funds, when taken together with cash comprised in the Series Holdings relating to such Series of Notes, as are necessary for it to meet its obligations under that Series of Notes and the related Transaction Documents.

### *Amendment, Variation and Termination*

Without prejudice to the obligations of the Issuer in respect of the management of the Series Holdings set out in the Collateral Criteria, the Issuer (or the Collateral Manager on its behalf) may, at any time and in its sole discretion, terminate any Cash Flow Timing Agreement, agree with any CFTA Counterparty amendments to the payments due under a Cash Flow Transaction and/or enter into one or more additional Cash Flow Timing Agreements with alternative CFTA Counterparties.

Amendments to payments under a Cash Flow Transaction may include, without limitation, the following scenarios:

- (a) where the Issuer is not, or is unlikely to be, able to service the payments due from it under a Cash Flow Transaction as a result of the Issuer receiving insufficient amounts in relation to the Underlying Debt Securities or otherwise (a "**Cash Flow Shortfall**"), the Issuer may agree with the CFTA Counterparty that amounts payable by the Issuer shall be reduced, in which case certain payments by the CFTA Counterparty may also be reduced, and as a result of such reductions the Issuer may be required to make a payment to the CFTA Counterparty (or vice-versa) in relation to the net value of the reduction of such payments. In either case, any Cash Flow Shortfall may result in lower amounts being available to make payments to Noteholders of the relevant Series.
- (b) Where the Series Holdings include cash (either as a result of higher than expected distributions from, or redemptions or sales of, Underlying Debt Securities), the Issuer may choose to increase the amounts payable to it under the Cash Flow Transaction either (i) by making a payment to the CFTA Counterparty and/or (ii) increasing the amount of on-going payments to the CFTA Counterparty. In either case, this will increase the exposure of Noteholders to the credit of the CFTA Counterparty, although such risk will be mitigated pursuant to the collateralisation provisions under the Credit Support Annex (see below).

### *Limited Recourse nature of payments to the CFTA Counterparty*

Payments by the Issuer under the Cash Flow Timing Agreement will be limited recourse obligations and will be funded from distributions and principal received by the Issuer in relation to the Underlying Debt.

### **Credit Support Annex**

To mitigate any exposure the Issuer (and therefore the Noteholders) has to each CFTA Counterparty, collateral will be transferable to the Issuer under the Credit Support Annex ("**CFTA Collateral**").

The provisions of the Credit Support Annex will be agreed between the Issuer and the CFTA Counterparty at the time of entry into of the relevant Cash Flow Timing Agreement.

The Issuer may invest cash received as CFTA Collateral in cash equivalents, including liquidity instruments and cash funds (please see the paragraph titled "*CFTA Collateral*" in the section titled "*Collateral Criteria*" above).

### **Events of Default**

The Cash Flow Timing Agreement provides for certain "**Events of Default**" (as defined in the Cash Flow Timing Agreement) relating to the Issuer and the CFTA Counterparty, the occurrence of which may result in the termination of the Cash Flow Timing Agreement.

Events of Default include:

- (a) failure by the Issuer or CFTA Counterparty to make, when due, any payment or delivery under the Cash Flow Timing Agreement required to be made by it if not remedied within the time period specified therein; and
- (b) certain bankruptcy events relating to the Issuer or CFTA Counterparty.

## Termination Events

The Cash Flow Timing Agreement provides for certain "**Termination Events**" (as defined in the Cash Flow Timing Agreement) the occurrence of any of which may result in the termination of the Cash Flow Timing Agreement.

Termination Events include:

- (a) the Issuer electing (in its sole discretion) to terminate such Cash Flow Timing Agreement;
- (b) the CFTA Counterparty being subject to a rating downgrade event;
- (c) the occurrence of certain illegality and force majeure events;
- (d) if sums paid or received under the relevant Cash Flow Transaction(s) are subject to a withholding or a deduction on account of tax and 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 Cash Flow Transaction(s);
- (e) if sums paid or received under the relevant Cash Flow 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 CFTA Counterparty;
- (f) delivery of an Enforcement Notice in respect of the relevant Series of Notes; and
- (g) the Notes being subject to an early redemption.

## Early Termination Amount

In connection with any early termination of a Cash Flow Transaction, either the CFTA Counterparty or the Issuer will be required to determine the Early Termination Amount (each as defined in the Cash Flow Timing Agreement) under the Cash Flow Timing Agreement and whether such amount is payable from the Issuer to the CFTA Counterparty or *vice versa*. Which of the CFTA Counterparty or the Issuer determines the Early Termination Amount will depend on the reason for the termination of the Cash Flow Timing 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 Cash Flow Timing 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 Cash Flow Timing 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 Cash Flow Timing Agreement.

## DESCRIPTION OF THE CFTA COUNTERPARTIES

*This section headed "Description of the CFTA Counterparties" has been accurately reproduced from information published by each CFTA Counterparty. So far as the Issuer is aware and is able to ascertain from information published by each CFTA Counterparty no facts have been omitted which would render the reproduced information inaccurate or misleading.*

Citigroup Global Markets Limited is a private company limited by shares to which the Companies Act 2006 applies and was incorporated in England and Wales on 21 October 1983. Citigroup Global Markets Limited is domiciled in England and its registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The registration number of Citigroup Global Markets Limited is 01763297 on the register maintained by Companies House.

Citigroup Global Markets Limited is a wholly-owned indirect subsidiary of Citigroup Inc. and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It is a dealer, market maker and underwriter in equity, fixed income securities and commodities, as well as providing advisory services to a wide range of corporate, institutional and government clients. It is headquartered in London and operates globally, generating the majority of its business from the Europe, Middle East and Africa region, with the remainder coming from Asia and the Americas.

BNP Paribas is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in France, Belgium, Italy and Luxembourg. It is present in 71 countries and has nearly 199,000 employees, including over 151,000 in Europe.

BNP Paribas is the parent company of the BNP Paribas Group.

Where the Issuer intends to enter into a Cash Flow Timing Agreement with a counterparty that is not set out in this Base Prospectus, the Issuer will publish a supplement to this Base Prospectus setting out the required information in relation to such counterparty.

## TAXATION

*The tax laws of the investor's jurisdiction and of the Issuer's Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.*

*The following is a general description of certain Irish tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in those countries or elsewhere. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.*

*Investors should also note that the appointment by an investor in Notes, or any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors should consult their own tax advisers in relation to the tax consequences for them of any such appointment.*

### **Ireland**

The following is a summary of the position of persons who are the absolute beneficial owners of Notes and may not apply to certain classes of persons such as dealers and certain tax-exempt bodies. This general summary is based upon Irish taxation laws currently in force, regulations promulgated thereunder and the currently published administrative practices of the Irish Revenue Commissioners, all as of the date hereof. Taxation laws are subject to change, from time to time, and no representation is or can be made as to whether such laws will change or what impact, if any, such changes will have on the statements contained in this summary. It is assumed for the purposes of this summary that any proposed amendments will be enacted in the form proposed.

The Directors have been advised that the Issuer is resident in Ireland for Taxation purposes and it is intended that the Issuer will continue to be tax resident in Ireland. On this basis, the Taxation position of the Issuer and investors is as set out below.

### **Residence**

#### **Individual**

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if they (a) spend 183 days or more in Ireland in that twelve month tax year; or (b) they have a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence by an individual of not more than 30 days in Ireland in a twelve month tax year will be disregarded for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

#### **Company**

Irish tax legislation provides that a company incorporated in Ireland will be regarded for all tax purposes as being tax resident in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland prior to 2015 is resident in Ireland except where (a) the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company the principal class of shares of which are substantially and regularly traded on a recognised Stock Exchange in the European Union or in a taxation treaty country; or (b) the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. Companies incorporated in Ireland on or after 1 January 2015 will be automatically considered resident in Ireland for tax purposes unless the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.



## The Issuer

The Issuer will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Issuer is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Issuer will be conducted in such a manner as to ensure that it is resident in Ireland for tax purposes.

The Issuer will be taxable as a securitisation company pursuant to Section 110 of the Taxes Consolidation Act 1997 (as amended) for so long as it meets all the requirements of Section 110. Profits arising to the Issuer shall be taxable at a rate of 25 per cent. The rules applicable in order to calculate this tax are generally the same as those applicable to a regular trading company. All expenses that are not capital in nature and are wholly and exclusively for the purposes of the Issuer's activities and are not specifically prohibited by statute will be deductible from income in order to determine taxable profits. Any losses incurred by the Issuer will be available for set off against profits for any subsequent accounting period for so long as the Issuer continues to be subject to the Section 110 taxation regime. It is expected that the Issuer will generate a nominal amount of taxable profits as it is a special purpose vehicle established for the sole purpose of issuing the Notes of each Series. As a result of this it is expected that the Issuer will suffer a nominal liability to Irish corporation tax.

## Value Added Tax ("VAT")

There is no VAT payable in respect of payments in consideration for the issue of the Notes or for the transfer of a Note.

## Withholding Tax

In general, withholding tax at the standard rate of tax (currently 20%) must be deducted from Irish source interest payments. Interest paid on the Notes may be regarded as Irish source. However, for so long as the Notes are listed on a recognised stock exchange (as defined in the Irish Revenue Commissioners' Tax and Duty Manual: Part 04-02-03 ("**Recognised Stock Exchange**") (which includes Euronext Dublin) and the Notes carry a right to interest, the Notes should constitute "quoted Eurobonds" under section 64 of the Irish Taxes Consolidation Act 1997 (as amended).

Interest paid on quoted Eurobonds can be paid free of withholding tax, provided the following criteria are satisfied (the "**quoted Eurobond exemption**"):

- (a) the interest is paid by or through a person who is not in Ireland (a "**non-Irish paying agent**"); or
- (b) the interest is paid by or through a person in Ireland, and either:
  - (i) the quoted Eurobond is held in a clearing system recognised by the Revenue Commissioners (which includes Euroclear and Clearstream); or
  - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made all necessary declarations in the prescribed form, in accordance with section 64(7) of the Irish Taxes Consolidation Act 1997.

Therefore, provided the Notes are quoted Eurobonds and held in Euroclear or Clearstream, there should be no requirement to withhold Irish tax on the interest arising on the Notes regardless of the status of the recipient.

## **Noteholders**

### **Charge to Irish Tax on Interest**

An investor may be liable to Irish tax on Interest on the Notes even where there is no Irish withholding tax. Persons (individuals and companies) tax resident in Ireland are generally liable to Irish tax on their worldwide income, including any income from the Notes.

In the case of individuals, interest will be liable to income tax at the marginal rate (up to 40%). Such income will also be liable to the Universal Social Charge at rates of up to 11% depending on the individual's circumstances. Irish social security contributions may also be payable. In the case of corporate entities, the rate of corporation tax applying to the interest income is 25% (unless the income constitutes trading income of the corporate investors).

Interest paid on the Notes may be regarded as Irish source and therefore be within the charge to Irish tax for persons who are neither resident nor ordinarily resident in Ireland.

However, there are certain exemptions for interest paid by a company to persons resident outside Ireland where the quoted Eurobond exemption from withholding tax applies:

- (a) interest paid to persons resident outside Ireland and who are resident in a Relevant Territory (a **"Relevant Territory"** is a member state of the European Communities (other than Ireland) or a country with which Ireland has concluded a double taxation agreement) is not chargeable to Irish income tax provided the Notes are quoted Eurobonds;
- (b) a company not resident in Ireland and under the control (directly or indirectly) of persons who are resident in a Relevant Territory and not under the control (directly or indirectly) of Irish residents is not chargeable to Irish income tax on interest arising on quoted Eurobonds; and
- (c) a company which is not resident in Ireland and the principal class of the shares of which is substantially and regularly traded on a stock exchange in Ireland or on a Recognised Stock Exchange in a Relevant Territory, or on such other stock exchange as may be approved by the Irish Minister for Finance is not chargeable to Irish income tax on interest arising on quoted Eurobonds.

For the purposes of paragraph (b) above, the term **"control"** has the meaning given to it in the Taxes Consolidation Act 1997.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax. Ireland operates a self-assessment system in respect of income taxes, corporation taxes, social security contributions and the Universal Social Charge. Any person with Irish source income which is chargeable to Irish tax comes within the scope of that system and may have to file an Irish return.

### **Noteholders who are neither Irish Resident nor Irish Ordinary Resident**

No Irish income or capital gains tax shall arise on the occasion of an early redemption, buy-back or disposal in respect of a Notes if (a) the investor is neither resident in Ireland for tax purposes nor ordinarily resident in Ireland for tax purposes, and (b) the Notes are not secured over Irish land or real property.

### **Noteholders who are Irish Resident or Irish Ordinary Resident**

Individual investors who are resident in Ireland for tax purposes or ordinarily resident in Ireland for tax purposes will be liable to Irish capital gains tax at a rate of 33 per cent. on any gains arising on an early redemption, buy-back or disposal in respect of a Security. Reliefs and allowances may be available in computing the liability of an investor. Where such tax arises, the obligation falls on the investor to account on a self-assessment basis to the Irish Revenue Commissioners for such payment of taxes.

A corporate holder of Notes who is resident in Ireland for tax purposes and who holds Notes in connection with a trade will be taxed on any gains as part of that trade at a rate of 12.5 per cent. Gains on Notes not held in connection with a trade will be subject to corporation tax at an effective rate of 33 per cent.

### **General**

Where a currency gain is made by an investor on an early redemption, buy-back or disposal of such Notes, the investor may also be liable to Irish capital gains tax with respect to such gain in the year of assessment in which the Notes are disposed of.

### **Stamp Duty**

Stamp duty will not be imposed on the issue or transfer of the Notes provided the money raised by the Notes is used in the course of the Issuer's business.

### **Encashment tax**

If the Paying Agent is not in Ireland, there is no obligation to deduct encashment tax. If a person in Ireland were to pay the interest or receive the interest on behalf of a third party, then Irish encashment tax (at the standard rate – currently 20%) would apply to amounts belonging to Irish resident investors in the Notes, or non-Irish residents who invest in the Notes and who had not completed the requisite non-resident declaration forms.

### **Capital Acquisitions Tax**

A gift or inheritance comprising Notes will be within the charge to capital acquisitions tax if either (a) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland for tax purposes (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (b) if the Notes are regarded as property situate in Ireland. This tax is charged on gifts and inheritances above a certain threshold determined both by the relationship between the donor and the donee/successor and previous gifts or inheritances received. Capital acquisitions tax is charged at a rate of 33% on the taxable value of the gift or inheritance above a tax-free threshold.

### **FATCA and other cross-border reporting systems**

#### **US Foreign Account Tax Compliance Act withholding (FATCA)**

The Foreign Account Tax Compliance Act ("**FATCA**") is US legislation introduced to combat US tax evasion by improving exchange of information between tax authorities in relation to US citizens and residents who hold assets outside of the US. FATCA also provides that US securities held by a non-US Financial Institution that does not comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime was effective from 1 July 2014.

The US developed an intergovernmental approach to the implementation of FATCA which is intended to reduce the burden for Financial Institutions ("**FIs**") of complying with FATCA. The Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") on 21 December 2012. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FI (unless the FI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the US tax authorities.

### **CRS**

The Common Reporting Standards ("**CRS**") requires participating jurisdictions to exchange certain information held by financial institutions regarding their non-resident customers. Over 100 jurisdictions including Ireland have committed to exchanging information under the CRS and the first data exchanges took place in 2017. CRS does not impose any additional requirements to withhold tax on payments to investors.

### Reporting obligations under FATCA and the CRS

A common feature of both FATCA and the CRS is that entities that are classified as “Financial Institutions” are required to identify their investors and in certain circumstances report information to their local tax authorities (for onward reporting to overseas tax authorities, in the case of CRS, and for onward reporting to the US tax authorities, in the case of FATCA).

The Irish Revenue Commissioners have issued regulations and guidance notes making compliance with the Irish provisions implementing CRS and FATCA mandatory. As a result, Irish entities that are classified as “Financial Institutions” in accordance with FATCA and CRS have obligations in respect of the Irish law implementing CRS and FATCA.

In order to comply with FATCA and CRS obligations, the Issuer may require investors to provide the Issuer with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Issuer.

Investors should consult their own tax advisers regarding how these rules may apply to their investment in the Notes.

### Anti-Tax Avoidance Directive

The Council of the European Union (the “**Council**”) adopted the Anti-Tax Avoidance Directive (the “**ATAD**”) on 12 July 2016. The ATAD (with the exception of hybrid mismatch rules) was intended to be transposed into each EU member state’s national laws no later than 31 December 2018 and should have taken effect as of 1 January 2019. However certain derogations are available in respect of the limitation of interest deductibility rules. Hybrid mismatch rules should be transposed into national law for effect from 1 January 2020 at the latest (other than with respect to one provision which will come into effect at the latest by 1 January 2022).

While the hybrid mismatch provisions were transposed into Irish law effective from 1 January 2020, uncertainty remains. There is ongoing interaction between the Irish Revenue Commissioners and industry with a view to producing guidance and clarity on their application. The interest deductibility limitation under ATAD has not yet been transposed into Irish law. The ATAD may affect the tax treatment of the Issuer and/or the Notes. However, in the absence of Irish Revenue Commissioner guidance and further implementing legislation, the possible implications of the ATAD on the Issuer and/or the Notes are unclear as of the date of this Prospectus.

## SUBSCRIPTION AND SALE

### ***Prohibition of Sales to EEA and UK Retail Investors***

Each Authorised Participants has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area or the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who falls into any of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); and/or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) a person in the Czech Republic, who does not qualify as a qualified investor as defined in Section 272(1) of the Czech Act No 240/2013 Coll. on Investment Companies and Investment Funds; and
- (b) the expression "**offer**" includes 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.

### **Ireland**

Each Authorised Distributor has represented, warranted and agreed and each further Authorised Distributor appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer, sell, underwrite the issue of, or act in Ireland in respect of the Notes, other than in conformity with:

- (a) Regulation (EU) 2017/1129 (the Prospectus Regulation), the European Union (Prospectus) Regulations 2019 of Ireland and any rules issued by the Central Bank pursuant to section 1363 of the Companies Act 2014 of Ireland;
- (b) the provisions of the Irish Companies Act 2014;
- (c) the provisions of the Central Bank Acts 1942 to 2018 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland;
- (d) the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (S.I. no. 375 of 2017) (as amended) (the "MiFID II Regulations") and the provisions of the Investor Compensation Act 1998; and
- (e) the provisions of the Market Abuse Regulation (EU 596/2014), the Market Abuse Directive on Criminal Sanctions for market abuse (Directive 2014/57/EU) (as amended), the European Union (Market Abuse) Regulations 2016 of Ireland and any rules issued by the Central Bank of Ireland pursuant to section 1370 of the Companies Act 2014 of Ireland.

### ***Prohibition of Sales in United States of America***

The Notes have not been and will not be registered under the Securities Act or under the securities law of any state or political sub-division of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (collectively, the "**United States**"). No person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CFTC Rules of the CFTC, and the Issuer has not been and will not be registered under any United States federal laws. The Notes are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("**Regulation S**").

Accordingly, the Notes may not at any time be offered, sold or otherwise transferred except (i) in an "Offshore Transaction" (as such term is defined under Regulation S) and (ii) to or for the account or benefit of a Permitted Transferee.

A "**Permitted Transferee**" means any person who is not any of:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S;
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not "Non-United States persons", shall be considered a U.S. person); or
- (c) a "resident of the United States" for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the Bank Holding Company Act of 1956, as amended ("**BHC Act**").

Transfers of Notes within the United States or to any person other than a Permitted Transferee (a "**Non-Permitted Transferee**") are prohibited.

The foregoing restrictions on the offer, sale or other transfer of Notes to a Non-Permitted Transferee may adversely affect the ability of an investor in the Notes to dispose of the Notes in the secondary market, if any, and significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, "**U.S. person**" means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
  - (i) organized or incorporated under the laws of any foreign jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a) of the Code of Federal Regulations, Title 17) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, "**Non-United States person**" means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;

- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; **provided, that** units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As modified in the definition of "Permitted Transferee" above, the definition of "Non-United States person" excludes for purposes of sub-section (d) above, the exception in the proviso to the extent that it would apply to persons who are not "Non-United States persons".

As defined in the CFTC's proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA, 77 Fed. Reg. 41214, 41218 (Jul. 12, 2012), "**U.S. person**" means:

- (a) Any natural person who is a resident of the United States;
- (b) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund, or any form of enterprise similar to any of the foregoing, in each case that is either
  - (i) organized or incorporated under the laws of the United States or having its principal place of business in the United States ("**legal entity**") or
  - (ii) in which the direct or indirect owners thereof are responsible for the liabilities of such entity and one or more of such owners is a U.S. person;
- (c) Any individual account (discretionary or not) where the beneficial owner is a U.S. person;
- (d) Any commodity pool, pooled account, or collective investment vehicle (whether or not it is organized or incorporated in the United States) of which a majority ownership is held, directly or indirectly, by a U.S. person(s);
- (e) Any commodity pool, pooled account, or collective investment vehicle the operator of which would be required to register as a commodity pool operator under the CEA;
- (f) A pension plan for the employees, officers, or principals of a legal entity with its principal place of business inside the United States; and
- (g) An estate or trust, the income of which is subject to United States income tax regardless of source.

As defined in the final regulations issued under Section 13 of the BHC Act, 17 CFR 225.10(d)(8), "**resident of the United States**" means a "U.S. person" as defined in Regulation S.

The definition set forth above of "U.S. Person" in the CFTC's proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA is accurate as of the date of this Base Prospectus but is subject to change upon the issuance of final guidance and implementing regulations. Each person who offers, sells or otherwise transfers Notes has exclusive responsibility for ensuring that its offer, sale or other transfer is not to or for the account or benefit of any person other than a Permitted Transferee as such term is defined as of the date of such offer, sale, pledge or other transfer.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission ("**SEC**") or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Notes. Any representation to the contrary is a criminal offence. Furthermore, the Notes do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Notes nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Notes.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has complied and will comply with the aforementioned transfer and selling restrictions and it will have sent to each dealer to which it sells Notes a confirmation or other notice setting forth the restrictions on offers and sales of the Notes. Each Authorised Participant has further 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 except in accordance with Rule 903 of Regulation S, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

### **General**

Each Authorised Participant has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any other offering material relating to the Notes. Persons into whose hands this Base Prospectus comes are required by the Issuer and the Authorised Participants to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any other offering material relating to the Notes, in all cases at their own expense.

Each Authorised Participant has represented, warranted and agreed that it will only offer, sell or otherwise make available the Notes in Permitted Countries (set out in the applicable Final Terms) and any other countries that have been agreed with the Issuer (or the Arranger acting on its behalf).



### **USE OF PROCEEDS**

To enable the Issuer to meet its payment obligations in respect of the Notes, the gross proceeds of each Tranche of Notes will, at the discretion of the Issuer (or the Collateral Manager on its behalf):

1. be applied in the purchase of Underlying Debt Securities within the parameters of the Collateral Criteria;
2. be used to make any payments required in relation to any Cash Flow Timing Agreements in relation to the relevant Series of Notes; and
3. be used to discharge any costs and fees of the Issuer in respect of a Series.

## FORM OF FINAL TERMS

**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of:

- (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("**MiFID II**"); or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

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 or the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or the United Kingdom may be unlawful under the PRIIPs Regulation.

For the purposes of the prohibition of sales to EEA retail investors, a retail investor shall also include any person in the Czech Republic who does not qualify as a qualified investor as defined in Section 272(1) of the Czech Act No 240/2013 Coll. on Investment Companies and Investment Funds.

**MIFID II product governance / Professional investors and ECPs only target market** – 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 MiFID II; or (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.

Final Terms dated [•]

## DIVERSIFIED NOTES PLC

Issue of [Aggregate Nominal Amount] of [Tranche Title of Notes]

## SECURED NOTES PROGRAMME

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated 28 May 2020 [and the supplemental Base Prospectus dated [•] which together constitute[s] a base prospectus] (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information.

The Base Prospectus has been published at [www.ise.ie](http://www.ise.ie).

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and Notes in bearer form are subject to U.S. tax law requirements. The Notes may not be offered, sold or (in the case of Notes in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except in certain transactions exempt from the registration requirements of the Securities Act.

*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*

1. Issuer: Diversified Notes plc
2. (i) Series Number: [•]  
(ii) Tranche Number: [•]
3. Series Currency: [•]
4. Aggregate Nominal Amount of Notes of:
  - (i) Series (including this Tranche): [•]
  - (ii) Tranche: [•]
5. Issue Price: [•] per cent. of the nominal amount of the Notes of this Tranche [plus accrued interest from [•]]
6. (i) Specified Denomination: Minimum of [•] and in incremental multiples of [•]  
*(Minimum of €100,000, or its equivalent in the Series Currency, and in incremental multiples of €1,000, or its equivalent in the Series Currency.)*  
(ii) Calculation Amount: [•]

- (iii) Note Nominal Amount: [EUR][GBP][USD][•] [1.00]
7. (i) Issue Date (of this Tranche): [•]
- (ii) Series Issue Date: [•]
8. Maturity Date: [•]
9. (i) Minimum Redemption Amount: [•][An amount per Note Nominal Amount equal to the Minimum Redemption Amount Percentage multiplied by such Note Nominal Amount]
- (ii) Minimum Redemption Amount Percentage: [[•] per cent.][Not Applicable]
10. Issuer Call: [Applicable.]/[Not Applicable]
11. Clean-up Call Threshold: [Applicable. The Clean-up Call Threshold is [•].]/[Not Applicable]
12. Applicable Discount Rate: [•]
13. Additional Business Centre(s): [Applicable. [Specify.]] [TARGET]]/[Not Applicable.]
14. Market Value: In respect of:
- [Underlying Debt Securities]: [bid price] [closing price] [closing mid-market price]
- (In respect of each type of security (other than cash funds) to be held by the Issuer, set out whether the security will be valued using bid price, closing price or closing mid-market price.)*
15. Operational Fee Rate: [•] basis points per annum
16. CFTA Counterparties: [•]
17. Additional Transaction Party: [•] / [Not Applicable]
18. Additional Transaction Document: [•] / [Not Applicable]
19. Business Day Convention: [Following Business Day Convention] / [Modified Following Business Day Convention] / [Preceding Business Day Convention]

## PROVISIONS RELATING TO INTEREST PAYABLE

### 20. Interest Provisions

- (i) Rate of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date except that, if the Interest Payment Date is not a Payment Day, the payment will be postponed to the next Payment Day / [•]
- (ii) Interest Commencement Date (for this Tranche): Issue Date / [•]
- (iii) Interest Payment Date: [•]
- (iv) Interest Period: First Interest Period is from (and including) the Interest Commencement Date (for this Tranche) to

(but excluding) the first Interest Payment Date occurring after such Interest Commencement Date.

Each subsequent Interest Period is from (and including) the Interest Payment Date to (but excluding) the next Interest Payment Date (or, if earlier, the date on which the relevant Note is redeemed or repurchased). An Interest Period will not be adjusted by the Business Day Convention

- (v) Record Date: [3] Business Days [prior to] the Interest Payment Date
- (vi) Day Count Fraction: [Actual/Actual] / [Actual/Actual (ISDA)] / [Actual/365(Fixed)] / [Actual/365 (Sterling)] / [Actual/360] / [30/360] / [360/360] / [Bond Basis] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)] / [Act/365L]

## PROVISIONS RELATING TO COLLATERAL MANAGEMENT CRITERIA

### 21. Collateral Criteria Elections

- (i) Specified Rating Agency: [Fitch Ratings Limited and/or one or more of its affiliates]/[Moody's Investor Service Ltd and/or one or more of its affiliates]/[S&P Global Ratings Europe Limited and/or one or more of its affiliates]/[•]/[Not Applicable]
- (ii) Credit Rating: [Applicable]/[Not Applicable]
- (iii) [Specified Credit Rating] / [Specified Credit Range]: [Investment Grade]/[High Yield]/[Non-Rated]/[specify rating]/[specify range of ratings]/[Not Applicable]
- (iv) Sector Classification(s): [Applicable]/[Not Applicable]
- (v) Specified Sector: [Treasury]/[Sovereign]/[Supra-national]/[Government-related]/[Local Authority]/[Municipal]/[Corporate]/[Industrial]/[Utility]/[Financial institutions]/[Securitised]/[Agency]/MBS (mortgage-backed security) pass-through/[ABS (asset backed security)]/[CMBS (commercial mortgage-backed security)]/[Covered]/[Not Applicable]
- (vi) Country: [Applicable]/[Not Applicable]
- (vii) Specified Country/ies or Specified Country Grouping: [•]/[Not Applicable]
- (ix) Capital Structure: [Applicable]/[Not Applicable]
- (x) Specified Priority: [Secured]/[Senior Secured]/[Senior Unsecured]/[Subordinated]/[Guaranteed]/[Insured]/[Not Applicable]
- (xi) Specified Maturity Window: [•]

- |         |  |           |  |
|---------|--|-----------|--|
| (xii)   | Embedded Exclusion:                    | Option    | [Applicable]/[Not Applicable]  |
| (xiii)  | Specified Embedded Option(s):          | Excluded  | [Investor put]/[Investor Call]/[Merger put]/[Change of Control Put]/[Issuer call]/[Make-whole Redemption]/[Clean-up call]/[Not Applicable]   |
| (xiv)   | Initial ESG Screen:                    |           | [Applicable]/[Not Applicable]  |
| (xv)    | Specified Initial ESG Screen Criteria: |           | [Controversial weapons exclusion]/[Nuclear weapons exclusion]/[Thermal coal exclusion]/[Civilian firearms exclusion]/[Tobacco exclusion]/[Oil sands exclusion]/[UN Global Compact principles]/[Not Applicable] |
| (xvi)   | Rating Threshold                       |           | [Applicable.] / [Not Applicable]   |
| (xvii)  | Rating Percentage                      | Threshold | [●] per cent.  |
| (xviii) | Eligible Currency:                     |           | [●]  |
22. Detailed information relating to each Underlying Debt Security for a Series will be available to investors throughout the lifetime of the Notes of such Series at the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) (or such other website as may be notified to Noteholders) or on request from the Collateral Manager. It is intended that this information will include in respect of each Underlying Debt Security: issuer name; ticker; ISIN; CUSIP (where applicable); country; position amount; market value (and local market value); and currency of the security.

Signed on behalf of Diversified Notes plc:

By: .....  
Duly authorised

**PART B – OTHER INFORMATION****23. ADMISSION TO LISTING AND TRADING**

(i) Admission to Listing and Trading:

[Application has been made for the Notes to be admitted to the official list and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**").]  
[The earliest date on which the Notes will be admitted to trading on the regulated market of Euronext Dublin will be [●].] Application may be made for the Notes to be listed on additional stock exchanges and admitted to trading on additional markets from time to time. [As at the date of these Final Terms, Notes of this Series have been admitted to trading on Euronext Dublin.] *(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)*

(ii) Relevant Clearing System

[Euroclear Bank SA/NV and Clearstream Banking, société anonyme and [●]]

(iii) Estimate of total expenses related to admission to listing and trading:

[●]  
The expenses of the Issuer relating to the admission to trading of Notes of a Series on the relevant Stock Exchange(s) on which the Notes are listed will be included within the Operational Fee payable in respect of such Series.

**24. NOTIFICATION**

The Central Bank [has been requested to provide/has provided – *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [include names of competent authorities of host EU Member States or the United Kingdom] with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation.] / [Not Applicable]

**25. RATINGS**

[The Notes are not rated.] / [The Notes to be issued have been rated:

[●]

[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No. 1060/2009 / [[Insert credit rating agency/ies] [is/are] established in the European Union and has not applied for registration under Regulation (EU) No. 1060/2009, as amended.] / [[Insert credit rating agency/ies] [is/are] not established in the European Union and has not applied for registration under Regulation (EU) No.

1060/2009, as amended but the rating it has given to the Notes has been endorsed by (and for the purposes of that Regulation is/are deemed to be issued by) *[full name of legal entity]* which is an entity established in the European Union and registered under that Regulation.] / *[Insert credit rating agency/ies]* [is/are] not established in the European Union and has not applied for registration under Regulation (EU) No. 1060/2009, as amended but is certified in accordance with such Regulation.] / *[Insert credit rating agency/ies]* [is/are] not established in the European Union and is not certified under Regulation (EU) No. 1060/2009, as amended and the rating it has given to the Notes is not endorsed by a credit rating agency established in the European Union and registered under that Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 (the "**CRA Regulation**")]

**26. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

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

Save for any fees payable to the Transaction Parties and other service providers to the Issuer, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Transaction Parties and other service providers to the Issuer and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*

*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)*

**27. YIELD**

Indication of yield: [•]

*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.*

**28. OPERATIONAL INFORMATION**

ISIN: [•]



Common Code:	[•]
FISN:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
CFI Code:	[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]  <i>(If the CFI and/or FISN is not required or requested, it/they should be specified to be "Not Applicable".)</i>
Delivery:	Delivery against/free of payment
Names and addresses of additional Paying Agent(s) (if any):	[•]/[Not Applicable]
Clearing System:	[Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and [•]]
Maximum Issue Size:	The aggregate nominal amount of the Notes of the Series, of which this Tranche forms a part, which are outstanding from time to time will not exceed [•]

## 29. DISTRIBUTION

(i)	Authorised Participants:	[•]  The full list of Authorised Participants in respect of the Series from time to time will be published on the website maintained on behalf of the Issuer at <a href="http://www.blackrock.com/DIVRSE">www.blackrock.com/DIVRSE</a> (or such other website as may be notified to Noteholders).
(ii)	U.S. Selling Restrictions:	Reg. S Compliance Category 2; TEFRA not applicable
(iii)	Permitted Countries:	[•]

## GENERAL INFORMATION

### Authorisation

The creation and issue of the Notes has been authorised by a resolution of the Board of Directors of the Issuer dated 19 March 2020.

### Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.

### Documents on Display

Copies of the following documents may be inspected at the Issuer's registered office and on the website maintained on behalf of the Issuer at [www.blackrock.com/DIVRSE](http://www.blackrock.com/DIVRSE) during normal business hours for 12 months from the date of this Base Prospectus:

- (a) the constitutive documents of the Issuer; and
- (b) the Trust Deed;

In addition, this Base Prospectus and any supplement thereto will be available, in electronic format, on the website of Euronext Dublin ([www.ise.ie](http://www.ise.ie)).

### Yield

In relation to each Tranche of Notes, the indication of yield (if any) referred to in the applicable Final Terms will be calculated at the Issue Date of such Tranche on the basis of the Issue Price of such Tranche. This is not an indication of future yield.

### Post-issuance transaction information

Save where specified in this Base Prospectus or the applicable Final Terms, the Issuer does not intend to provide any post-issuance transaction information, except if required by any applicable laws and regulations.

### Rating

Notes to be issued under the Programme will not be rated.

### Listing Agent

William Fry is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the official list of Euronext Dublin or to trading on the regulated market of Euronext Dublin for the purposes of the Prospectus Regulation.

### The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 549300HCLAFWZXP34F91.

## DIRECTORY

### Issuer

Diversified Notes plc  
1<sup>st</sup> Floor  
2 Ballsbridge Park  
Ballsbridge  
Dublin 4  
D04 YW83  
Ireland

### Board of Directors of the Issuer

Kevin O'Brien (Irish)  
Lynda Carroll (Irish)  
Barry O'Dwyer (Irish)

### Arranger

BlackRock Advisors (UK) Limited  
12 Throgmorton Avenue  
London EC2N 2DL  
United Kingdom

### Trustee

State Street Bank and Trust Company  
1 Lincoln Street  
Boston MA 02111  
USA

### Administrator and Transfer Agent

State Street Bank and Trust Company  
1 Lincoln Street  
Boston MA 02111  
USA

### Custodian

State Street Custodial Services (Ireland)  
Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Registrar and Issuing Agent

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Collateral Manager

BlackRock Advisors (UK) Limited  
12 Throgmorton Avenue  
London EC2N 2DL  
United Kingdom

### Paying Agent

Citibank, N.A., London branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### Company Secretary

Sanne Corporate Administration Services  
Ireland Limited  
4th Floor  
76 Baggot Street Lower  
Dublin 2  
Ireland

### Auditors to the Issuer

Ernst & Young  
Block 1 Harcourt Centre  
Harcourt Street  
Dublin 2, D02 YA40  
Ireland

### Listing Agent

William Fry  
2 Grand Canal Square  
Dublin 2  
Ireland

### Legal Advisers to the Issuer as to English law

Clifford Chance LLP  
10 Upper Bank Street  
London E14 5JJ  
United Kingdom

### Legal Advisers to the Issuer as to Irish law

William Fry  
2 Grand Canal Square  
Dublin 2  
Ireland