

## WILLOW NO. 2 (IRELAND) PLC

*(Incorporated with limited liability in the Republic of Ireland)*

## WILLOW NO. 2 (CAYMAN) LIMITED

*(Incorporated with limited liability in the Cayman Islands)*

## WILLOW NO. 1 (LUXEMBOURG) S.A.

*(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg with registered office at 6D, route de Trèves, L-2633 Senningerberg and registered with the Luxembourg Register of Commerce and Companies under number B167397)*

### MULTI ISSUER SECURED TRANSACTION PROGRAMME

This base prospectus (this “**Base Prospectus**”) replaces and supersedes in its entirety the base prospectus dated 22 May 2015.

Under the Multi Issuer Secured Transaction Programme (the “**Programme**”) described in this Base Prospectus, Willow No. 2 (Ireland) PLC (the “**First Issuer**”), Willow No. 2 (Cayman) Limited (the “**Second Issuer**”) and Willow No. 1 (Luxembourg) S.A., acting on behalf, and for the account, of a particular Compartment (as defined in Condition 1) (the “**Third Issuer**”) and certain other companies (each, including the First Issuer, the Second Issuer and the Third Issuer, a “**Specified Company**”), subject to compliance with all relevant laws, regulations and directives, may from time to time (except in the case of a Luxembourg Issuer (as defined in Condition 1), where transactions may only be in the form of secured notes (and the entry into related swap transactions or other transactions permitted by the articles of incorporation of the Third Issuer and Luxembourg Securitisation Law, in connection with such notes)) issue, borrow under, buy, sell or enter into financial transactions not involving the guarantee by it, or its becoming obligated for, the debts of any other person or entity, but including, without limitation, secured notes (“**Notes**”), loans (“**Issuer Loans**”), swap transactions (“**Swap Transactions**”) and options (“**Options**”), and the incurring by it of indebtedness in forms other than Notes, in each case where recourse in respect of such transactions is limited to the proceeds of enforcement of the security over the assets of the relevant Specified Company on which such transactions are secured (“**Transactions**”) on the terms set out herein, and (in the case of Notes) final terms (the “**Final Terms**”) or a pricing supplement (the “**Pricing Supplement**”) or (in the case of any other Transactions) any relevant documentation entered into in connection therewith. Notes may also, and in the case of Notes comprising a Restricted Series (as defined below) will, be issued under the Programme on terms set out in a prospectus relating to the Notes that incorporates by reference the whole or any part of the Specified Company Base Prospectus (any such prospectus, a “**Series Prospectus**”).

Each of the First Issuer, the Second Issuer and the Third Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. In the case of any Specified Company other than the First Issuer, the Second Issuer and the Third Issuer, details of such Specified Company will be set out in a base prospectus relating to that Specified Company (this Base Prospectus and any other such base prospectus being a “**Specified Company Base Prospectus**”).

References herein to “**Issuer**” are references to the relevant Specified Company in respect of (and only to the extent of) the Notes created by it and in respect of the issue deed relating to such Notes (the “**Issue Deed**”) and such references specifically exclude any other Specified Company. References to a Luxembourg Issuer shall refer to such Issuer acting for and on behalf of its relevant Compartment. Each Specified Company shall only be bound by each Issue Deed entered into in respect of any Series of Notes created by it and matters relating thereto. The liability of the Specified Companies under the Notes and the Issue Deeds entered into pursuant to the Programme is several and is separate in respect of each Series of Notes. No Specified Company shall be responsible for the Notes of any other Specified Company under any Notes created by such Specified Company or any other Specified Company. Each Issue Deed shall constitute and secure the Series of Notes to which such Issue Deed relates by the creation of a trust deed (the “**Trust Deed**”) on the terms (as amended, modified and/or supplemented by such Issue Deed) set out in the master trust terms (the “**Master Trust Terms**”) as specified in such Issue Deed.

*Arranger and Dealer*

**Barclays**

The date of this Base Prospectus is 26 August 2016.

This Base Prospectus constitutes a base prospectus for the purposes of article 5.4 of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the “**Prospectus Directive**”).

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority (the “**Competent Authority**”) under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange (the “**Market**”) or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. Such approval does not extend to issues of Notes by the Third Issuer which have a denomination of less than €1,000 and which are the subject of such an application for admission to trading or such an offer to the public.

This document constitutes Base Listing Particulars (the “**Base Listing Particulars**”) where Notes are to be listed on the Official List and admitted to trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange (the “**GEM**”), and with respect to such Notes a reference to the Base Prospectus in this document shall be deemed to be a reference to the Base Listing Particulars. Where Notes are to be listed on the Official List and admitted to trading on the GEM, Notes will be issued using series listing particulars (the “**Series Listing Particulars**”) or a Pricing Supplement, as the case may be. Application has been made to the Irish Stock Exchange for the approval of this document as Base Listing Particulars.

Application has been made to the Irish Stock Exchange for Notes to be issued under the Programme to be admitted to the Official List and trading on its regulated market. Application has been made to the Irish Stock Exchange for Notes to be issued under the Programme to be admitted to the Official List and trading on the GEM. The GEM is not a regulated market for the purposes of Directive 2004/39/EC. However, unlisted Notes may be issued pursuant to the Programme and the Programme provides that Notes may be listed on such other stock exchange(s) or markets as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or, as the case may be, Series Listing Particulars. The relevant Final Terms, Pricing Supplement, Series Prospectus or, as the case may be, Series Listing Particulars, in each case, in respect of the issue of any Notes, will specify whether or not application has been made for such Notes to be listed on the Irish Stock Exchange or the Cayman Islands Stock Exchange and to be admitted to trading on the Market, the GEM or the Cayman Islands Stock Exchange.

In respect of those Specified Companies incorporated in Ireland, a copy of the relevant Specified Company Base Prospectus will be filed with the Irish Companies Registration Office within 14 days of approval as required by Section 38 of S.I. No. 324 Prospectus (Directive 2003/71/EC) Regulations 2005 (the “**Prospectus Regulations**”).

Tranches of Notes (as defined in “Overview of the Programme – Method of Issue”) to be issued under the Programme will be rated (such Notes, the “**Rated Notes**”) or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the “**CRA Regulation**”) will be disclosed in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be). Each rating will address the Issuer’s ability to perform its obligations under the terms of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by Moody’s (as defined below) and/or Standard & Poor’s (as defined below) and/or other credit rating agencies. A suspension, reduction or withdrawal of the rating(s) assigned to the Notes may adversely affect the market price of the Notes. The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the CRA Regulation as having been issued by Moody’s Investors Service Limited (“**Moody’s**”) and/or Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”) upon registration pursuant to the CRA Regulation. Moody’s and Standard & Poor’s are established in the European Union and are registered under the CRA Regulation.

Further risks relating to a Series of Notes may be specified in the Series Prospectus or Series Listing Particulars relating to such Notes, to which potential investors should also have due regard.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus. This Base Prospectus does not describe all of the risks of an investment in the Notes.

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. Any website mentioned in this document does not form part of this Base Prospectus.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”):

- (1) THE NOTES OF A RESTRICTED SERIES (AS DEFINED IN “OVERVIEW OF THE PROGRAMME” BELOW) ARE BEING AND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO PERSONS WHO ARE (I) EITHER (X) AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) IN RELIANCE ON AN EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (Y) A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND (II) A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT OR (B) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S; AND
- (2) THE NOTES OF AN UNRESTRICTED SERIES (AS DEFINED IN “OVERVIEW OF THE PROGRAMME” BELOW) MAY NOT BE OFFERED, SOLD, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSONS AT ANY TIME, AND IN THE CASE OF ANY BEARER NOTES, STRICTLY IN ACCORDANCE WITH THE C RULES OR D RULES AS SET FORTH BELOW (AS AND TO THE EXTENT APPLICABLE IN RESPECT OF AN UNRESTRICTED SERIES),

IN EACH CASE, (I) SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE TRUST DEED REFERRED TO HEREIN AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. NO REGISTRATION STATEMENT RELATING TO ANY SERIES OF NOTES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE TRANSACTIONS WILL BE OBLIGATIONS SOLELY OF THE SPECIFIED COMPANY TO WHICH SUCH TRANSACTIONS RELATE AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, ANY OTHER ENTITY. IN PARTICULAR, THE TRANSACTIONS WILL NOT BE OBLIGATIONS OF AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, THE ARRANGER OR THE DEALER AND NEITHER SUCH SPECIFIED COMPANY NOR ANY OF ITS OBLIGATIONS IS GUARANTEED IN ANY OTHER WAY BY THE ARRANGER OR THE DEALER

#### **Notice to New Hampshire Residents**

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

## Notice to Florida Residents

NOTES MAY BE OFFERED PURSUANT TO A CLAIM OF EXEMPTION UNDER SECTION 517.061 OF THE FLORIDA SECURITIES ACT AND ANY SUCH NOTES SO OFFERED WILL NOT HAVE BEEN AND WILL NOT BE REGISTERED UNDER SAID ACT IN THE STATE OF FLORIDA. ALL FLORIDA RESIDENTS WHO ARE NOT INSTITUTIONAL INVESTORS DESCRIBED IN SECTION 517.061(7) OF THE FLORIDA SECURITIES ACT HAVE THE RIGHT TO VOID THEIR PURCHASE OF ANY SUCH NOTES WITHOUT PENALTY WITHIN THREE DAYS AFTER THE FIRST TENDER OF CONSIDERATION.

## Notice to Georgia Residents

NOTES MAY BE ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE GEORGIA SECURITIES ACT OF 1973 AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT.

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Notes will be issued in Series (as defined in “Overview of the Programme” on page 28 below) and each Series will be secured by a charge on and/or assignment of and/or other security interest over or in respect of (i) any cash or investments held by the Issuer including, without limitation, the Initial Securities (as defined below), the Initial Loan(s) (as defined below), any Eligible Credit Support (as defined below), interests in funds, derivative contracts, certain eligible transferable securities or loans acquired by the Issuer or delivered or transferred under the relevant Swap (where so specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) (such securities and/or loans together with any Replacement Securities and/or Replacement Loans and any Eligible Management Assets delivered or transferred to the Issuer under the Swap, any Margin Securities (as defined below) and any Equivalent Securities delivered or transferred to the Issuer under (and as defined in) the Securities Lending Agreement (as defined below) are referred to herein as the “Assets” for so long as the same are held by or on behalf of the Issuer) that will be held by or on behalf of the Issuer, subject to the loan of any Principal Assets (as defined below) by the Issuer pursuant to the Securities Lending Agreement and/or (ii) the Issuer’s rights under one or more swap transactions (including any applicable guarantee and/or ratings appendix and/or related credit support annex, each a “Swap”) and (iii) the Issuer’s rights under any loan (a “**Securities Loan**”) of such Principal Assets pursuant to an agreement under which the Issuer may agree to lend any Principal Assets from time to time in return (if “Collateralised Loan” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) for delivery or transfer of collateral in the form of securities (the “**Margin Securities**”, and such agreement referred to herein as the “**Securities Lending Agreement**”).

In respect of each Series of Notes issued by the Issuer, the Issuer’s rights, title, benefit and interest in and under each Swap, the Assets and any related Securities Loan (if relevant) are together referred to in this Base Prospectus as “Collateral”. The Issuer will covenant in the Issue Deed not to create any security interest over or in connection with the Assets otherwise than in accordance with the Conditions.

Each Series of Notes will also be secured by a charge and/or other security interest over all sums held by the Issuing and Paying Agent and/or the Custodian and/or the Loan Service Agent (each as defined herein) to meet payments due in respect of such Series of Notes and by an assignment of the Issuer’s rights under the Agency Agreement, the Custody Agreement, the Secondary Market Agreement, the Swap, the Securities Lending Agreement and the Loan Service Agent Agreement (each as defined herein and each as relevant). All the Issuer’s assets subject to the security constituted by the Trust Deed (as defined herein) are referred to in this Base Prospectus as the “Secured Property” as regards the Series to which such Trust Deed relates. The

obligations of the Issuer under the Swap and/or any Securities Lending Agreement, as the case may be, together with the claims (if any) of any of the Agents (as defined herein) in respect of payments made on behalf of the Issuer, will also be secured by certain assets comprised in the Secured Property. Claims against the Issuer by holders of the Notes of a particular Series and, if applicable, by the Swap Counterparty, the Securities Borrower, the Trustee, the Custodian, the Loan Service Agent and any other Agent will each be limited to the Secured Property for that Series.

If the net proceeds of the enforcement of the Secured Property for a Transaction are not sufficient to make all payments then due in respect of that Transaction and, if applicable, to meet the claims of any Other Creditors (as defined herein), the Custodian and any other Agent, then such claims against the Issuer will, in aggregate, be limited to the sum of (a) the proceeds of realisation of the relevant Assets and (b) the other Secured Property relating to such Transaction. The other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any further payment in excess of such net proceeds and no debt shall be owed by the Issuer or any of its officers or directors in respect of such shortfall. None of the Trustee, any Noteholder, any Creditor, the Custodian, the Issuing and Paying Agent, the Loan Service Agent, the Registrar, the Transfer Agent, the Dealer, the Arranger, the Calculation Agent, the Realisation Agent nor any other person may take any further action to recover any such shortfall. In particular, no such person shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency proceedings in relation to the Issuer or any of its officers.

The failure of a Specified Company to perform its obligations under any Notes or the relevant Issue Deed shall not release any other Specified Company from its obligations under any other Note or Issue Deed. No security created by a Specified Company shall benefit investors in the Notes issued by (or any other creditors of) any other Specified Company or the investors in any other Notes issued by such first-mentioned Specified Company. No payments owed by or to a Specified Company may be netted against payments owed by or to any other Specified Company. The rights of each Specified Company under each of the Master Documents are also several.

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, each Issuer may, from time to time, issue further Notes on the same terms as existing Notes and such further Notes shall be consolidated and form a single Series with such existing Notes, provided that unless otherwise approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, such Issuer provides additional assets as security for such further Notes in accordance with Condition 16 (*Further Issues*). Transactions other than Notes will be secured in the manner described in the documentation relating thereto but, in each case, recourse against the relevant Issuer in respect of such Transactions will be limited to the assets of such Issuer that form the security for such Transactions.

Each Unrestricted Series of Notes (as defined in “Overview of the Programme” on page 29 below) in bearer form will be initially represented on issue by a temporary global note in bearer form (each, a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**” and, together with the temporary Global Note, the “**Global Notes**”). Notes in registered form will be represented by registered certificates (each, a “**Certificate**”), and subject to the Conditions of the Notes, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. If the Global Notes are stated in the relevant Final Terms, Pricing Supplement, Series Prospectus or, as the case may be, Series Listing Particulars to be issued in new global note (“**NGN**”) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”). Global Notes that are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Certificates, will each be deposited on the Issue Date with a common depositary on behalf of Euroclear and

Clearstream Luxembourg or such other clearing system as is approved by the Trustee. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”.

The Notes of a Restricted Series (as defined in “Overview Of The Programme” on page 29 below) may be issued only in the form of (i) Global Certificates, without interest coupons, which will be deposited with a custodian for, and registered in the name Cede & Co. as nominee of The Depository Trust Company (“DTC”) (“**Restricted Global Certificates**”) and/or (ii) individual definitive physical Registered Notes (“**Restricted Certificates**”), and, at the sole option of the Issuer, (iii) Global Certificates, registered in the name of, and which will be deposited on its issue date with a common depository on behalf of, a common depository for Euroclear and Clearstream, Luxembourg (“**Unrestricted Global Certificates**”). The minimum Specified Denomination for any Note of any Restricted Series will be at least U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any Specified Denomination that is less than U.S.\$100,000; provided, however, that a single Unrestricted Global Certificate may be issued with a minimum Specified Denomination of U.S.\$0 as part of the initial issuance of each Restricted Series.

Interests in Restricted Global Certificates, Restricted Certificates and Unrestricted Global Certificates will be subject to certain restrictions on transfer and exchange, and the provisions governing the exchange and transfer of such interests are described in “Transfer Restriction — Restricted Series” and “Clearing and Settlement — Restricted Series”. Notes of a Restricted Series sold or transferred to a person that is not a U.S. person within the meaning of Regulation S in an “offshore transaction” within the meaning of Regulation S will initially be evidenced by Unrestricted Global Certificates. Notes of a Restricted Series sold or transferred to a U.S. person that is an “accredited investor” (“**AI**”) as defined in Rule 501(a) under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act which is also a “qualified purchaser” (as defined in Section 2(a)(51) of the Investment Company Act) (a “**QP**”) (such persons are hereinafter referred to as “**AI/QPs**”) will be evidenced by Restricted Certificates. Notes of a Restricted Series sold or transferred to a U.S. person that is a “Qualified Institutional Buyer” (as defined in Rule 144A) (“**QIB**”) in reliance on an exemption from the registration requirements of the Securities Act which is also a “QP” (such persons are hereinafter referred to as “**QIB/QPs**”) will be evidenced by Restricted Global Certificates. Beneficial interests in Restricted Global Certificates and Unrestricted Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Clearstream, Luxembourg and Euroclear and their participants, as applicable, respectively. Restricted Certificates will not be eligible for trading on the facilities of DTC, Euroclear or Clearstream, Luxembourg. See “Clearing and Settlement — Restricted Series”.

The issue price and the amount of the relevant Notes to be issued will be determined at the time of the issue based on then prevailing market conditions.

**THE SECURED PROPERTY IN RELATION TO EACH TRANSACTION WILL NOT, UNLESS OTHERWISE SPECIFIED IN THE FINAL TERMS, PRICING SUPPLEMENT, SERIES PROSPECTUS OR, AS THE CASE MAY BE, SERIES LISTING PARTICULARS, RELATING TO A PARTICULAR TRANSACTION, BE OBLIGATIONS OF OR GUARANTEED BY THE ARRANGER OR THE DEALER. IN NO CIRCUMSTANCES WILL THE ARRANGER OR THE DEALER MAKE GOOD LOSSES SUFFERED IN RELATION TO THE SECURED PROPERTY.**

Each Specified Company Base Prospectus should be read and construed in conjunction with the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and all other documents that are deemed to be incorporated by reference in the relevant Specified Company Base Prospectus and/or in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. The relevant Specified Company Base Prospectus and the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars shall, save as specified herein and therein, be read and construed on the basis that

such documents are so incorporated by reference and form part of the relevant Specified Company Base Prospectus and the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

Each Specified Company accepts responsibility for the information contained in any Specified Company Base Prospectus relating both to the Programme and to it, save to the extent otherwise specified in such Specified Company Base Prospectus. To the best of the knowledge and belief of such Specified Company, having taken all reasonable care to ensure that such is the case, the information contained in any Specified Company Base Prospectus relating both to the Programme and to such Specified Company is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of Willow No. 2 (Ireland) PLC, Willow No. 2 (Cayman) Limited and Willow No. 1 (Luxembourg) S.A. accepts responsibility for the information contained in this Base Prospectus relating both to the Programme and to it. To the best of the knowledge and belief of Willow No. 2 (Ireland) PLC, Willow No. 2 (Cayman) Limited and Willow No. 1 (Luxembourg) S.A., having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus relating both to the Programme and to it is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of Willow No. 2 (Ireland) PLC, Willow No. 2 (Cayman) Limited and Willow No. 1 (Luxembourg) S.A. consents to the use of this Base Prospectus within the European Union in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom, and also accept responsibility for the content of the Base Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which is given consent to use the Base Prospectus. This consent is valid for 12 months from the date of publication of the Base Prospectus. The following financial intermediary is allowed to use the Prospectus with respect to a Series of Notes: Barclays Bank PLC.

**Investors should be aware that information on the terms and conditions of the offer by any financial intermediary shall be provided at the time of the offer by the financial intermediary.**

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus, each other Specified Company Base Prospectus and the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars in connection with the issue or sale of Notes or entering into of other Transactions and, if given or made, such information or representation must not be relied upon as having been authorised by any Specified Company or the Dealer or the Arranger. Neither the delivery of this Base Prospectus nor any other Specified Company Base Prospectus or any Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars 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 relevant Specified Company since the date hereof or thereof or the date upon which this Base Prospectus or relevant other Specified Company Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the relevant Specified Company since the date hereof or thereof or the date upon which this Base Prospectus or relevant other Specified Company Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and any other Specified Company Base Prospectus or Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and the entering into Transactions and the offering or sale of the Notes in certain jurisdictions, may be restricted by law. Persons into whose possession this Base Prospectus or any other Specified Company Base Prospectus comes are required by the First Issuer, the Second Issuer and the Third Issuer (in relation to this Base Prospectus) or the Specified Company to which such Specified Company Base Prospectus relates, the Dealer and the Arranger to inform themselves

about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act or any states securities laws, and no Specified Company is, nor will be, registered under the Investment Company Act. Notes of Unrestricted Series in bearer form are subject to U.S. tax law requirements and any offer, sale or delivery of the same must comply with those requirements. Additionally, Notes of Unrestricted Series may not be offered, sold, delivered or otherwise transferred within the United States or to, or for the account or benefit of, any U.S. persons at any time, and, in the case of any Bearer Notes, strictly in accordance with the C Rules or D Rules as set forth below (as and to the extent applicable in respect of an Unrestricted Series). Notes of Restricted Series are being and may be offered, sold and pledged only as described in the sections entitled “Information as to Placement within the United States” and “Subscription and Sale”, and will be subject to certain restrictions on transfer and exchange as described in the section entitled “Transfer Restriction — Restricted Series”.

Neither this Base Prospectus nor any other Specified Company Base Prospectus, any Final Terms, Pricing Supplement, Series Prospectus and/or Series Listing Particulars constitutes an offer of, or an invitation by or on behalf of, any Specified Company or the Dealer or the Arranger to subscribe for, or purchase, or enter into, any Transactions.

To the fullest extent permitted by law, neither the Arranger nor the Dealer accepts any responsibility for the contents of this Base Prospectus or of any Specified Company Base Prospectus for any other statement, made or purported to be made by the Arranger or the Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger and the Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

**PURCHASERS OF NOTES AND COUNTERPARTIES TO TRANSACTIONS SHOULD CONDUCT SUCH INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE ISSUER, THE SECURITY ARRANGEMENTS AND THE TRANSACTIONS AS THEY DEEM APPROPRIATE TO EVALUATE THE MERITS AND RISKS OF AN INVESTMENT IN THE TRANSACTIONS. PURCHASERS OF NOTES AND COUNTERPARTIES TO TRANSACTIONS SHOULD HAVE SUFFICIENT KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS, AND ACCESS TO, AND KNOWLEDGE OF, APPROPRIATE ANALYTICAL RESOURCES, TO EVALUATE THE INFORMATION CONTAINED IN THIS BASE PROSPECTUS, ANY OTHER RELEVANT SPECIFIED COMPANY BASE PROSPECTUS AND THE RELEVANT FINAL TERMS, PRICING SUPPLEMENT, SERIES PROSPECTUS OR SERIES LISTING PARTICULARS (IF ANY), AND THE MERITS AND RISKS OF INVESTING IN THE TRANSACTIONS IN THE CONTEXT OF THEIR FINANCIAL POSITION AND CIRCUMSTANCES. THE RISK FACTORS IDENTIFIED IN THIS BASE PROSPECTUS ARE PROVIDED AS GENERAL INFORMATION ONLY AND THE DEALER AND THE ARRANGER DISCLAIM ANY RESPONSIBILITY TO ADVISE PURCHASERS OF NOTES OR COUNTERPARTIES TO OTHER TRANSACTIONS OF THE RISKS AND INVESTMENT CONSIDERATIONS ASSOCIATED THEREWITH AS THEY MAY EXIST AT THE DATE HEREOF OR AS THEY MAY FROM TIME TO TIME ALTER.**

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “U.S.\$” and “U.S. dollars” are to United States dollars, references to “Euro”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, and references to “£” and “Sterling” are to the lawful currency of the United Kingdom.

The First Issuer is not regulated by the Central Bank. Neither the Notes nor the Transactions will have the status of a bank deposit under Irish law and are not within the scope of the Deposit Protection Scheme operated by the Central Bank. If the First Issuer (or any other Specified Company incorporated in Ireland) wishes to issue Notes with a maturity of less than one year, it shall ensure that it is in full compliance with the



notice BSD C 01/02 issued by the Central Bank of exemptions granted under section 8(2) of the Central Bank Act, 1971 (the “**Central Bank Act**”), as amended. Any individual intending to invest in any investment described in this document should consult his professional adviser and ensure that he fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

The Third Issuer is a regulated securitisation company for the purposes of the Luxembourg law of 22 March 2004 on securitisation, as amended. It is regulated and supervised by the Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”).

## GENERAL NOTICE

EACH PURCHASER OF NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS BASE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE ARRANGER OR THE DEALER SPECIFIED HEREIN (INCLUDING THE DIRECTORS, OFFICERS OR EMPLOYEES THEREOF) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE NOTES AND INTERESTS THEREIN ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE NOTES FOR AN INDEFINITE PERIOD OF TIME.

UNLESS OTHERWISE SPECIFIED IN THE RELEVANT FINAL TERMS, PRICING SUPPLEMENT, SERIES PROSPECTUS OR SERIES LISTING PARTICULARS, BY ITS ACQUISITION OF NOTES, EACH HOLDER WILL HAVE, OR WILL BE DEEMED TO HAVE, REPRESENTED, WARRANTED AND COVENANTED THAT IT IS NOT (AND FOR SO LONG AS IT HOLDS THE NOTES OR AN INTEREST THEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY NOTE OR AN INTEREST THEREIN WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“**ERISA**”), (II) A PLAN WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “**CODE**”), (III) AN ENTITY THAT IS DEEMED TO HOLD THE ASSETS OF ANY SUCH PLAN, WHICH PLAN OR ENTITY IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED “RISK FACTORS” IN THIS BASE PROSPECTUS AND TO THE ADDITIONAL RISK FACTORS DESCRIBED IN THE RELEVANT SERIES PROSPECTUS OR SERIES LISTING PARTICULARS (AS APPLICABLE).

## INFORMATION AS TO PLACEMENT WITHIN THE UNITED STATES

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT. THE NOTES OF A RESTRICTED SERIES (AS DEFINED BELOW) ARE BEING AND MAY BE OFFERED, SOLD PLEDGED AND OTHERWISE TRANSFERRED ONLY (A) TO PERSONS WHO ARE (I) EITHER (X) AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a) UNDER THE SECURITIES ACT) IN RELIANCE ON AN

EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (Y) REASONABLY BELIEVED TO BE A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND (II) A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT OR (B) NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE (I) SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS SPECIFIED IN THE TRUST DEED REFERRED TO BELOW AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. THE NOTES AND INTERESTS THEREIN WILL BE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER. PROSPECTIVE PURCHASERS AND TRANSFEREES ARE HEREBY NOTIFIED THAT SELLERS OF NOTES OF A RESTRICTED SERIES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A OR SECTION 4(2) AND REGULATION D THEREUNDER. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF NOTES COMPRISING RESTRICTED SERIES AND NOTES COMPRISING UNRESTRICTED SERIES, AND DISTRIBUTION OF THIS BASE PROSPECTUS, SEE THE SECTIONS OF THIS BASE PROSPECTUS ENTITLED “SUBSCRIPTION AND SALE”, “TRANSFER RESTRICTIONS — RESTRICTED SERIES” AND “TRANSFER RESTRICTIONS — UNRESTRICTED SERIES”. EACH SUBSEQUENT PURCHASER AND TRANSFEREE OF NOTES WILL MAKE, OR WILL BE DEEMED TO HAVE MADE, CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET OUT UNDER THE SECTION OF THIS BASE PROSPECTUS ENTITLED “TRANSFER RESTRICTIONS — RESTRICTED SERIES” AND “TRANSFER RESTRICTIONS — UNRESTRICTED SERIES”.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY U.S. FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF THE NOTES PURSUANT TO THE PROGRAMME OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

### **Available Information**

To permit compliance with Rule 144A in connection with the sale of any Restricted Series, the Issuer will, pursuant to the Trust Deed, be required for so long as any Note is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, and during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant thereunder, to provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case, upon request by such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, 144A(d)(4) under the Securities Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Issuing and Paying Agent in London.

## NOTICE TO INVESTORS FROM BARCLAYS BANK PLC

Neither Barclays Bank PLC nor any of its affiliates is under any legal or regulatory obligation to purchase any Assets or support any losses suffered by any Specified Company or the purchasers of any Notes or parties to any other Transactions or to repurchase or make a market in any Notes or any other Transactions. Neither Barclays Bank PLC nor its affiliates guarantees or stands behind any Specified Company, the obligations of any Specified Company under any Notes or any obligations of any Specified Company under any other Transaction, and will not make good and is under no obligation to make good any losses under any Assets, any Notes, any Swap, any Securities Loan or any other agreements that any Issuer might enter into with any third parties. Each Specified Company and each person into whose possession this document comes will be deemed to have acknowledged and agreed to the foregoing.

Given the current economic climate, the complexity of the products offered or to be offered hereunder, and in any relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as well as the possibility of investors incurring significant or complete loss of invested funds, investors' attention is specifically directed to the section hereof entitled "Risk Factors" as supplemented by any additional "Risk Factors" in any relevant Series Prospectus or Series Listing Particulars and investors should be fully aware that they may be required to hold Notes until maturity since no assurances can be given that a liquid market (or any market at all) will exist in respect of the Notes.

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# SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and the Issuers. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary due to the type of securities and the relevant Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “Not Applicable”.

In particular Elements in italics denote placeholders for completing the issue specific summary relating to a Series of Notes for which such issue specific summary is to be prepared.

Words and expressions defined in the sections entitled “Terms and Conditions of the Notes” or elsewhere in this Base Prospectus have the same meanings in this summary.

Section A – Introduction and Warnings		
A.1	Introduction	<p>This summary should be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on consideration of this Base Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes.</p>
A.2	Consent	<p>The Issuers consent to the use of this Base Prospectus within the European Union in Austria, Belgium, Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Sweden and the United Kingdom, and also accept responsibility for the content of the Base Prospectus with respect to the subsequent resale or final placement of securities by any financial intermediary which is given consent to use the Base Prospectus. This consent is valid for 12 months from the date of publication of the Base Prospectus. The following financial intermediary is allowed to use the Prospectus with respect to a Series of Notes: Barclays Bank PLC.</p> <p><b>Investors should be aware that information on the terms and conditions of the offer by any financial intermediary shall be provided at the time of the offer by the financial intermediary.</b></p> <p><i>[The Issuer consents to the use of this Base Propsectus in connection with a Series of Notes by [●] on the following basis: [(a)] [the offer must occur during the period from and including [●] to but excluding [●],] [(b)] in [●] [and [●]] [and [(c)] subject to the following conditions: [●].]]</i></p>

## Section B – Issuers

B.1	Legal names of the Issuers	<p>Notes may be issued under the Programme described in this Base Prospectus by:</p> <ul style="list-style-type: none"> <li>Willow No. 2 (Ireland) PLC (the “<b>First Issuer</b>”);</li> <li>Willow No. 2 (Cayman) Limited (the “<b>Second Issuer</b>”); and</li> <li>Willow No. 1 (Luxembourg) S.A., acting on behalf, and for the account, of a particular Compartment (the “<b>Third Issuer</b>”),</li> </ul> <p>each an “<b>Issuer</b>” and together the “<b>Issuers</b>”. References to the Third Issuer shall refer to the Third Issuer acting for and on behalf of its relevant Compartment.</p>
B.2	Domicile and legal form of the Issuer	<p>The First Issuer is a public limited company registered and incorporated under the Irish Companies Act 2014 in Dublin, Ireland on 17 July 2007, with registration number 443314.</p> <p>The Second Issuer is an exempted company incorporated in the Cayman Islands with limited liability, and was incorporated under the Companies Law (2013 Revision) (as amended) of the Cayman Islands on 20 September 2010, with company registration number 245628.</p> <p>The Third Issuer is a Luxembourg public limited liability company (<i>société anonyme</i>), incorporated under the laws of the Grand Duchy of Luxembourg and existing as a securitisation company (<i>société de titrisation</i>). It is registered with the Luxembourg Register of Commerce and Companies under number B167397.</p>
B.16	Controlling persons	<p>Not Applicable. None of the First Issuer, the Second Issuer and the Third Issuer is directly or indirectly owned or controlled by any single person or group of persons acting together.</p> <p>None of the First Issuer, the Second Issuer and the Third Issuer is a subsidiary of, and their management and general operations are not controlled by, Barclays Bank PLC.</p>
B.17	Ratings assigned to the Issuer or its debt securities	<p>The Programme is not rated but it is anticipated that certain Series and/or Tranches of Notes issued under the Programme may be rated by Moody’s and/or Standard &amp; Poor’s and/or other credit rating agencies. Where a Series and/or Tranche of Notes is rated, such rating will be specified in the Final Terms relating to such Series and/or Tranche of Notes.</p> <p><i>[This Series of Notes are expected to be rated [●] by [●].]/[This Series of Notes is not rated.]</i></p>
B.20	Special purpose vehicle	<p>Each of the First Issuer, the Second Issuer and the Third Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.</p>
B.21	The Issuer’s principal activities and parties to the Programme	<p>The principal objects of:</p> <ul style="list-style-type: none"> <li>the First Issuer include, <i>inter alia</i>, the management of financial assets, the purchase, transfer of, investment in and acquisition by any means, of loans, bonds or other obligations, including the extension of credit and any security therefor and the raising and borrowing of money and the granting of security over its assets for such purposes;</li> <li>the Second Issuer are set out in Clause 3 of its Memorandum of Association and are unrestricted; and</li> <li>the Third Issuer are the entering into and the performance of any transactions permitted under the Luxembourg Securitisation Law.</li> </ul>

		<p>Each Issuer has covenanted under the Master Trust Terms not, without the prior consent of the Trustee and any Other Creditor, to engage in any business other than acquiring and holding Secured Property, managing financial assets comprising of Secured Property, entering into Transactions, including the issue of further notes and performing financial transactions, acquiring, benefitting from or entering into any Secured Agreements and entering into related agreements and transactions and performing any act incidental thereto.</p> <p>The Arranger and Dealer is Barclays Bank PLC. The Issuer may from time to time terminate the appointment of any arranger or dealer under the Programme or appoint additional arrangers and/or dealers either in respect of one or more Tranches of Notes or in respect of the whole Programme.</p> <p>The Trustee for Noteholders of a Series of Notes issued by an Issuer is HSBC Corporate Trustee Company (UK) Limited. The Noteholders may remove any Trustee by Extraordinary Resolution (as defined in the Trust Deed).</p> <p>In respect of a Series of Notes:</p> <ul style="list-style-type: none"> <li>the Issuing and Paying Agent is HSBC Bank plc; and</li> <li>the Realisation Agent and Calculation Agent is Barclays Bank PLC,</li> </ul> <p>and if so specified in the relevant Final Terms:</p> <ul style="list-style-type: none"> <li>the Transfer Agent is HSBC Bank plc;</li> <li>the Registrar is HSBC Bank plc; and <ul style="list-style-type: none"> <li>the Custodian is (other than in the case of a Luxembourg Issuer) HSBC Bank plc or (in the case of a Luxembourg Issuer) HSBC Bank plc, Luxembourg Branch,</li> </ul> </li> </ul> <p>and the Issuer may appoint HSBC Bank plc as the Loan Service Agent.</p> <p><i>[The additional [Arranger][Dealer][s] for this Series of Notes [is][are] [●].]/[There are no additional [Arranger][Dealer][s] for this Series of Notes.]</i></p>															
B.22	Operations and financial statements	<p>The First Issuer has commenced operations and financial statements are available.</p> <p>The Second Issuer has commenced operations and no financial statements have been prepared.</p> <p>Since its date of incorporation, the Third Issuer has not commenced operations but financial statements are available.</p>															
B.23	Selected historical key financial information	<p>The summary information below is extracted from the First Issuer's statement of financial position:</p> <table> <thead> <tr> <th></th><th>As at 31 December 2015 (Audited) €</th><th>As at 31 December 2014 (Audited) €</th></tr> </thead> <tbody> <tr> <td><b>Current assets</b></td><td></td><td></td></tr> <tr> <td>Cash and cash equivalents</td><td>66,755,640</td><td>40,130,341</td></tr> <tr> <td>Interest and fees receivable</td><td>5,264,314</td><td>4,521,832</td></tr> <tr> <td>Investment securities – maturing in less than one year</td><td>-</td><td>-</td></tr> </tbody> </table>		As at 31 December 2015 (Audited) €	As at 31 December 2014 (Audited) €	<b>Current assets</b>			Cash and cash equivalents	66,755,640	40,130,341	Interest and fees receivable	5,264,314	4,521,832	Investment securities – maturing in less than one year	-	-
	As at 31 December 2015 (Audited) €	As at 31 December 2014 (Audited) €															
<b>Current assets</b>																	
Cash and cash equivalents	66,755,640	40,130,341															
Interest and fees receivable	5,264,314	4,521,832															
Investment securities – maturing in less than one year	-	-															

Loans and receivables – maturing in less than one year	-	-
	-	-
Corporation tax refund receivable	72,019,954	44,652,173
<b>Non-current assets</b>		
Investment securities – designated at fair value through profit or loss	2,848,770,998	2,975,017,869
Loans and receivables	159,590,220	137,200,000
Derivative financial instruments – held for trading	69,435,632	58,963,607
	3,070,796,850	3,171,181,476
<b>Total assets</b>	3,142,816,804	3,215,833,649
<b>Current liabilities</b>		
Debt securities issued – designated at fair value through profit and loss – maturing in less than one year	-	-
Debt securities issued – designated at amortised cost –maturing in less than one year		
Interest payable and accrued expenses	5,367,559	(8,220,153)
Other payables	66,599,833	(36,379,833)
	71,967,392	(44,599,986)
<b>Non-current liabilities</b>		
Debt securities issued – designated at fair value through profit or loss	2,904,264,682	(3,022,473,905)
Debt securities issued – designated at amortised cost	152,590,220	(137,200,000)
Derivative financial instruments – held for trading	13,941,948	(11,507,571)
	3,070,796,850	(3,171,181,476)
<b>Total liabilities</b>	3,142,764,242	(3,215,781,462)
<b>Net assets</b>	52,562	52,187
<b>Equity</b>		
Share capital	40,000	40,000
Retained earnings	12,562	12,187
<b>Total equity</b>	52,562	52,187
Not Applicable in relation to the Second Issuer.		
The summary information below is extracted from the Third Issuer’s statement of financial position:		
	As at 31 December 2015 (Audited) €	As at 31 December 2014 (Audited) €
<b>Current assets</b>		



		<p>Debtors becoming due and payable within one year 7,909 32,109</p> <p>Cash at bank, cash in postal cheque accounts, cheques and cash in hand 30,769 16,686</p> <p><b>Total assets</b> 38,678 48,795</p> <p><b>Liabilities</b></p> <p>Capital and Reserves</p> <p>Subscribed capital 31,000 31,000</p> <p>Loss brought forward -148 -71</p> <p>Profit/(Loss) for the financial year -213 -77</p> <p>Provisions 7,400 6,400</p> <p>Non-subordinated debt becoming due and payable within one year 640 11,543</p> <p><b>Total liabilities</b> 38,678 48,795</p>
<b>B.24</b>	<b>Material adverse change in the prospects of the Issuer</b>	Not Applicable. There has been no material adverse change in the financial position or prospect of the First Issuer since the date of its latest audited accounts, dated 31 December 2015, or the Third Issuer, since the date of its latest audited accounts dated 31 December 2015, and in the case of the Second Issuer, since its incorporation.
<b>B.25</b>	<b>Description of the underlying assets</b>	<p>The net proceeds from the issue of the Notes will be used by the Issuer to fund the Swap including if applicable the purchase thereunder of the Initial Securities (if any) and/or the Initial Loans (if any) comprising part of the Secured Property in respect of the Notes.</p> <p>The Notes of each Series issued by way of Final Terms will be secured by, among other things, a charge over and/or assignment by way of security of and/or other security interest over or in respect of the Assets and the Agency Agreement, the Custody Agreement, the Loan Service Agent Agreement, the Swap and the Secondary Market Agreement to the extent they relate to the relevant Series or Assets and all sums held from time to time by the Custodian and/or the Issuing and Paying Agent and/or the Loan Service Agent insofar as such sums relate to that Series.</p> <p>The Secured Property for each Series of Notes is selected with the aim of ensuring that the Issuer has sufficient resources to meet its obligations in respect of that Series of Notes.</p> <p>The Secured Property will not consist of real property, therefore no valuation report relating to real property is included, nor any description of the valuation of such real property.</p> <p><i>[The Secured Property for the Series of Notes consists of [ ].]</i></p>
<b>B.26</b>	<b>Actively managed pool of assets</b>	Not Applicable. The Secured Property in respect of a Series of Notes will be identified and disclosed at the time of issue of the Series of Notes and will not consist, in whole or in part, of an actively managed pool of assets.
<b>B.27</b>	<b>Further securities backed by the same assets</b>	<p>The Issuer may, from time to time, issue further notes on the same terms as certain existing Series of Notes and such further notes shall be consolidated and form part of such Series along with such existing Notes, provided that the Issuer provides additional assets as security for such further notes.</p> <p><i>[This issue of notes is further to existing Series [•].]/[This section is not applicable.]</i></p>

B.28	Description of the structure of the transaction	<p><b>Constitution of Notes</b></p> <p>Each Series of Notes will be constituted and secured by an Issue Deed by the creation of the Trust Deed on the terms (as amended, modified and/or supplemented by such Issue Deed) set out in the Master Trust Terms.</p> <p><b>Swap</b></p> <p>In connection with a Series of Notes issued by way of Final Terms, the Issuer may enter into a Swap either with or without a Credit Support Annex (which provides credit support for either or both parties to the Swap) with Barclays Bank PLC as Swap Counterparty and the Issuer may purchase securities or loans, as the case may be.</p> <p>The terms of any Swap will be set out in the Master Swap Terms and, if applicable, Master Credit Support Annex Terms, as amended pursuant to the relevant Issue Deed. The relevant Swap may provide that the Issuer shall pay to the Swap Counterparty periodic amounts equal to the amounts of interest and principal that are due and payable to the Issuer in respect of the relevant securities or loans, as the case may be, and, in exchange, the Swap Counterparty will pay to the Issuer periodic amounts equal to any scheduled interest and principal payable to the Noteholders in respect of the related Series of Notes. The Swap may also contain provisions allowing the Swap Counterparty to replace the securities or loans then held by the Issuer or, if the value of such securities or loans exceeds or falls below certain specified thresholds, to require the transfer to or from the Swap Counterparty of some or all of such securities or loans.</p> <p><b>Security</b></p> <p>Each Series of Notes issued by way of Final Terms will be secured by:</p> <ul style="list-style-type: none"> <li>• a charge and/or security interest and/or other security interest over (i) any cash or investments held by the Issuer and (ii) the Issuer's rights under one or more swap transactions (including any applicable guarantee and/or ratings appendix and/or related credit support annex);</li> <li>• a charge and/or other security interest over all sums held by the Issuing and Paying Agent and/or the Custodian and/or the Loan Service Agent and/or the Realisation Agent to meet payments due in respect of such Series of Notes; and</li> <li>• an assignment of the Issuer's rights under the Agency Agreement, the Custody Agreement, the Secondary Market Agreement, the Swap and the Loan Service Agent Agreement (each as relevant).</li> </ul> <p><i>[Describe structure of the transaction.]</i></p>
B.29	Flow of funds including information on Swap Counterparty	<p>Save where the Notes are specified to be "Pass-through Notes" in the relevant Final Terms (in respect of which payments to Noteholders will be a pro rata distribution of the amounts received in respect of the underlying securities or underlying loans, unless otherwise specified), the Issuer will finance its payments to Noteholders by exchanging certain of or all the amounts it receives from the Assets via the Custodian for an income stream from the Swap Counterparty that matches the amounts to be paid under the Series of Notes. If a Credit Support Annex is to be entered into in respect of a Series of Notes, the Issuer and/or the Swap Counterparty will be required to provide credit support to the other party for their obligations under the Swap.</p> <p>The Swap Counterparty is Barclays Bank PLC.</p> <p>The Swap Counterparty is a public limited company registered in England and Wales</p>

		<p>under number 1026167. The liability of the members of the Swap Counterparty is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0) 7116 1000). The Swap Counterparty was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and, on 4 October 1971, was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Swap Counterparty was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.</p> <p>The Swap Counterparty and its subsidiary undertakings is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the United States, Africa and Asia. The whole of the issued ordinary share capital of the Swap Counterparty is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group. The Swap Counterparty has securities listed on the London Stock Exchange.</p>
B.30	<b>Name and description of the originators of the securitised assets</b>	In respect of each Series of Notes issued by way of Final Terms, the originator of the assets is Barclays Bank PLC. See B.29 for a description of Barclays Bank PLC.

Section C - Securities		
C.1	<b>Description of type and class of Notes</b>	<p><b>Issuance in Series</b></p> <p>The Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest) to the other Notes of such Series, the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates.</p> <p>Each Series will be a Restricted Series or an Unrestricted Series, as specified in the relevant Final Terms for Unrestricted Series, or the relevant Series Prospectus for Restricted Series. Notes of a Restricted Series will be issued only pursuant to a Series Prospectus. For the avoidance of doubt, a Series is either a Restricted Series or an Unrestricted Series. A Series cannot be both or neither.</p> <p><b>Form of Notes</b></p> <p>The Notes of an Unrestricted Series may be issued in bearer form or in registered form and the Notes of a Restricted Series will be issued in registered form only. Each Series of Bearer Notes or Tranche thereof will be represented on issue by a temporary Global Note or a permanent Global Note which will be deposited on issue with a common depositary on behalf of the relevant Clearing Systems. Definitive Notes may be issued in certain limited circumstances. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Global Certificates may be issued, representing Registered Notes that are registered in the name of a nominee for one or more clearing systems.</p> <p><i>[The Notes are issued in [bearer][registered] form.]</i></p>

		<p>[ISIN Code: [●]]</p> <p>[Common Code: [●]]</p>
C.2	<b>Currency of the Notes issue</b>	<p>Subject to compliance with all relevant laws, regulations and directives, the Notes will be issued in EUR and/or such other currency or currencies as may be determined at the time of issuance.</p> <p><i>The currency of the Notes is [ ].</i></p>
C.5	<b>Free transferability</b>	<p>The Notes and interests therein will be subject to certain restrictions on transfer, including on the offer, sale and transfer of the Notes into, amongst other jurisdictions, the United States, the United Kingdom, the Cayman Islands and Japan.</p> <p>These restrictions on the free transferability of the Notes are mainly targeting offerings to the public in the specific jurisdiction unless certain exceptions apply.</p>
C.8	<b>Rights attaching to the Notes, including ranking and limitations to those rights</b>	<p><b>Status and Limited Recourse</b></p> <p>The Notes of each Series will be secured, limited recourse obligations of the Issuer that rank equally among themselves and will have the benefit of security over the Secured Property. In respect of any Series of Notes, claims against the Issuer by holders of such Series, the Swap Counterparty, the Trustee, the Custodian and any other Agent will rank in accordance with the order of priorities as summarised below and will be limited to the related Secured Property for such Series.</p> <p>If the net proceeds of the enforcement of the Secured Property for the relevant Series of Notes are not sufficient to make all payments then due in respect of such Series of Notes and to meet the claims of the Trustee, Other Creditors, the Custodian and any other Agent, then such claims against the Issuer, and in the case of a Luxembourg Issuer, against its relevant Compartment, will, in aggregate, be limited to the sum of the proceeds of realisation of (a) the relevant Assets and (b) the other Secured Property relating to such Series. The other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any further payment in excess of such net proceeds and no debt shall be owed by the Issuer or any of its officers or directors in respect of such shortfall. None of the Trustee, any Noteholder, any Creditor, the Custodian, the Issuing and Paying Agent, the Dealer, the Arranger, the Calculation Agent nor any other person may take any further action to recover any such shortfall.</p> <p>Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders, the Custodian, the Issuing and Paying Agent and the Other Creditors. None of the Noteholders, the Custodian, the Issuing and Paying Agent or the Other Creditors is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so.</p> <p>In addition, none of the Noteholders, the Trustee, the Custodian, the Issuing and Paying Agent, the other Agents or the Other Creditors (nor any other person acting on behalf of any of them) will be entitled to institute against the Issuer, or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court-based or otherwise) or for the appointment of an examiner or analogous person in relation to the Issuer, and in the case of a Luxembourg Issuer, in relation to its relevant Compartment or the Luxembourg Issuer itself, and none of them shall have any claim in respect of any sum arising in respect of any assets secured for the benefit of any other obligations of the Issuer.</p> <p><b>Order of Priorities</b></p> <p>The order for the application of all such moneys (i) received by the Trustee (or any</p>

	<p>receiver appointed by it) in connection with the realisation or enforcement of the Security Interests relating to the relevant Series or (ii) received or directed for payment by the Realisation Agent in connection with the Liquidation of Assets relating to the relevant Series will be applied in each case:</p> <p>For Series of Notes that are Rated Notes (unless otherwise specified in the relevant Issue Deed), as follows:</p> <ul style="list-style-type: none"> <li>• first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any security and the Trustee's remuneration) and in carrying out its obligations under the Trust Deed;</li> <li>• secondly, in meeting any Issuing and Paying Agent Claim, Custodian Claim and Loan Service Agent Claim, and the claims of all other Secured Agents, Pari passu Ranking;</li> <li>• thirdly, except where an Event of Default has occurred under the Swap in respect of which the Swap Counterparty is the Defaulting Party, in meeting any Swap Counterparty Claim, Securities Borrower Claim and Dealer Claim, Pari passu Ranking;</li> <li>• fourthly, in meeting any Noteholder Claim;</li> <li>• fifthly, if an Event of Default has occurred under the Swap in respect of which the Swap Counterparty is the Defaulting Party, in meeting any Swap Counterparty Claim and Securities Borrower Claim and Dealer Claim, Pari passu Ranking; and</li> <li>• sixthly, in payment of any balance to the Issuer.</li> </ul> <p>For Series of Notes that are not Rated Notes, as follows:</p> <ul style="list-style-type: none"> <li>• first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any security and the Trustee's remuneration) and in carrying out its obligations under the Trust Deed;</li> <li>• secondly, in meeting any Issuing and Paying Agent Claim, Custodian Claim and Loan Service Agent Claim, and the claims of all other Secured Agents, Pari passu Ranking;</li> <li>• thirdly, in meeting any Swap Counterparty Claim, Dealer Claim and Securities Borrower Claim, Pari passu Ranking;</li> <li>• fourthly, in meeting any Noteholder Claim; and</li> <li>• fifthly, in payment of any balance to the Issuer.</li> </ul> <p>Any Creditor that has a claim in respect of more than one Issuer Obligation may rank differently in respect of each Issuer Obligation.</p> <p>If the moneys received following Liquidation of the relevant Assets or the enforcement of Security Interests (as applicable) are not enough to pay in full all amounts to persons whose claims rank rateably, the Realisation Agent or the Trustee (or any receiver appointed by the Trustee) (as applicable) will apply the moneys pro</p>
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		<p>rata on the basis of the amount due to each party entitled to such payment.</p> <p><b>Redemption at Maturity, in Instalments and Optional Redemption</b></p> <p>Unless previously redeemed, purchased and/or cancelled, each Note will be redeemed on the Maturity Date at its redemption amount, the amount or basis for calculation of which will be specified in the relevant Final Terms. If the Final Terms specifies that the Notes are redeemable in instalments, such Final Terms will also specify each instalment amount or basis for calculation of each instalment amount. If so specified in the relevant Final Terms, the Issuer and/or the Noteholders may have the option to have the Notes redeemed prior to their stated maturity on such terms as may be specified in the relevant Final Terms. Where the Notes are specified to be “Pass-through Notes” in the relevant Final Terms, unless otherwise specified in the relevant Final Terms, the final redemption amount payable in respect of the Notes shall be a pro rata distribution of the redemption amounts received in respect of the relevant underlying securities or underlying loans on the Business Day prior to the Maturity Date.</p> <p><b>Early Redemption and Events of Default</b></p> <p>Unless otherwise specified in the relevant Final Terms, the Notes may be redeemed prior to their stated date of maturity upon the occurrence of one or more Liquidation Events, being:</p> <ul style="list-style-type: none"> <li>• a default by, or the deterioration in creditworthiness of, the issuer of the underlying securities or the borrower of the underlying loans, as the case may be;</li> <li>• the imposition of taxes on the Issuer;</li> <li>• the termination of a swap agreement entered into in connection with the Notes;</li> <li>• the occurrence of an Event of Default in relation to the Notes;</li> <li>• it becoming illegal for the Issuer to perform its obligations in connection with the Notes or any related agreement;</li> <li>• the insolvency of the Arranger of the Programme; or</li> <li>• such other event as may be specified in the relevant Final Terms.</li> </ul> <p>An Event of Default shall occur in relation to the Notes if:</p> <ul style="list-style-type: none"> <li>• default is made for more than 14 calendar days in the payment of any sum due in respect of any Note;</li> <li>• the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed for a period of 30 calendar days; or</li> <li>• if any order is made for the winding-up or dissolution of the Issuer or the appointment of a liquidator or similar official in relation to the Issuer.</li> </ul> <p>Upon an Event of Default, the Trustee at its discretion may, and if so requested by holders of at least one-fifth of the outstanding Aggregate Nominal Amount of the Notes then outstanding or if so directed by an Extraordinary Resolution will (provided in each case that the Trustee will have been indemnified and/or pre-funded and/or secured to its satisfaction), notify the Issuer that the Notes are due and payable at</p>
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		<p>their Early Redemption Amount.</p> <p><b>Governing Law</b></p> <p>Apart from Clauses 6.2, 6.6.2, 6.7.4, 6.12.2 and 6.18 of the Trust Deed (which are governed by Luxembourg law), the governing law of the Notes and the Trust Deed is English law.</p> <p><b>Restrictions</b></p> <p>The Issuer has agreed that it will not, without the prior written consent of the Trustee and any Other Creditors, incur any other indebtedness for borrowed moneys or engage in any business, have any subsidiaries (although it may establish branches in jurisdictions other than its jurisdiction of incorporation and may appoint agents in respect of the administration thereof) or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed) or issue any further shares. Notwithstanding the foregoing, the Issuer may acquire and hold the Secured Property, manage financial assets comprising the Secured Property, enter into other Transactions, enter into any Other Obligations and enter into related agreements or transactions and enter into any other secured, limited recourse financial transactions.</p>
C.9	Rights attached to the Notes (continued), including information as to interest, maturity, yield and the representative of the holders	<p>See C.8 for rights attached to the Series of Notes including ranking and limitations.</p> <p><b>Interest</b></p> <p>The Notes issued by way of Final Terms may be fixed rate notes, floating rate notes, zero coupon notes or have such other interest payment profile as specified in the relevant Final Terms. Where the Notes are specified to be “Pass-through Notes” in the relevant Final Terms, unless otherwise specified in the relevant Final Terms, the interest amounts payable in respect of the Notes shall be a pro rata distribution of the interest amounts received in respect of the relevant underlying securities or loans.</p> <p><i>[The Rate of Interest under the Notes is [●] and the Interest Payment Dates are [●] [and [●]].]</i></p> <p><b>Maturity</b></p> <p>Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity between seven days and perpetuity, as specified in the relevant Final Terms.</p> <p><i>[The Maturity Date of the Notes is [ ]]</i></p> <p><b>Issue price</b></p> <p>The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer at the time of issuance in accordance with prevailing market conditions.</p> <p><i>The Issue Price of the Notes is [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] [in the case of fungible issues only, if applicable]]</i></p> <p><b>Yield</b></p> <p>The yield of each Tranche of Notes will be calculated on the basis of the relevant issue price at the relevant issue date. It is not an indication of future yield.</p> <p><i>[Applicable to Fixed Rate Notes only.] [Based upon the Issue Price of [ ], at the Issue Date the anticipated yield of the Notes is [ ] per cent. per annum.]</i></p>

C.10	<b>Derivative component in the interest payment</b>	Not Applicable.
C.11	<b>Listing and trading</b>	<p>The Notes may be listed on the Irish Stock Exchange and/or the Cayman Islands Stock Exchange.</p> <p><i>[Application will be made for the Notes to be admitted to listing on [ ] and to trading on [ ] effective as of [ ].]</i></p> <p><i>[If the Notes are not admitted to trading on the regulated market of the Irish Stock Exchange or the Cayman Islands Stock Exchange, the following shall be applicable: Not applicable. The Notes are not admitted to trading.]</i></p>
C.12	<b>Minimum denomination of an issue</b>	<p>Definitive Notes will be issued in such denominations as may be specified in the relevant Final Terms.</p> <p>Notwithstanding the foregoing, the minimum denomination for any Note of any Restricted Series will be at least U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any denomination that is less than U.S.\$100,000.</p> <p><i>The Notes are issued in denomination(s) of [ ].</i></p>
C.21	<b>Market where the Notes will be traded</b>	<p>Where an Issuer issues Notes that are admitted for listing and trading on a stock exchange, the Final Terms will specify whether the relevant market will be the Irish Stock Exchange and/or Cayman Islands Stock Exchange.</p> <p><i>[Application will be made for the Notes to be admitted to listing on [ ] and to trading on [ ] effective as of [ ].]</i></p> <p><i>[If the Notes are not admitted to trading on the regulated market of the Irish Stock Exchange or the Cayman Islands Stock Exchange, the following shall be applicable: Not applicable. The Notes are not admitted to trading.]</i></p>

Section D - Risks		
D.2	<b>Key risks that are specific to the Issuer</b>	<p>There are risks related to the Issuer's ability to make payments due under the Notes. The summary risk factors below highlight only some of such risks:</p> <ul style="list-style-type: none"> <li>the Issuer is a special purpose vehicle with the sole business of raising money by issuing notes and entering into other transactions, and as such, the Issuer does not, and will not, have any assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into of other obligations from time to time and the Secured Property and any other assets on which other notes or obligations are secured;</li> <li>each Compartment of the Third Issuer will be treated as a separate entity of the Third Issuer. It will have limited resources and will conduct no business operations other than the issue and repayment of the relevant Notes and the connected transactions; and</li> <li>the insolvency, taxation and other laws of Ireland, Cayman Islands and Luxembourg (and the changes in such laws) may negatively impact the interests of investors in Notes issued by the First Issuer, Second Issuer or the Third Issuer.</li> </ul>



<b>D.3</b>	<b>Key risks that are specific to the Notes</b>	<p>There are risks related to any issue of Notes under the Programme and specific types of Notes, which prospective investors should carefully consider and make sure they understand prior to making any investment decision with respect to the Notes. The summary risk factors below highlight only some of the risks of investing in the Notes including:</p> <ul style="list-style-type: none"> <li>the Notes are limited recourse obligations under which the payment obligations of the Issuer shall be met solely out of the Secured Property, the net proceeds of realisation of which may be insufficient to cover amounts that would otherwise be due under the Notes; the market price of the Notes may be volatile; and the Notes themselves may have not liquidity;</li> <li>the Notes may be redeemed at the option of the Issuer if so specified in the relevant Final Terms. This feature is likely to limit their market value;</li> <li>under the Conditions of the Notes, the Issuer may agree to substitute the Principal Assets with Eligible Replacement Assets. The criteria that apply to such Eligible Replacement Assets shall be set out in the relevant Final Terms;</li> <li>the amount of principal and interest payable by the Issuer in respect of the Notes depends on, amongst other things, the creditworthiness of the issuer of any securities or loans held by the Issuer in connection with the Notes;</li> <li>the ability of the Issuer to meet its obligations under the Notes depends on the receipt by it of payments under any Swap and other agreements and accordingly the Issuer is exposed to the ability of the Swap Counterparty and other counterparties to perform their obligations under those agreements;</li> <li>if the Notes are dual currency Notes, this can lead to volatility in the market price of the Notes; and</li> <li>prospective investors who place too much reliance on ratings, or who do not understand what the rating addresses, may be subject to unexpected losses as a result.</li> </ul>
<b>D.6</b>	<b>Risk warning</b>	<p>See D.3 for key risks that are specific to the Notes.</p> <p><b>The capital invested in the Notes is at risk. Consequently, the amount a prospective investor may receive on redemption of its Notes may be less than the amount invested by it and may be zero.</b></p>

<b>Section E - Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	<p>The net proceeds from the issue of the Notes will be used by the Issuer to fund the Swap including if applicable the purchase thereunder of the Initial Securities (if any) and/or the Initial Loans (if any) comprising part of the Secured Property in respect of the Notes. If, in respect of any Series of Notes, there is a different reason for the offer, this will be stated below and in the relevant Final Terms.</p> <p><i>[If the reasons for the offer or the use of proceeds differ, include those reasons here.]</i></p>
<b>E.3</b>	<b>Description of the terms and conditions of the offer</b>	<p>The relevant Final Terms will specify the terms and conditions of the offer applicable to each Series of Notes. The issue price per Note on the Issue Date will be the issue price specified below.</p> <p><i>[The issue price per Note on the Issue Date is [●].]</i></p>

E.4	<b>Interests material to the issue</b>	<p>The relevant Final Terms will specify any interests of natural and legal persons involved in the issue of the Notes.</p> <p><i>[So far as the Issuer is aware no person involved in the issue of Notes has an interest material to the offer.]/ [The material interests with respect to the issue and/or offer of Notes are [ ].]</i></p>
E.7	<b>Estimated expenses charged to the investor by the Issuer or the offeror</b>	<p>The relevant Final Terms will specify the estimated expenses charged to the investor by the Issuer or the offeror with respect to each Series of Notes.</p> <p><i>[The following estimated expenses will be charged to the investor in connection with the Series of Notes: [●].]/[No expenses will be charged to the investor in connection with the Series of Notes.]</i></p>

## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus and the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as applicable, relating to the Series of which such Notes are a part. Capitalised terms used but not defined in this section shall have the meanings given to them in the “Terms and Conditions of the Notes”.*

### **Issuer**

The Specified Company that is stipulated as the “Issuer” in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as applicable or, in respect of a Luxembourg Issuer (as defined in “Condition 1 – Definitions”), the relevant Compartment (as defined in “Condition 1 – Definitions”) of that Issuer. References herein to the “Issuer” are references to the relevant Specified Company in respect of (and only to the extent of) the Notes issued by it and such references specifically exclude any other Specified Company. Information relating to each Specified Company will be contained in a Specified Company Base Prospectus relating to such Specified Company. Information relating to the First Issuer, the Second Issuer and the Third Issuer is set out below under the heading “Description of the First Issuer”, “Description of the Second Issuer” and “Description of the Third Issuer”, respectively. In the case of any Specified Company, the relevant Specified Company Base Prospectus and Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as applicable, should be read and construed together, together with any other documents incorporated by reference therein.

### **Programme Description**

Multi Issuer Secured Transaction Programme pursuant to which Specified Companies may issue Notes and enter into other Transactions.

### **Documentation Description**

The principal documents with respect to each Series of Notes are the Trust Deed, the Agency Agreement, the Dealer Agreement, the Custody Agreement, the Securities Lending Agreement (where applicable), the Loan Service Agent Agreement (where applicable), the Secondary Market Agreement and the Swap.

Such documents are entered into in relation to the Notes on the Issue Date by the respective parties thereto executing an issue deed relating to such Notes (the “**Issue Deed**”).

The Issue Deed specifies, and incorporates by reference, certain master trust terms, master agency terms, master dealer terms, master custody terms, master securities lending terms (where applicable), master loan service agent terms (where applicable), master secondary market terms

and master swap terms. By their execution of the relevant Issue Deed, the relevant parties enter into a Trust Deed, an Agency Agreement, a Dealer Agreement, a Custody Agreement, a Securities Lending Agreement (where applicable), a Loan Service Agent Agreement (where applicable), a Secondary Market Agreement and a Swap in the form of the specified master trust terms, master agency terms, master dealer terms, master custody terms, master securities lending terms (where applicable), master loan service agent terms (where applicable), master secondary market terms and master swap terms, respectively, subject in each case to such amendments or supplements to such master terms documents as are specified in the relevant Issue Deed.

<b>Arranger</b>	Barclays Bank PLC.
<b>Dealer</b>	Barclays Bank PLC and/or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and Barclays Capital Inc. with respect to any Restricted Series, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
<b>Trustee</b>	<p>HSBC Corporate Trustee Company (UK) Limited or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.</p> <p>Noteholders may remove the Trustee by Extraordinary Resolution (as defined in the Trust Deed relating to the Series held by such Noteholder), provided that the removal of a sole trustee shall not be effective until a successor trustee is appointed.</p>
<b>Issuing and Paying Agent</b>	HSBC Bank plc or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
<b>Paying Agent</b>	As specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
<b>Transfer Agent</b>	HSBC Bank plc or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
<b>Realisation Agent</b>	Barclays Bank PLC, or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (including, for the avoidance of doubt, any replacement Realisation Agent).
<b>Calculation Agent</b>	Barclays Bank PLC, or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

<b>Registrar</b>	HSBC Bank plc or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. Please refer to Condition 2 for specific information regarding the transfer of title of Registered Notes issued by the Luxembourg Issuer.
<b>Custodian</b>	In relation to Notes issued by an Issuer other than a Luxembourg Issuer, HSBC Bank plc or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and, in relation to Notes issued by a Luxembourg Issuer, HSBC Bank plc, Luxembourg Branch.
<b>Loan Service Agent</b>	The Issuer may appoint HSBC Bank plc as the Loan Service Agent, or as otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
<b>Method of Issue</b>	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each, a “<b>Series</b>”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest) to the other Notes of such Series, the Notes of each Series being intended to be interchangeable with all other Notes of that Series, subject to certain restrictions and limitations as set forth in this Base Prospectus. Each Series may be issued in tranches (each, a “<b>Tranche</b>”) on the same or different issue dates. The specific terms of each Tranche (that will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the Issue Date, Issue Price, first payment of interest, the temporary ISIN Code or the temporary CUSIP Code and Aggregate Nominal Amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. Each Series will be a Restricted Series (as defined below) or an Unrestricted Series (as defined below), as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars for Unrestricted Series, or the relevant Series Prospectus for Restricted Series, and as further described herein. Notes of a Restricted Series will be issued only pursuant to a Series Prospectus or Series Listing Particulars. For the avoidance of doubt, a Series is either a Restricted Series or an Unrestricted Series. A Series cannot be both or neither.</p> <p>References to Final Terms are only to final terms pursuant to Article 5.4 of the Prospectus Directive. The specific terms of Notes that are listed and admitted to trading on a</p>

regulated market for the purposes of Directive 2004/39/EC and/or offered to the public will be set out in either Final Terms or a Series Prospectus. The specific terms of Notes that are (i) not offered to the public and (ii) unlisted or listed and admitted to trading on a market that is not a regulated market for the purposes of Directive 2004/39/EC will be set out in a Pricing Supplement or Series Listing Particulars.

#### Issue Price of Notes

Notes may be issued at their Nominal Amount or at a discount or premium to their Nominal Amount.

#### Form of Transactions and Form, Registration and Transfer of Notes

##### (i) Unrestricted Series

Any Series of Notes comprising one or more Bearer Notes, or comprising only Registered Notes, which are not Restricted Global Certificates or Restricted Certificates, is an “**Unrestricted Series**”, and shall be designated as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

##### (ii) Restricted Series

Any Series of Notes comprising at least one Restricted Global Certificate and/or Restricted Certificate, and which may include Unrestricted Global Certificates at the option of the Issuer, but which does not include any Bearer Notes, is a “**Restricted Series**”, and shall be designated as such in the relevant Series Prospectus or Series Listing Particulars.

##### (iii) Notes of an Unrestricted Series

The Notes of an Unrestricted Series may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Each Series of Bearer Notes or Tranche thereof will be represented on issue by a temporary Global Note if (i) Definitive Notes (as defined in “Summary of Provisions Relating to the Notes while in Global Form” below) are to be made available to Noteholders following the expiry of 40 calendar days after their Issue Date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “**Global Certificates**”.

##### (iv) Notes of a Restricted Series

The Notes of a Restricted Series (as defined below) may be issued only in the form of (i) Global Certificates, without interest coupons, which will be deposited with a custodian for, and registered in the name Cede & Co. as nominee of

The Depository Trust Company (“DTC”) (“**Restricted Global Certificates**”) and/or (ii) individual definitive physical Registered Notes (“**Restricted Certificates**”), and, at the sole option of the Issuer, (iii) Global Certificates, registered in the name of, and shall be deposited on its issue date with a common depository on behalf of, a common depository for Euroclear and Clearstream, Luxembourg (“**Unrestricted Global Certificates**”). The minimum Specified Denomination for any Note of any Restricted Series is at least U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any Specified Denomination that is less than U.S.\$100,000, provided, however, that a single Unrestricted Global Certificate may be issued with a minimum Specified Denomination of U.S.\$0 as part of the initial issuance of each Restricted Series.

Interests in Restricted Global Certificates, Restricted Certificates and Unrestricted Global Certificates will be subject to certain restrictions on transfer and exchange, and the provisions governing the exchange and transfer of such interests are described in “Subscription and Sale”, “Transfer Restrictions — Restricted Series” and “Transfer Restrictions — Unrestricted Series”. Notes of a Restricted Series sold or transferred to a person that is not a U.S. person within the meaning of Regulation S (“**Regulation S**”) under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), in an “offshore transaction” within the meaning of Regulation S will initially be evidenced by Unrestricted Global Certificates. Notes of a Restricted Series sold or transferred to a U.S. person that is an “accredited investor” (“**AI**”) as defined in Rule 501(a) under the Securities Act in reliance on an exemption from the registration requirements of the Securities Act which is also a “qualified purchaser” (as defined in Section 2(a)(51) of the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”) (a “**QP**”) (such persons are hereinafter referred to as “**AI/QPs**”) will be evidenced by Restricted Certificates. Notes of a Restricted Series sold or transferred to a U.S. person that is a “Qualified Institutional Buyer” (as defined in Rule 144A under the Securities Act) (“**Rule 144A**”) (“**QIB**”) in reliance on an exemption from the registration requirements of Section 5 of the Securities Act which is also a “QP” (such persons are hereinafter referred to as “**QIB/QPs**”) will be evidenced by Restricted Global Certificates. Beneficial interests in Restricted Global Certificates and Unrestricted Global Certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Clearstream,

Luxembourg and Euroclear and their participants, as applicable, respectively. Restricted Certificates will not be eligible for trading on the facilities of DTC, Euroclear or Clearstream, Luxembourg. See “Clearing and Settlement — Restricted Series”.

(v) Issuer Loans, Options and Swap Transactions

Except in the case of a Luxembourg Issuer, where Transactions may only be in the form of Notes (including the entry into related swap transactions or other transactions permitted by the articles of incorporation of the Luxembourg Issuer and Luxembourg Securitisation Law, in connection with such Notes), Transactions may also be in a form other than Notes, including, without limitation, Issuer Loans, Options or Swap Transactions, the terms of which will be set out in the relevant documentation entered into on or about the effective or settlement date of such Transaction.

**Initial Securities/Initial Loan(s)**

Notes may only be issued by way of applicable Final Terms under this Base Prospectus where the Initial Securities or Initial Loan(s) are Barclays Initial Assets (as defined in the section of this Base Prospectus headed “Initial Securities/Initial Loan(s) for Final Terms Issuance”).

In all other cases, the Initial Securities or Initial Loan(s) in respect of a Series of Notes will be as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars as the case may be.

**Clearing Systems**

(i) Clearstream, Luxembourg, (ii) Euroclear, (iii) DTC (as applicable) and (iv) in relation to any Tranche, any such other clearing system(s) as may be agreed between the Issuer, the Dealer and the Trustee.

**Initial Delivery of Notes**

On or before the Issue Date for a Series or a Tranche, as applicable, if the relevant Global Note is an NGN, the Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the Issue Date for a Series or a Tranche, as applicable, if the relevant Global Note is a CGN or, in the case of Registered Notes represented by the Global Certificate, the Global Note representing Bearer Notes thereof or the Global Certificate representing Registered Notes thereof may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the Dealer. Registered Notes that are to be deposited with one or more clearing systems on issue will be registered in the



names of nominees or a common nominee for such clearing systems, including, for the avoidance of doubt, Notes of a Restricted Series other than Restricted Certificates. See “Clearing and Settlement — Restricted Series”

#### **Status of Notes**

The Notes of each Series will constitute secured, limited recourse, obligations of the Issuer ranking *pari passu* without any preference among themselves and secured in the manner described in “Condition 5(a) - Security Interests”. Recourse in respect of any Series will be limited to the related Secured Property. Claims of Noteholders and, if applicable, any counterparty to a Swap and/or Securities Lending Agreement (together, “**Other Creditors**”), the Trustee, the Custodian, the Loan Service Agent, the Registrar and the Issuing and Paying Agent shall rank in accordance with the priorities specified in the relevant Issue Deed and in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as applicable.

#### **Status of other Transactions**

Transactions other than Notes will be limited recourse obligations of the Issuer secured in the manner described in the documentation relating thereto.

#### **Currencies**

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

#### **Maturities**

Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity between seven days and perpetuity, as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

Where the First Issuer (or any other Irish incorporated Issuer) wishes to issue Notes with a maturity of less than one year, such notes must be issued in full compliance with the notice BSD C 01/02 issued by the Central Bank of Ireland of exemptions granted under Section 8(2) of the Central Bank Act 1971 as amended, namely that the Notes comply with the following current criteria or any other replacement or amended criteria that may be published from time to time:

- (i) at the time of issue, the Notes must be backed by assets equal to at least 100 per cent. of the Aggregate Nominal Amount of the Notes issued;
- (ii) at the time of issue, the Notes must be rated to at least investment grade by one or more recognised rating agencies, based on the definitions set out in the Central Bank Implementation Notice for credit

institutions (BSD S 2/00 of 30 June 2000) of the EU directive on the capital adequacy of investment firms and credit institutions;

- (iii) the Notes must be issued and transferable in minimum amounts of €300,000 or the foreign currency equivalent;
- (iv) the Notes must carry the title “Commercial Paper” and identify the Issuer by name as the issuer of the Notes;
- (v) the Notes must state on their face that they are issued in accordance with an exemption granted by the Central Bank under Section 8(2) of the Central Bank Act inserted by Section 31 of the Central Bank Act, 1989, as amended by Section 70(d) of the Central Bank Act, 1997;
- (vi) it must be stated explicitly on the face of the Notes and, where applicable, in the contract between the Issuer and the Noteholder that the investment does not have the status of a bank deposit, is not within the scope of the Deposit Protection Scheme operated by the Central Bank and that the Issuer is not regulated by the Central Bank arising from the issue of the Notes;
- (vii) if additional Notes comprise all or any portion of an existing Restricted Series or a new Restricted Series, then such additional Notes shall be subject to and issued in accordance with restrictions on offer, sale and transfer at least as restrictive as the most restrictive restrictions on offer, sale and transfer applicable to any other then outstanding Notes of a Restricted Series issued by the same Specified Company. In no event will any issuance, offer, sale or transfer of additional Notes be permitted if such issuance, offer, sale or transfer could possibly be expected to render inapplicable, to any Specified Company or to any then outstanding Notes of a Restricted Series, any exemptions to or under the U.S. securities laws that were or could reasonably be construed to have been applicable to the Issuer, or to any then outstanding Notes of a Restricted Series, prior to such issuance; and
- (viii) any issue of Notes that is guaranteed must carry a statement to the effect that it is guaranteed and identify the guarantor by name.

#### **Specified Denomination**

Definitive Notes will be issued in such denominations as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

Notwithstanding the foregoing, the minimum denomination

for any Note of any Restricted Series will be at least U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any denomination that is less than U.S.\$100,000.

**Fixed Rate Notes**

Interest on Fixed Rate Notes will be payable in arrear on the date or dates in each year specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

**Floating Rate Notes**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.;
- (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars), as adjusted for any applicable margin; or
- (iii) as otherwise set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

**Zero Coupon Notes**

Zero Coupon Notes may be issued at their Nominal Amount or at a discount to it and will not bear interest.

**Dual Currency Notes**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based on such rates of exchange as may be specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

**Index-linked Notes**

Payments of principal or interest in respect of Index-linked Notes will be calculated by reference to such index and/or formula as may be specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

**Interest Accrual Periods and Rates of Interest**

The length of the interest accrual periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both. The use of interest accrual periods permits the Notes to bear interest at different rates between any two successive interest payment dates. All such information will be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing

<p><b>Security</b></p>	<p>Particulars.</p> <p>Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Notes of each Series will be secured in the manner set out in Condition 5 (<i>Security Interests and the Secured Property</i>) of the Conditions of the Notes, including, <i>inter alia</i>, a charge over and/or assignment by way of security of and/or other security interest over or in respect of the Assets and the Agency Agreement, the Custody Agreement, the Loan Service Agent Agreement, the Swap, the Securities Lending Agreement and the Secondary Market Agreement to the extent they relate to the relevant Series or Assets and all sums held from time to time by the Custodian and/or the Issuing and Paying Agent and/or the Loan Service Agent insofar as such sums relate to that Series. Each Series may also be secured on such additional security as may be described in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. References in this Base Prospectus to “Security Interests” are to the security constituted by the relevant Trust Deed.</p>
<p><b>Redemption</b></p>	<p>The Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in GBP) that must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).</p>
<p><b>Redemption by Instalments</b></p>	<p>The Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars issued in respect of each issue of Notes that is redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed. Notes may have a Maximum Instalment Amount, a Minimum Instalment Amount or both, as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.</p>
<p><b>Pass-through Notes</b></p>	<p>Where “Pass-through Notes” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars:</p>

- (i) the Interest Amount payable in respect of each Note on each Interest Payment Date shall be an amount equal to such Note's pro rata share of the aggregate interest amount received by or on behalf of the Issuer in respect of the Assets (other than any Margin Securities) on the Business Day prior to such Interest Payment Date; and
- (ii) the Final Redemption Amount of each Note shall be an amount equal to such Note's pro rata share of the aggregate redemption amount received by or on behalf of the Issuer in respect of the Assets (other than any Margin Securities) on the Business Day prior to the Maturity Date.

#### **Other Notes**

Terms applicable to any type of Note that the Issuer, the Trustee and the Dealer may agree to issue under the Programme will be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. However, if and for so long as the relevant Issuer has any Restricted Series outstanding, any further Notes of a Restricted Series issued by it must be subject to the same restrictions on sale, transfer, offer and ownership as the Restricted Series then outstanding.

#### **Inconvertibility Event**

Upon the occurrence of certain events (such events as set out in more detail in the Swap) affecting the ability of the Issuer to make payments in the relevant currency in which such payments are due, the Swap Counterparty may then elect to terminate the Swap. If the Swap is then terminated, the Notes will be redeemed in accordance with Condition 8(c)(iii) (*Swap Event*).

If the Swap is not terminated within 60 Business Days (as defined in the Swap), then (i) the Swap (if any) will provide that payments of any interest and/or principal under the Assets will be made to a third party nominated by the Swap Counterparty, (ii) the Swap Counterparty will not be entitled to terminate the Swap on account of an Inconvertibility Event, and (iii) there will be no early redemption of the Notes.

#### **Assets**

In connection with the issue of the Notes, the Issuer may acquire, or may acquire interests in and take delivery of:

- (i) cash or investments including Initial Securities and/or Initial Loans, and/or
- (ii) under the terms of the Swap, Eligible Credit Support, providing credit support in respect of the obligations of the Swap Counterparty, Replacement Assets (see "Asset Replacement" below) and/or Eligible

Management Assets (see “Asset Management” below), and/or

- (iii) under the terms of the Securities Lending Agreement, Margin Securities, providing credit support in respect of the obligations of the Securities Borrower and Equivalent Securities.

In connection with the issue of the Notes, the Issuer may:

- (i) under the terms of the Swap, transfer to the Swap Counterparty, Initial Securities and/or Initial Loans and/or retransfer to the Swap Counterparty, assets that are equivalent to the Eligible Credit Support, Replacement Assets and/or Eligible Management Assets (see “Asset Replacement” and “Asset Management” below), and/or
- (ii) under the terms of the Securities Lending Agreement, transfer to the Securities Borrower, Initial Securities and/or Initial Loans, and/or retransfer to the Securities Borrower, Margin Securities.

The Initial Securities, Initial Loan, Eligible Credit Support, Replacement Assets, Eligible Management Assets, Margin Securities and Equivalent Securities are referred to as the “Assets” for so long as the same are held by or on behalf of the Issuer.

## **Asset Replacement**

Under the Conditions, the Issuer may agree to substitute the Principal Assets with Eligible Replacement Assets. The criteria that apply to such Eligible Replacement Assets shall be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

If “Notional Amount Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, such Eligible Replacement Assets must have, where the Principal Assets that are to be replaced comprise securities, an aggregate nominal amount at least equal to the nominal amount of those Principal Assets being replaced or, where the Principal Assets that are to be replaced comprise a loan, an outstanding principal balance at least equal to the outstanding principal balance of the Principal Assets being replaced, or where such Principal Assets being replaced comprise any other assets, such requirement as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

If “Present Value Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the present value of the scheduled but unpaid cash flows of such Eligible

Replacement Assets must be at least equal to the present value of the scheduled but unpaid cash flows of the Principal Assets that are the subject of such replacement. Such present value shall be determined by the Calculation Agent in a commercially reasonable manner using discount factors as implied by the mid-swap curve as at the date of such replacement.

If “Market Value Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, such Eligible Replacement Assets must have a market value at least equal to the market value of those Principal Assets being replaced. In respect of securities, such market value shall be determined by the Calculation Agent by reference to a third party external pricing source in relation to the relevant security or, if no such external price source is available, by reference to either the average of the mid-market quotations obtained from two or more third party dealer quotations in such Principal Assets or, if the Calculation Agent is not able to obtain two or more quotations, the market value shall be deemed to be zero. In respect of loans or any other asset, the market value shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

The Issuer may only substitute the Principal Assets when so specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars pursuant to an Asset Replacement Notice from the Swap Counterparty.

For the avoidance of doubt, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, more than one Asset Replacement Notice may be delivered by the Swap Counterparty prior to the Maturity Date.

#### **Asset Management**

Under the Conditions, (i) where “Asset Management” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and at any point during the period from and including the Issue Date to but excluding the day falling four Business Days prior to the Maturity Date, the Swap Exposure is (1) greater than the Maximum Swap Exposure or (2) less than the Minimum Swap Exposure, then the Swap Counterparty shall deliver an Asset Management Notice on each Asset Management Notice Date (being one Business Day after the date on which the Calculation Agent notifies the Swap Counterparty that the Swap Exposure on such date of notification is less than the Minimum Swap Exposure or

greater than the Maximum Swap Exposure). In each case, on the Asset Settlement Date relating thereto (such date being the day falling three Business Days after the applicable Asset Management Notice Date), the Swap Counterparty or the Custodian (on behalf of the Issuer) or the Loan Service Agent (on behalf of the Issuer) or the Issuer, as applicable, shall make the delivery or effect the transfer specified in such Asset Management Notice. If such delivery or transfer is required to be made by the Swap Counterparty and a Liquidity Event has occurred and is continuing on the Asset Settlement Date, the Swap Counterparty may deliver or transfer Liquidity Event Eligible Management Assets in lieu of Standard Eligible Management Assets. Any Defaulted Liquidity Event Eligible Management Assets must be replaced by the Swap Counterparty on the Liquidity Eligible Management Assets Replacement Date.

#### **Optional Redemption**

The relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars issued in respect of each Tranche of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.

#### **Early Redemption**

If (a)(i) there is an Asset Trigger Event in respect of the relevant Asset Issuer, and (ii) the Asset Trigger Conditions are subsequently satisfied during the Asset Trigger Event Notice Period or (b) in respect of Pass-through Notes only, any of the Principal Assets become payable or repayable, or become capable of being declared due and payable or repayable, prior to their stated date of maturity for whatever reason or there is a payment default in respect of any Principal Assets in accordance with the Principal Asset Conditions or (c) any other Liquidation Event occurs, then, in each case, the Notes shall become repayable in whole.

As a result of an Asset Trigger Event constituting an Early Redemption Event, the Notes are credit-linked to the Principal Assets. However, the Issuer may also issue Notes that are credit-linked to third party reference entities or reference obligations, provided that any such issue shall be by way of a Pricing Supplement, Series Prospectus or Series Listing Particulars. See “Condition 8 — Redemption, Purchase and Options” and Credit Condition 2 of the Credit Annex.

#### **Physical Settlement**

Upon occurrence of a Depackaging Redemption Event or a Liquidation Event (as applicable) in relation to any Series of Notes, if “Physical Settlement” is specified as applicable in



the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, or “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and such option is validly exercised by the Exercising Noteholder, the Principal Assets will be delivered to the Noteholders in accordance with the Conditions. Notes that are held by the same Noteholder and redeemed at the same time or in respect of the same account (as applicable) shall be aggregated for the purpose of determining the aggregate Early Redemption Amount to be delivered to such Noteholder or such account (as applicable), subject to rounding in accordance with the Conditions. Subject to the immediately preceding sentence, if the Early Redemption Amount calculated in accordance with the Conditions is not a whole integral multiple of the minimum denomination of the relevant Principal Assets, the Issuer shall deliver an amount of the Principal Assets equal to the highest multiple of the minimum denomination of such Principal Assets comprised in the Early Redemption Amount and pay, in cash, the difference between the aggregate Early Redemption Amount and the value of such relevant Principal Assets, subject to a minimum of zero. If it becomes impossible or illegal for physical settlement to take place in accordance with the Conditions in respect of a Noteholder, the Notes held by such Noteholder shall be cash settled. The Posted Assets (if any) and such number of Principal Assets as may be required to settle any amounts due in cash as referred to above, if applicable, will be sold in accordance with the Conditions and the related cash proceeds of such sale shall also be distributed in accordance with the Priority of Claims. In the event that the Noteholder Depackaging Option has been validly exercised pursuant to Condition 8(b)(iii), the Issuer shall comply with the assignment obligations set out in clause 8.1.37 of the Master Trust Terms. See “Condition 8 - Redemption, Purchase and Options” and “Condition 11 — Liquidation”.

#### **Depackaging Option**

If “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars then, upon the occurrence of the relevant Depackaging Redemption Event, a Noteholder who holds 100 per cent. in aggregate Nominal Amount of the Notes may exercise its right to take physical settlement of the Principal Assets, subject to payment of the Depackaging Option Amount to the Issuer in accordance with the Conditions. See “Condition 1 — Definitions” and “Condition 8 — Redemption, Purchase and

Options”.

## **Liquidation**

If a Liquidation Event occurs in respect of a Series of Notes, and a Liquidation Confirmation is delivered, the Realisation Agent shall, on behalf of the Issuer but acting as principal, to the extent possible, arrange the sale of all of the relevant Assets and rights under the Swap and Securities Lending Agreement in accordance with the Liquidation Procedures and distribute any proceeds of such sale to Creditors in accordance with the Priority of Claims. See “Condition 11 — Liquidation”.

## **Liquidation of Posted Assets**

If a Liquidation Event occurs or a Depackaging Redemption Event occurs and the Noteholder Depackaging Option is validly exercised, the Realisation Agent will, to the extent possible, arrange the sale of all of the Posted Assets (if any) in accordance with the Conditions and the related cash proceeds of such sale shall be distributed in accordance with the Priority of Claims. See “Condition 8 — Redemption, Purchase and Options” and “Condition 11 — Liquidation”.

## **Restrictions**

So long as any of the Transactions remain outstanding, the Issuer will not, without the prior written consent of the Trustee, incur any other indebtedness for borrowed moneys or engage in any business (other than Transactions and limited recourse financial transactions), have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions), declare any dividends or issue any shares (other than such shares as are in issue on the date of its incorporation and, in the case of a Luxembourg Issuer, such shares as may be issued by such Issuer in accordance with the Luxembourg Securitisation Law).

## **Rating**

The Programme is not rated but it is anticipated that certain Series and/or Tranches of Notes issued thereunder may be rated by Moody’s and/or Standard & Poor’s and/or other credit rating agencies. Where a Series and/or Tranche of Notes is rated, such rating will be specified in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars relating to such Series and/or Tranche of Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, revision or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to the Notes may adversely affect the market price of the Notes. Unrated Notes may also be issued.

## **Withholding Tax**

All payments of principal and interest by the relevant Issuer in respect of the Notes and Coupons will be made subject to any withholding or deduction for, or on account of, any taxation levied in any jurisdiction by any governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment by it in respect of the Notes. The Issuer will have no obligation to pay any additional amounts on the Notes if any such withholding or deduction is imposed on the Notes or Coupons nor to reimburse any Noteholder for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes or Coupons by the Issuer or any Paying Agent.

## **Further Issues**

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Issuer may, from time to time, issue further Notes of any Unrestricted Series on the same terms as existing Notes and such further Notes shall be consolidated and form a single Unrestricted Series with such existing Notes of the same Unrestricted Series; provided that, unless otherwise approved by an Extraordinary Resolution of Noteholders, the Issuer provides additional assets as security for such further Notes in accordance with Condition 16 (*Further Issues*).

## **Governing Law**

Apart from Clauses 6.2, 6.6.2, 6.7.4, 6.12.2 and 6.18 of the Trust Deed (which are governed by Luxembourg law), the governing law of the Notes, the Trust Deed and any non-contractual obligations arising out of or in connection with it is English law. In relation to a Luxembourg Issuer, Articles 86 to 97 of the Luxembourg law of 10 August 1915, as amended, on commercial companies are excluded.

## **Limited Recourse**

Subject as set out below, claims against the Issuer by holders of Notes, Receipts and Coupons of each Series of Notes issued by it will be limited to the Secured Property for such Series and shall rank *pari passu* with one another, as set out more fully in the Conditions. If the net proceeds of the realisation of the Secured Property are not sufficient to make all payments that would otherwise then be due in respect of such claims, then the obligations of the Issuer in respect of the amounts payable (including amounts payable in respect of the Notes) will be limited to (i) the net proceeds of realisation of the relevant Assets, plus (ii) the Aggregate Termination Costs (if any) payable to the Issuer, in each case, plus the net proceeds of realisation of any other Secured Property for that Series, and as applied in accordance with the priorities specified in the relevant Issue

Deed, the “**Priority of Claims**”.

The Issuer will not be obliged to make any further payment in excess of the Enforcement Proceeds or the Net Proceeds (as the case may be) (each term as defined in Condition 1 (*Definitions*) below) and accordingly no debt shall be owed by the Issuer in respect of any Shortfall remaining after realisation of the Secured Property and application of the Enforcement Proceeds or the Net Proceeds (as the case may be) in accordance with the of Priority of Claims. None of the Trustee, any Noteholder, any Creditor, the Custodian, the Registrar, the Loan Service Agent, the Issuing and Paying Agent or any other Agent (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. Failure to make any payment in respect of any such Shortfall shall in no circumstances constitute an Event of Default under Condition 8(d) (*Events of Default*).

#### **Non-Petition**

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders, the Couponholders, the Realisation Agent, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent, the Registrar and the Other Creditors and none of the Noteholders, the Couponholders, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent, the Registrar, the Creditors or the Other Creditors is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so.

In addition, none of the Noteholders, the Couponholders, the Trustee, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent, the Registrar, the other Agents, the Creditors, the Other Creditors or the Realisation Agent (nor any other person acting on behalf of any of them) shall be entitled to institute against the Issuer, or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court-based or otherwise) or for the appointment of an examiner or analogous person in relation to the Issuer and none of them shall have any claim in respect of any sum arising in respect of any assets secured for the benefit of any other obligations of the Issuer.

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

Notes of any Series may, if so specified in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, be listed on the Official List of the Irish Stock Exchange and admitted to trading on the regulated market or the Global Exchange Market of the Irish Stock Exchange within 12 months of the date of this Base Prospectus and/or the Cayman Islands Stock Exchange

and/or any other regulated market or stock exchange as specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars. As specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, a Series of Notes may be unlisted.

## **Selling Restrictions**

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

The Issuer is Category 1 for the purposes of Regulation S under the Securities Act.

Unrestricted Series Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as a transaction to which TEFRA is not applicable. Notes of a Restricted Series will not be issued in bearer form.

The Notes and interests therein will be subject to certain restrictions on transfer. Sellers of Restricted Series may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes, see the sections entitled “Subscription and Sale”, “Transfer Restrictions — Unrestricted Series” and “Exchange — Unrestricted Series”. Each subsequent purchaser and transferee of Notes will make, or will be deemed to have made, certain acknowledgements, representations and agreements as set out under the section entitled “Transfer Restrictions — Restricted Series” or elsewhere herein.

## **Secondary Market Agreement**

### *Buy-backs and unwinds*

The Dealer may, from time to time, agree to purchase Notes from one or more Noteholders, at a price to be agreed between the Dealer and such Noteholder(s).

Following such purchase, by delivering an irrevocable notice

to the parties to the relevant Issue Deed, the Dealer may request that the Issuer repurchase some or all of the Notes held by the Dealer in return, where applicable, for the delivery of a pro rata amount of the Principal Assets to the Swap Counterparty and a pro rata write-down of each party's obligations under the Swap and the Securities Lending Agreement (where applicable). The terms of such repurchase, deliveries and write-downs shall be governed by the Secondary Market Agreement.

*Tap issues*

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, further Notes may be issued from time to time pursuant to the Secondary Market Agreement and Condition 16 (*Further Issues*).

## RISK FACTORS

*Notes and other types of Transactions involve substantial risks and are suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of such an investment or transaction. Notes and other types of Transactions are not principal protected, unless explicitly so provided in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars therefor, and purchasers of Notes and parties to other Transactions are exposed to full loss of principal or other amount invested. Only prospective purchasers of Notes or prospective counterparties to other types of Transactions who can withstand the loss of their entire investment should buy the Notes or enter into such other Transactions.*

*This Base Prospectus does not describe all of the risks of an investment in the Notes. The Issuer, the Arranger and the Dealer disclaim any responsibility to advise prospective investors of such risks as they exist at the date of this Base Prospectus or as they change from time to time. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in any Notes and the suitability of investing in such Notes in the light of their particular circumstances. Before making an investment decision, prospective investors should carefully consider, among other factors, all the information set forth in this Base Prospectus and, in particular, the matters described below and in the applicable Final Terms, Pricing Supplement, Series Prospectus, Series Listing Particulars or Product Annex.*

### **RISKS RELATED TO THE ISSUER**

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

Except in the case of a Luxembourg Issuer, where the sole business is the raising of money by issuing notes, the Issuer's sole business is the raising of money by issuing notes, bonds, warrants, certificates or other securities and entering into other Transactions for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not, as long as any of the Transactions remain outstanding, without the prior written consent of the Trustee and provided that it will not result in any rating assigned to the Notes being adversely affected, as affirmed in writing by the relevant rating agency, to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, declare any dividends (other than in relation to the shares mentioned hereafter) or issue any shares (other than such shares as were in issue on the date of its incorporation and, in the case of a Luxembourg Issuer, such shares as may be issued by such Issuer in accordance with the Luxembourg Securitisation Law). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into of other obligations from time to time and any Secured Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

#### **The Third Issuer and the Compartments**

The Third Issuer intends to establish, in accordance with the Luxembourg Securitisation Law (as defined in "Regulation of the Issuer by any regulatory authority" below) and the articles of incorporation of the Third Issuer, several Compartments (as defined in "Description of the Third Issuer").

Each Compartment of the Third Issuer will be treated as a separate entity of the Third Issuer. It will have limited resources and will conduct no business operations other than the issue and repayment of the relevant Notes and the connected transactions.

Each Compartment's ability to satisfy its payment obligations under the relevant Notes will be dependent, in particular, upon receipt by it in full of the amounts payable to it (a) in respect of principal and interest and other amounts payable under the Assets or proceeds thereof, (b) under the relevant Transactions to which it is a party, (c) in respect of the proceeds resulting from the liquidation of the Assets and (d) in respect of the proceeds resulting from enforcement of the security granted by the relevant Compartment to the Trustee over the relevant Assets (to the extent not covered under (a) and (b) above).

Other than from the transactions described in the preceding paragraph, each Compartment of the Third Issuer will have no funds available to meet its obligations under the relevant Notes issued by it and the relevant Notes will not give rise to any payment obligation in excess of the foregoing. To the extent that (a) the relevant Assets or proceeds thereof and/or (b) in the case of a liquidation the amount of the proceeds thereof are ultimately insufficient to satisfy the claims of all Noteholders, the Trustee and any Other Creditor in full, the failure to make any payment in respect of any such shortfall shall in no circumstances constitute a default by the relevant Compartment, and neither any Noteholder nor the Trustee (if applicable) nor any Other Creditor shall have any further claims against the relevant Compartment or the Third Issuer or any other Compartment of the Third Issuer.

The relevant Notes represent obligations of the relevant Compartment only, and do not represent an interest in, or constitute a liability or other obligation of any kind of Barclays Bank PLC, any other counterparty, the Third Issuer (other than acting in respect of the relevant Compartment), any other Compartment of the Third Issuer or any of their respective affiliates, or any third person or entity.

The relevant Notes are not, and will not be, insured or guaranteed by the Third Issuer (other than acting in respect of the relevant Compartment in accordance with the Securitisation Law and subject to the Terms and Conditions and the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars), by Barclays Bank PLC or any other counterparty or any of their respective affiliates or any third person or entity and none of the foregoing assumes, or will assume, any liability or obligation to the Noteholders if the relevant Compartment fails to make a payment due under the relevant Notes.

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

None of the First Issuer or the Second Issuer is required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

The Third Issuer is a Luxembourg public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg and existing as a regulated securitisation company (*société de titrisation agréé*) within the meaning of, and governed by, the Luxembourg law of 22 March 2004 on securitisation, as amended, which falls under the supervision and regulation of the Commission de Surveillance du Secteur Financier (the “CSSF”) pursuant to Chapter 2 of Part 2 of the Luxembourg law of 22 March 2004 on securitisation, as amended.

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

### **Tax concession in respect of the Second Issuer**

In respect of any Specified Company that is a Cayman Company, there is no applicable taxation in the Cayman Islands. However, no assurance is given that such taxation concession will not change in the future. Any such change may lead to a Tax Event and early redemption of any Notes issued by such Specified Company and



may lead to such Notes being redeemed at less than the amount they would have been redeemed at if they continued to maturity.

### **Preferred creditors under Irish law**

In respect of any Specified Company that is an Irish Company (an “**Irish Issuer**”), under Irish law, upon an insolvency of an Irish company, when applying the proceeds of assets subject to floating security that may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant floating security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (that may include any borrowings made by an examiner to fund the company’s requirements for the duration of his appointment) that have been approved by the Irish courts (please see risk factor entitled “**Examinership**” below).

The holder of a fixed security over the book debts of an Irish tax resident company (that would include the First Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those that the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder’s liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners’ notice to the holder of fixed security.

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

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

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

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

Depending upon the level of control actually permitted to be exercised by the chargor, there is a possibility that what was intended to be fixed security over the Irish Issuer’s account and the Eligible Investments would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (i) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (ii) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (iii) they rank after certain insolvency remuneration expenses and liabilities;
- (iv) the examiner of a company has certain powers to deal with the property covered by the floating charge, although such powers (where not consented to by the floating charge holder) are subject to Court approval; and
- (v) they rank after fixed charges.

### **EU Anti Avoidance Directive**

On 12 July 2016 the EC Council formally adopted a directive containing a package of measures to combat corporate tax avoidance. The directive must be implemented by each Member State by 2019 subject to derogations for Member States which have equivalent measures in their domestic law. The directive could restrict the amount of interest a borrower can deduct to a percentage of its earnings (the "interest limitation rule"). The directive contains certain exceptions to the interest limitation rule and also provides that individual Member States may be permitted to implement certain derogations. The First Issuer may benefit from these exceptions or derogations depending on how the directive is implemented in Ireland. If the exceptions or derogations do not apply to the First Issuer, the amount of interest deductibility that could be claimed by the First Issuer in respect of interest on the Notes may be restricted. At this point it is not possible to confirm how the directive will be implemented into Irish law.

### **Competing Claims in relation to a Luxembourg Issuer**

In respect of any Luxembourg Issuer, Noteholders may be subject to competing claims of other creditors of such Issuer whose claims are not related to the Compartment in relation to which the relevant Series of Notes has been issued where (i) the claims are not Compartment-specific or (ii) a jurisdiction (other than Luxembourg) to which any Assets are subject would not recognise the segregation of assets and liabilities between Compartments as provided for in the Luxembourg Securitisation Law. The claims of such other creditors may affect the amount of Assets available to meet the claims of the Noteholders of such Series and other beneficiaries of the Compartment relating to such Series or any other Compartment. If there is any resulting shortfall in the amounts available from the Assets of the relevant Compartment, no debt shall be owed by the Issuer to the Noteholders in respect of such shortfall.

### **Preferred Creditors under Luxembourg Law**

In respect of any Luxembourg Issuer, if a Luxembourg court were required to analyse the subordination and priority of payment provisions contained in the relevant Transaction Agreements and the Notes in the context of insolvency proceedings initiated against such Issuer, the court may disregard the rules on priority of payment provided for in such documents, and apply mandatory rules of priority of payments applicable in Luxembourg insolvency proceedings to the extent that certain third parties have legal preference rights. Such preferred creditors include, *inter alia*, the tax authorities or creditors of social security contributions and certain legal costs.

### **Allocation of liabilities of the Third Issuer in connection with claims that are not Compartment-specific**

In the Third Programme Expenses Letter (as defined in “Risks Related to the Counterparties” – “Reliance on Creditworthiness of other Parties” below), Barclays Bank PLC in its capacity as Arranger has agreed to reimburse to the Third Issuer certain amounts due in respect of a claim which is not Compartment-specific. Apart from such agreement the Third Issuer does not have the benefit of any agreements or arrangements regarding such claims.

If entering into agreements which are not Compartment-specific, the Third Issuer will seek to contract with all counterparties on a limited recourse basis such that counterparties may claim any amounts from the Third Issuer without any recourse against the assets of any Compartment.

However, any creditor who has not contracted with the Third Issuer on a limited recourse basis, who is in possession of a claim that is not Compartment-specific (in particular, any creditor of claims preferred by law) may make a claim on the estate of the Third Issuer.

The board of directors of the Third Issuer, or any person acting on behalf of the board of directors of the Third Issuer, may determine, at its reasonable discretion, the basis upon which any such liabilities shall be allocated or apportioned between Compartments, and the board of directors of the Third Issuer has power at any time and from time to time to vary such basis.

### **Consequences of Winding-up Proceedings in relation to the Third Issuer**

The Third Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up or similar proceedings against the Third Issuer. If the Third Issuer fails for any reason to meet its obligations or liabilities to a creditor who has not so agreed, such creditor may be entitled to make an application for the commencement of winding-up or similar proceedings against the Third Issuer.

The commencement of such proceedings may involve certain conditions, which entitle creditors to terminate contracts with the Third Issuer and claim damages for any loss arising from such early termination. The commencement of such proceedings may result in the Third Issuer’s assets (including the Assets) being realised and applied to pay the fees and costs of the bankruptcy receiver, the liquidator or any similar official, debts preferred by law and debts payable in insolvency, before any surplus is distributed to the Noteholders.

Compartments of the Third Issuer may be liquidated separately without such liquidation resulting in the liquidation of either the Third Issuer itself as a whole or of any other Compartment of the Third Issuer.

### **Examinership**

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

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

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement which are with a view to allowing for the survival of the company, or the whole or any part of its undertaking, as a going concern. A scheme of arrangement will only be approved by the court if the following conditions are satisfied, i.e. (i) at least one class of creditors whose interests or claims would be impaired by the proposals has voted in favour of the proposals; (ii) the sole or primary purpose of the proposals is not the avoidance of payment of tax due; (iii) the court is satisfied that such proposals are (a) fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and (b) not unfairly prejudicial to the interests of any interested party.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of an Irish Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (that would be likely given the restrictions agreed to by the Irish Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the relevant Noteholders. The Trustee would also be entitled to argue at the court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the relevant Noteholders, especially if such proposals included a writing down of the value of amounts due by an Irish Issuer to the relevant Noteholders. The primary risks to such holders of Notes if an examiner were to be appointed to an Irish Issuer are as follows:

- (i) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by an Irish Issuer to the relevant Noteholders as secured by the Trust Deed;
- (ii) the potential for the examiner to seek to set aside any negative pledge in the relevant Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund an Irish Issuer during the protection period; and
- (iii) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration costs and reasonable expenses will take priority over the moneys and liabilities that from time to time are or may become due, owing or payable by an Issuer to the relevant Noteholders.

#### **Agreements solely the obligation of the Issuer**

The Swap and the Securities Lending Agreement will each be an obligation solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Swap and the Securities Lending Agreement will not be the obligation of, and will not be guaranteed by, or be the responsibility of, the Arranger, the Dealer or the Realisation Agent.

**Luxembourg Tax Treatment of a Luxembourg Issuer.** The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposition of the Notes.

Any Luxembourg Issuer is subject to the tax regime applicable in Luxembourg for securitisation vehicles as implemented by the Luxembourg Securitisation Law. Any Luxembourg Issuer is treated as a Luxembourg resident company for Luxembourg tax purposes. When invoking a taxation treaty it should be verified that Luxembourg and the state in which the contracting party is resident interpret the taxation treaty in the same way. Under Luxembourg VAT law, fees for management services rendered to Luxembourg securitisation companies are exempt from Luxembourg VAT.

## Evolution of international fiscal policy

The First Issuer and Third Issuer may not be considered as the beneficial owners of income received and therefore not be able to rely on a double taxation treaty on their own behalf.

Luxembourg has concluded a number of double taxation treaties with other states. It may be necessary or desirable for the Third Issuer to seek to rely on such treaties particularly in respect of income and gains of the Third Issuer. Whilst each double taxation treaty needs to be considered individually taking into account fiscal practices primarily of the country from which relief is sought a number of requirements need to be met. These requirements may include ensuring that an entity is resident in Luxembourg, is subject to taxation there on income and gains and is also beneficially owner of such income and gains. Fiscal policy and practice is constantly evolving and at present the pace of evolution has been quickened due to a number of developments which include, but are not limited to, the Organisation for Economic Co-operation and Development (“OECD”)/G20 base erosion and profit shifting project. Fiscal policy may change which may or may not be accompanied by a formal announcement by any fiscal authority or the OECD. As a result, there can be no certainty that the Third Issuer will be able to rely on double tax treaties because fiscal practice of the construction of double tax treaties and the operation of the administrative processes surrounding those treaties may be subject to change. For example, fiscal practice could evolve such that the Third Issuer could be regarded as not being the beneficial owner because the overriding commercial object of the Third Issuer to allocate income and gains, less certain expenses and losses for the benefit of its Shareholders, and the Third Issuer is entitled to a tax deduction in respect of that allocation and, as such, the Third Issuer would not be able to rely on a double taxation treaty on its own behalf.

## Luxembourg Insolvency of a Luxembourg Issuer

A Luxembourg Issuer may be declared bankrupt upon petition by a creditor of such Luxembourg Issuer or the public prosecutor (*Procureur d'État*) in Luxembourg or at the request of such Luxembourg Issuer in accordance with the relevant provisions of Luxembourg insolvency law. If granted, the Luxembourg courts will appoint a bankruptcy receiver (*curateur*) who shall be obliged to take such action as he deems to be in the best interest of such Luxembourg Issuer and of all creditors of such Luxembourg Issuer. Certain preferred creditors of such Luxembourg Issuer (including the Luxembourg tax authorities and social security) may have a privilege that ranks senior to the rights of Noteholders in such circumstances. To mitigate the risk of potential preferred creditors, such Luxembourg Issuer will covenant in the Trust Deed not to incur any other indebtedness for borrowed moneys, other than issuing further notes (which may form a single series with the Notes of any Series) pursuant to the Programme and creating or incurring certain further obligations relating to such notes. Other insolvency proceedings under Luxembourg law include controlled management (*gestion contrôlée*), moratorium of payments (*sursis de paiement*) of such Luxembourg Issuer, composition proceedings (*concordat préventif de la faillite*), forced liquidation (*liquidation forcée*) and judicial liquidation proceedings (*liquidation judiciaire*).

In addition to the general rules of insolvency, the provisions on forced liquidation of a regulated securitisation company (such as the Third Issuer) may apply. In such a case, the district court (*tribunal d'arrondissement*) dealing with commercial matters shall, upon request of the public prosecutor (*Procureur d'État*) (acting on its own behalf or at the request of the CSSF), pronounce the dissolution and order the liquidation of such regulated securitisation company whose entry on the official list of regulated securitisation vehicles has been definitely refused or withdrawn.

## FATCA, CRS and the possibility of U.S. withholding tax on payments

### Background

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010, commonly referred to as “**FATCA**” impose a withholding tax of 30 per cent. on (i) certain U.S. source payments and (ii) payments of gross proceeds from the disposition of assets that produce U.S. source dividends or interest, in either case made to persons that fail to meet certain certification or reporting requirements. To avoid withholding under FATCA, a non-U.S. financial institution (“**FFI**”) must enter into an agreement with the Internal Revenue Service (an “**IRS Agreement**”) (as described below) or otherwise be exempt from the requirements of FATCA. FFIs that enter into IRS Agreements or become subject to provisions of local law (“**IGA legislation**”) intended to implement an intergovernmental agreement entered into pursuant to FATCA (an “**IGA**”), may be required to identify and report to the government of the United States or another relevant jurisdiction certain information regarding “financial accounts” held by U.S. persons or entities with substantial U.S. ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In addition, in order (a) to obtain an exemption from FATCA withholding on payments it receives or (b) to comply with any applicable IGA legislation, a financial institution that enters into an IRS Agreement or is subject to IGA legislation may be required to withhold 30 per cent. from all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA withholding.

Under FATCA, withholding is required with respect to payments to persons that are not compliant with FATCA or that do not provide the necessary information, consents or documentation, where such payments are made on or after (i) July 1, 2014 in respect of certain U.S. source payments, (ii) January 1, 2019, in respect of payments of gross proceeds (including principal repayments) from the disposition of property that can produce U.S. source interest or dividends and (iii) January 1, 2019 (at the earliest) in respect of “foreign passthru payments”. FATCA withholding is not required for “obligations” that are not treated as equity for U.S. federal income tax purposes unless such obligations are issued or materially modified on or after (a) July 1, 2014, or (b) with respect to an obligation that would be subject to FATCA withholding solely in respect of foreign passthru payments, the date that is six months after the date on which the final regulations defining “foreign passthru payments” are filed with the Federal Register.

The Cayman Islands has also signed, along with a substantial number of other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the “**CRS**”), which requires “Financial Institutions” such as the Issuer to identify, and report information in respect of, specified persons in jurisdictions which sign and implement the CRS. The CRS is a reporting regime and not a withholding regime.

The application of FATCA to interest, principal or other amounts paid with respect to the Notes, the Assets and the Swap (if any) and the information reporting obligations of the Issuer and other entities in the payment chain is still developing. In particular, a number of jurisdictions (including Ireland, the Cayman Islands and Luxembourg) have entered into IGAs with the United States, which modify the way in which FATCA applies to their jurisdictions. The full impact of such IGAs and IGA legislation thereunder on reporting and withholding responsibilities under FATCA is unclear. The Issuer and other entities in the payment chain may be required to report certain information on their U.S. account holders to government authorities in their respective jurisdictions or the United States in order (i) to obtain an exemption from FATCA withholding on payments they receive or (ii) to comply with applicable law in their jurisdiction. It is not yet certain how withholding on “foreign passthru payments” will be dealt with under the IGAs or if such withholding will be required at all.

*Impact on payments on Assets and Swap (if any)*

If the Issuer fails to comply with its obligations under FATCA (including the Ireland, Cayman Islands and Luxembourg IGAs, as applicable, and any IGA legislation thereunder), it may be subject to FATCA withholding on all, or a portion of, payments it receives with respect to the Assets and the Swap (if any). Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes and/or Swap (if any) with respect to a Series. No other funds will be available to the Issuer to make up any such shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. Additionally, if payments to the Issuer in respect of its assets are, will become or are deemed on any test date to be subject to FATCA withholding, the Notes will be subject to early redemption (see “Early redemption for tax or legal reasons” below).

No assurance can be given that the Issuer can or will comply with its obligations under FATCA or that the Issuer will not be subject to FATCA withholding.

#### *Impact on payments on the Notes*

The Issuer expects to require (and expects other intermediaries through which Notes are held to require) each Noteholder to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or such an intermediary) to identify and report on the Noteholder and certain of the Noteholder’s direct and indirect U.S. beneficial owners to the IRS or another applicable authority. The Issuer may also be required to withhold amounts from Noteholders (including intermediaries through which such Notes are held) that are FFIs that are not compliant with, or exempt from, FATCA or Noteholders that do not provide the information, documentation or certifications required for the Issuer to comply with its obligations under FATCA. Additionally, the Issuer is also permitted to make any amendments to the Notes and the Swap (if any) as may be necessary to enable the Issuer to comply with its obligations under FATCA (including the Ireland, Cayman Islands and Luxembourg IGAs, as applicable, and any IGA legislation thereunder) and any such amendment will be binding on the Noteholders and Couponholders.

Neither a Noteholder nor a beneficial owner of Notes will be entitled to any additional amounts in the event FATCA withholding tax is imposed on any payments on or with respect to the Notes. As a result, Noteholders may receive less interest or principal, as applicable, than expected.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES, THE SWAP (IF ANY) AND NOTEHOLDERS IS SUBJECT TO CHANGE. EACH NOTEHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW FATCA MIGHT AFFECT SUCH NOTEHOLDER IN LIGHT OF ITS PARTICULAR CIRCUMSTANCES.

## ***RISKS RELATED TO THE NOTES***

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### **Limited recourse obligations**

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Secured Property by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. The Noteholders will have no right to proceed directly against the Swap Counterparty in respect of the Swap (if any), the Securities Borrower in respect of the Securities Lending Agreement (if any) or take title to, or possession of, the Secured Property unless the Trustee, having become bound to do so, fails to take action against the Issuer within a reasonable time. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security Interests received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency, and, following distribution of the

proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, none of the Trustee, the Noteholders or any other secured party will be entitled at any time to petition or take any other step for the winding-up of, or (in the case of an Irish Issuer) the appointment of an examiner to, the Issuer, provided that the Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party, and provided further that the Trustee may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.

### **Priority of claims**

During the term of the Transaction and on an enforcement of the security granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) the operating expenses due and payable to the Trustee, including expenses incurred in the enforcement of the security, (ii) the operating expenses due and payable to the Agents and (iii) the other claims as specified in the Issue Deed relating to the relevant Series that rank in priority to the Notes.

### **No gross-up**

In the event that any withholding tax or deduction for tax is imposed on payments on or in respect of the Notes (as a result of FATCA or otherwise), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur as a result of any such withholding or deduction; however, the Notes may be redeemed early pursuant to Condition 8(c)(ii) (*Tax Event*).

### **Modification, waivers and substitution**

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

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the provisions of the Notes that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in Condition 14(a) (*Meetings of Noteholders*)), and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Trust Deed, the Swap, the Securities Lending Agreement or any other documentation in connection with the issue of the Notes that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

### **Notes may be subject to optional redemption by the Issuer**

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



### **Early redemption for tax or legal reasons**

Upon giving notice to Noteholders, the Issuer may redeem all Notes earlier than the Maturity Date for specified tax or legal reasons, as detailed in Condition 8(c)(ii) (*Tax Event*). If the Issuer redeems Notes early, the Issuer will, if and to the extent permitted by applicable law, pay and/or deliver to each Noteholder the Early Redemption Amount on the date specified in the Conditions. Such Early Redemption Amount is not principally protected and will be calculated in accordance with the Conditions.

The Swap may provide that, if it is terminated early as a result of an early redemption of the Notes pursuant to Condition 8(c)(ii) (*Tax Event*), 8(c)(iii) (*Swap Event*) or 8(d) (*Events of Default*) thereof, the Swap will terminate in accordance with the provisions of Section 6(e) of the relevant Swap or, notwithstanding the provisions of Section 6(e) of the relevant Swap, (i) if the amount payable on termination of the Swap pursuant to Section 6(e) thereof would be an amount payable by the Swap Counterparty to the Issuer, then such amount shall be deemed to be zero and, therefore, no amount shall be payable by the Swap Counterparty to the Issuer, (ii) no amounts shall be payable by either party to the relevant Swap upon such termination, (iii) if the amount otherwise payable would be an amount payable by the Swap Counterparty to the Issuer then, in lieu of paying such amount to the Issuer, the Swap Counterparty may assign and/or deliver to the Issuer due but unpaid claims against the Reference Entity having, as at the Early Termination Date, an outstanding principal balance (as determined by the Calculation Agent) equal to the amount otherwise due and payable by the Swap Counterparty or (iv) on such other terms set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

### **Early redemption due to a Swap Event**

Certain changes to the terms and conditions of the Principal Assets after the Issue Date of the Notes – for example, a change in the currency of payment of principal and/or interest from U.S. dollar to Euro or from Euro to any currency which is the legal tender of any Group of 7 (as defined in Condition 1) country – may not constitute an Asset Trigger Event in respect of the relevant Asset Issuer but may result in the Issuer becoming unable to meet its obligations under the Swap and therefore lead to the early redemption of the Notes due to a Swap Event.

### **Notes may be redeemable at Noteholders' election**

If the Notes are redeemable at the option of the Noteholders and if a Noteholder gives notice to redeem Notes early, there will be a time lag between that notice and the time at which the applicable Early Redemption Amount is determined in that period. There could be substantial movements in the value of the Assets and therefore in the Early Redemption Amount, but the redemption notice once given may not be withdrawn.

### **Call option**

The Notes may be callable at the option of the Issuer if, and during the period, specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. The Issuer will only call the Notes when a back-to-back option contained in the Swap is exercised by the Swap Counterparty or if the Principal Assets contain a call option that is exercised. The Swap Counterparty would have full discretion to exercise the back-to-back option in its commercial interests without regard to the effect such exercise may have on the financial position of the Noteholders. Consequently, Noteholders may bear the risk of having all or part of their Notes redeemed at any time upon short notice from the Issuer.

### **Asset Replacement**

Under the Conditions, the Issuer may agree to substitute the Principal Assets with Eligible Replacement Assets. The criteria that apply to such Eligible Replacement Assets shall be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. The Issuer may only substitute the Principal Assets when so specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series

Listing Particulars pursuant to an Asset Replacement Notice from the Swap Counterparty. The Swap Counterparty has full discretion to exercise this right in its commercial interests and the Issuer may agree to such substitution acting in its own interests and, in each case, without regard to the effect such exercise may have on the financial position of the Noteholders or the Security Interests. Where Asset Replacement is applicable, investors will be exposed to the credit risk of the issuer of the Replacement Assets.

### **Securities lending**

Under the Conditions and pursuant to the Securities Lending Agreement, the Issuer may agree to lend the Principal Assets to the Securities Borrower. In return for such borrowing, the Securities Borrower will, where such loan is specified to be a Collateralised Loan, deliver Margin Securities to the Issuer. Pursuant to the Securities Lending Agreement, following the occurrence of an Asset Event, the Securities Borrower shall be obliged to pay to the Issuer an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and market value (expressed as a percentage) of the Principal Assets borrowed but not returned prior to such date by the Securities Borrower.

However, if “Full Restructuring” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, then, upon the occurrence of any Asset Event, the Securities Borrower shall instead have the option of paying an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined. Prospective investors should be aware that, as a result, the amount required to be paid by the Securities Borrower to the Issuer upon the occurrence of an Asset Event, and consequently the recovery proceeds available to meet the secured claims of the Noteholders, the Swap Counterparty and other secured parties in such circumstances, may be less than would otherwise have been the case had the Cheapest to Deliver Option (as defined below) not applied.

### **Asset Management**

The primary purpose of the Asset Management provisions is to ensure that the amount that would be payable upon early termination of the Swap or the “mark-to-market” value of the Swap (the “**Swap MTM**”) stays within a defined range at all times. This affects the Issuer’s exposure to the Assets and the Swap Counterparty, and the Early Redemption Amount that may ultimately be received by Noteholders in the event of an early redemption of the Notes.

If “Asset Management” is specified as applicable in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, on any day, the Swap Counterparty’s exposure to the Issuer under the Swap falls outside a pre-determined range of values (specifically, the Minimum Swap Exposure and the Maximum Swap Exposure), then an amount of securities or loans shall become deliverable to or by the Swap Counterparty, as further described below.

#### *Effect of the Swap Exposure falling below the Minimum Swap Exposure*

During the life of the transaction, if the Swap Exposure for a Series of Notes falls below the Minimum Swap Exposure, then the Swap MTM is in favour of the Issuer by a greater amount than is permitted by Minimum Swap Exposure. In such event, the Swap Counterparty shall deliver a sufficient amount of Eligible Management Assets to the Custodian to be held on behalf of the Issuer so as to ensure the Issuer’s exposure to the Swap Counterparty falls as close as reasonably possible to zero. In the event that the Swap Counterparty fails to so deliver any Eligible Management Assets when due, the Swap shall be capable of early termination by the Issuer.

In the event that the Swap Counterparty determines that it will not be able to deliver Standard Eligible Management Assets to the Issuer on the due date, having used all reasonable endeavours to do so, the Swap Counterparty shall be entitled to deliver Liquidity Event Eligible Management Assets to the Issuer on such date.

The operation of the Asset Management provisions in circumstances where the Swap Exposure falls below the Minimum Swap Exposure:

- (i) will result in the Issuer holding a higher outstanding nominal amount of Assets than was previously the case;
- (ii) will increase the Issuer's exposure to the creditworthiness of issuer(s) of the related Eligible Management Assets (which, in the case of Liquidity Event Eligible Management Assets, will not be the Asset Issuer) and reduce the amounts due to the Issuer under the Swap upon an early termination thereof; and
- (iii) may increase the Issuer's exposure to the creditworthiness of the Swap Counterparty.

*Effect of the Swap Exposure rising above the Maximum Swap Exposure*

During the life of the transaction, if the Swap Exposure for a Series of Notes rises above the Maximum Swap Exposure, then the Swap MTM is in favour of the Swap Counterparty by a greater amount than is permitted by Maximum Swap Exposure. In such event, the Issuer shall deliver a sufficient amount of the Principal Assets so as to ensure the Swap Counterparty's exposure to the Issuer (or its agent) falls as close as reasonably possible to zero. In the event that the Issuer fails to so deliver such Assets when due, the Swap shall be capable of early termination by the Swap Counterparty.

The operation of the Asset Management provisions in circumstances where the Swap Exposure rises above the Maximum Swap Exposure:

- (i) will result in the Issuer holding a lower outstanding nominal amount of Assets than was previously the case;
- (ii) will reduce the Issuer's exposure to the creditworthiness of issuer(s) of the Assets and reduce the amounts payable by the Issuer under the Swap upon early termination thereof; and
- (iii) may still result in the Issuer having an exposure to the creditworthiness of the Swap Counterparty.

*Effect of a default of Standard Eligible Management Assets*

The Issuer (and consequently the Noteholders) are exposed to the performance of any Standard Eligible Management Assets transferred by the Swap Counterparty to the Issuer under the Swap. The issuer of such Standard Eligible Management Assets will be an Asset Issuer and such Standard Eligible Management Assets will form part of the Principal Assets. Consequently, the occurrence of an Asset Trigger Event in relation to the Standard Eligible Management Assets or the issuer thereof, will constitute an Asset Event and may lead to an early redemption of the Notes at the relevant early redemption amount (which may be less than the amount due at the maturity of the Notes).

*Effect of a Liquidity Event Eligible Management Assets Default*

Whilst an Asset Event is not capable of being declared pursuant to Condition 8(c)(i) in respect of any Liquidity Event Eligible Management Assets held from time to time by or on behalf of the Issuer, upon the occurrence of any event analogous thereto in respect of such Liquidity Event Eligible Management Assets or an issuer thereof (a "**Liquidity Event Eligible Management Assets Default**"), such defaulted securities, loans or other assets, as the case may be, must be replaced by the Swap Counterparty with alternative Eligible Management

Assets within five Business Days of the Calculation Agent notifying the Issuer, the Swap Counterparty, the Custodian and the Loan Service Agent of the occurrence of such Liquidity Event Eligible Management Assets Default.

### **Index-linked Notes**

If the Notes are index-linked, principal or interest on the Notes is determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). Prospective investors should be aware that, as a result:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

### **Dual currency Notes**

If the Notes are dual currency Notes, principal or interest on the Notes is payable in one or more currencies which is different from the currency in which the Notes are denominated. Prospective investors should be aware that, as a result:

- (i) the market price of such Notes may be very volatile;
- (ii) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (iii) the amount of interest or principal payable may increase or decrease, depending upon fluctuations in exchange rates.

### **Notes with a multiplier or other leverage factor**

If the Notes have a variable interest rate, their market value may be volatile. If they are structured to include multipliers or provide for borrowing money in order to invest in the Notes, or caps or floors, or any combination of those features, their market values may be even more volatile than those for securities that do not include those features (the “**Leverage**”).

Notes that are structured such that there is borrowing under the Swap are likely to provide priority on enforcement in favour of the Swap Counterparty above the Noteholders; please refer to the Risk Factor entitled “Priority of claims” above.

Leverage exacerbates risk, both in terms of how severe losses can be and the probability that they will occur because of what might otherwise be immaterial moves in the market.

### Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their Nominal Amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### Notes linked to the creditworthiness of the Asset Issuer and Assets

Unless otherwise specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, the Notes will be credit-linked to the Asset Issuer. Investors should note that the Notes differ from ordinary debt securities issued by the Issuer in that the amount of principal and interest payable by the Issuer in respect of the Notes is dependent on, amongst other things, whether an Asset Trigger Event has occurred in respect of the Asset Issuer. In certain circumstances, the Notes will cease to bear interest and the value paid to Noteholders on redemption may be less than their original investment or may be zero. The likelihood of an Asset Trigger Event occurring in respect of the Asset Issuer will generally fluctuate with, among other things, the financial condition and other characteristics of the Asset Issuer, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the merits and risks of investing in such Notes as well as access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation.

If “Full Restructuring” is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars in relation to Notes that are credit-linked, prospective investors should note that:

- (i) in addition to the Asset Trigger Events which apply in respect of the Asset Issuer when “Full Restructuring” is not applicable, the occurrence of a change (1) in the ranking in priority of payment of any Asset Issuer Obligation, causing the Subordination (ATE) of such Asset Issuer Obligation to, where “Asset Event-Linked to All Bonds” is specified as the applicable Asset Event Type in the Pricing Supplement, Series Prospectus or Series Listing Particulars, any other Asset Issuer Obligation or, where “Asset Event-Linked to Assets Only” is specified as the applicable Asset Event Type in the Pricing Supplement, Series Prospectus or Series Listing Particulars, any other obligation of the Asset Issuer or (2) in the currency or composition of any payment of interest or principal to any currency which is not the legal tender of (x) any of France, Germany, Italy, Japan, Canada, the United Kingdom and the United States of America (“**Group of 7**”) (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (y) any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher by Standard & Poor’s, Aaa or higher by Moody’s or AAA or higher by Fitch shall also constitute Asset Trigger Events in respect of the Asset Issuer; and
- (ii) the Securities Borrower shall have the option under the Securities Lending Agreement of paying an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined (which option is referred to as the “**Cheapest to Deliver Option**”). As a result, the amount required to be paid by the Securities Borrower to the Issuer upon the occurrence of an Asset Event, and consequently the recovery proceeds available to meet the secured claims of the Noteholders, the Swap Counterparty and other secured parties in such circumstances, may be less than would otherwise have been the case had the Cheapest to Deliver Option not applied.

None of the Issuer, the Trustee and the Noteholders or any other person will have any right, except as specifically required under the terms of the Swap and the Notes, to receive any information regarding the Asset Issuer or any Asset Issuer Obligation (save to the extent that it is entitled to receive information relating to the Asset Issuer by virtue of its holding of Assets). The Arranger and/or the Dealer may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Asset Issuer or any Asset Issuer Obligation and it shall not be under any duty to disclose such confidential information to any Noteholder.

Under the Swap, the Issuer may hedge its obligations under the Notes, but the Issuer will have a contractual relationship only with the Swap Counterparty and not with any obligor in respect of any Asset Issuer Obligation or the Asset Issuer (save to the extent of its holding of Assets issued by the Asset Issuer). Consequently, the Swap will not constitute a purchase or other acquisition or assignment of any interest in any Asset Issuer Obligation or the Asset Issuer (other than in respect of the Assets acquired by the Issuer from the Swap Counterparty on the Issue Date pursuant to and in accordance with the terms of the Swap). The Issuer and the Trustee will have rights solely against the Swap Counterparty and, under the Swap, will have no recourse against the obligor in respect of any Asset Issuer Obligation or the Asset Issuer. None of the Issuer, the Trustee, the Noteholders or any other entity will have any rights to acquire from the Swap Counterparty (or to require the Swap Counterparty to transfer, assign or otherwise dispose of) any interest in any Asset Issuer Obligation or the Asset Issuer (save, in the case of the Issuer, in connection with the purchase of the Assets from the Swap Counterparty on the Issue Date pursuant to and in accordance with the Swap). Moreover, the Swap Counterparty will not grant the Issuer or the Trustee any security interest in any such Asset Issuer Obligation or the Asset Issuer.

If the Notes are redeemable by cash payment following the occurrence of an Asset Trigger Event in respect of the Asset Issuer, the amount of any Sale Proceeds used in the calculation of the Early Redemption Amount may be affected by factors other than the occurrence of such Asset Trigger Event. The Assets, even absent an Asset Trigger Event in respect of the Asset Issuer, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of an Asset Trigger Event in respect of the Asset Issuer, thereby adversely affecting the market value of such Assets that in turn will impact on the Early Redemption Amount payable and/or, as the case may be, deliverable on redemption of the Notes.

Some of the Assets may have no, or only a limited, trading market. The liquidity of the Assets will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the Asset Issuer. The financial markets are experiencing periods of volatility and reduced liquidity that may reduce the market value of the Assets.

### **Eurosystem eligibility**

The European Central Bank maintains and publishes a list of assets which are recognised as eligible collateral for Eurosystem monetary and intra-day credit operations. In certain circumstances, recognition may impact on (among other things) the liquidity of the relevant assets. Recognition (and inclusion on the list) is at the discretion of the Eurosystem and is dependent upon satisfaction of certain Eurosystem eligibility criteria and rules. Certain Series of Notes may be issued in NGN form with the intention that such Notes be recognised and added to the list of eligible assets of the European Central Bank. However, there can be no assurance that such Notes will be so recognised by the Eurosystem either upon issue or at any or all times during their life, or, if they are recognised, that they will continue to be recognised at all times during their life.

## **Inconvertibility Event**

Dealings in the Assets and the performance by the Asset Issuer of its obligations under the Assets may be affected by applicable exchange control regulations (“**Regulations**”). Such Regulations could materially and adversely affect the timing and amount of payments to be made by the Asset Issuer to the Issuer (or to the Custodian or Loan Service Agent on behalf of the Issuer) in the Issuer’s capacity as holder of an Asset. This risk may be mitigated to a certain extent by provisions in the Swap pursuant to which, upon the occurrence of an Inconvertibility Event, the Issuer may instruct the Custodian to instruct the party making payments of any interest and/or principal under the Assets to make such payments to a third party nominated by the Swap Counterparty. The Swap Counterparty will be entitled to terminate the Swap on account of an Inconvertibility Event. The Notes may fall due for early redemption by reason of the occurrence of an Inconvertibility Event depending on the relevant election made by the Swap Counterparty in respect of any termination of the Swap.

## **Enforcement of Security**

If the Security Interests become enforceable, the Trustee may, at its discretion, or, if “Creditor Direction” is specified in respect of the Notes and it receives a Creditor Direction to enforce the Security, is obliged (subject, in each case, to it having been indemnified and/or secured and/or pre-funded to its satisfaction against any loss, liability, cost, claim, action, demand or expense which may be incurred or made against it in connection therewith) to take enforcement action. Other Creditors may have different interests to the Noteholders and enforcement of the Security Interests at the direction of an Other Creditor may not be in the best interests of the Noteholders.

## **Reliance on rating agencies**

Prospective investors should ensure they understand what any rating associated with the Notes (whether of the Notes themselves, of any Reference Entity, of the Swap Counterparty (or any credit support provider of the Swap Counterparty) or of any other party or entity involved in or related to the Notes) means and what it addresses and what it does not address. The assignment of a rating to the Notes should not be treated by a prospective investor as meaning that such investor does not need to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes.

Whilst in its capacity as Arranger or Dealer Barclays Bank PLC may request a rating agency to rate a Series of Notes, in requesting such rating Barclays Bank PLC does not in any way represent that such rating is an accurate reflection of the risks involved in an investment in the Notes, that the relevant rating agency is an appropriate rating agency or the models used by such rating agency are appropriate for such Series of Notes. The fact that Barclays Bank PLC requests such rating should not be treated by a prospective investor as meaning that Barclays Bank PLC accepts any responsibility for the rating or the work of the relevant rating agency or that Barclays Bank PLC shares the views of such rating agency, and each investor needs to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes. Further, the terms on which a rating is provided by a rating agency may include a disclaimer or an exclusion by such rating agency of any liability to any person in respect of such rating.

During its holding of a Note, a Noteholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Note. Such steps should not rely solely on ratings. In particular, prospective investors should not rely solely on downgrades of ratings as indicators of deteriorating credit. Market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues prior to any downgrade.

During the global financial crisis, rating agencies have been the subject of criticism from a number of global governmental bodies that they did not downgrade entities on a sufficiently quick basis.

Prospective investors who place too much reliance on ratings, or who do not understand what the rating addresses, may be subject to unexpected losses as a result.

## ***RISKS RELATED TO THE ASSETS***

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### **No investigations**

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

### **Assets**

Noteholders are exposed to the market price of the Assets. The Issuer may have to fund its payments by the sale of some or all of the Assets at a market value. The market price of the Assets will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant Asset Issuer. The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Assets and it shall not be under any duty to disclose such confidential information to any Noteholder or the Issuer.

The market price at which the Issuer purchases the Principal Assets may be such that the aggregate nominal amount of such Principal Assets is different from the aggregate nominal amount of the Notes. Upon redemption of the Notes, if the amount payable on redemption or realisation of the Principal Assets is less than the aggregate nominal amount of the Notes, the Issuer will have a shortfall and will depend on the Swap Counterparty to make any payments to meet this shortfall, thereby further increasing the Issuer's exposure to the Swap Counterparty.

Noteholders also have a credit exposure to any Standard Eligible Management Assets in the event that such assets are delivered to the Issuer by the Swap Counterparty where Asset Management is applicable (see "Risk Factors – Risks related to the Notes – Asset Management" above).

### **Assets of Pass-through Notes**

In the case of Pass-through Notes, Noteholders will be subject to whatever early redemption triggers are applicable to the Principal Assets as set out in the terms and conditions thereof.

## ***PROPOSED FINANCIAL TRANSACTIONS TAX ("FTT")***

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

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

Under the current proposals the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad



range of circumstances, including (a) by transacting with a person established in a Participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

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

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

## ***RISKS RELATED TO FUNDS***

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Fund-linked Notes are Notes where the repayment of principal and/or amount deliverable on redemption and/or the exercise of any Put Option or Call Option or any other amounts payable or deliverable in respect of such Notes, as indicated in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, will be calculated by reference to and/or contingent upon the performance of the shares, interests or units in one or more fund interests. Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, fund-linked Notes are not interest-bearing.

In connection with the issue of a Series of fund-linked Notes, the Issuer may purchase and hold physical fund interests (either directly or through a custodian) and/or enter into a Swap with the Swap Counterparty pursuant to which it obtains a synthetic exposure to the relevant underlying fund interests. In respect of fund-linked Notes, the Calculation Agent may be appointed to determine whether a fund event has occurred from time to time with respect to the underlying fund interests or issuer thereof. Such an occurrence may result in the early redemption of the relevant fund-linked Notes.

Fund-linked Notes involve a degree of risk, which include corporate, market, foreign exchange, time value and/or political risks, as well as other risks arising from fluctuations in the value or performance of, or events impacting, the Fund(s) to which the return on the Notes is linked, and general risks applicable to the stock market (or markets) and capital markets.

Fund-linked Notes have a different risk profile from ordinary unsecured debt securities. The return on fund-linked Notes is linked to the performance of the funds underlying such fund-linked Notes. Investing in a fund-linked Note is not equivalent to investing directly in the funds or in the underlying assets or investments held by the funds, although an investment in fund-linked Notes may bear similar market risks to a direct fund investment, and prospective investors should take advice accordingly.

Unless otherwise specified in the applicable Conditions, Noteholders will not receive any periodic interest payments on fund-linked Notes. Noteholders will not have rights that investors in the underlying funds may have. Unless otherwise specified in the applicable Conditions, the Notes will be redeemed in cash and Noteholders will have no right to receive delivery of the funds.

In order to realise a return upon an investment in a fund-linked Note, an investor must have correctly anticipated the direction, timing and magnitude of an anticipated change in the value of the fund(s) relative to the price at which it purchases such fund-linked Note. Depending on the performance of the underlying fund interests, upon redemption a Noteholder may receive less than its original investment in the fund-linked Notes, unless the terms and conditions provide that its principal is protected in whole or in part. If principal is protected in whole or in part, a Noteholder may only receive an amount to the extent of such protection and will be subject to the credit risk of the protection provider.

Unless otherwise specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, the only means through which a Noteholder can realise value from a fund-linked Note prior to its maturity

date is to sell it at its then market price in an available secondary market. There can be no assurance that a Noteholder will be able to sell any fund-linked Notes prior to their maturity date, at a price equal to or greater than the market value of the fund-linked Notes on the issue date and such holder may only be able to sell Notes at a discount, which may be substantial, to the issue price. Furthermore, if any Noteholder sells its Notes, the purchaser will likely be charged a commission for secondary market transactions, or the price will likely reflect a dealer discount.

No underlying fund interest is in any way controlled, sponsored, endorsed or promoted by the Arranger, the Dealer, the Issuer, the Swap Counterparty, the Trustee or any other Agent. None of the Arranger, the Dealer, the Issuer, the Swap Counterparty, the Trustee or any other Agent takes responsibility for the management or administration of any underlying fund or for monitoring the activities of any underlying fund and makes no warranty, express or implied, as to how any underlying fund, any relevant fund manager, any fund custodian, any fund administrator and/or any other fund services provider, as the case may be, will manage or administer any underlying fund or the results of any underlying fund.

In respect of a Series of Notes where Assets include interests in funds (“Funds”), all disclosure in respect of such Funds will be derived from publicly available documents. Investors should review the section relating to investment considerations in the prospectus relating to the relevant Fund for a full discussion of the risk factors related to such Fund.

None of the Issuer, the Arranger or the Dealer, each acting in its capacity as such in respect of the Programme, has been involved in the preparation of any offering documentation for any Fund, or has or will make any due diligence enquiry with respect to the information provided in any of the offering documentation for such Fund, and no representation or warranty is made by the Issuer, the Arranger or the Dealer as to the accuracy or completeness of the information contained in any offering documentation for such Fund. None of the Issuer, the Arranger or the Dealer, each acting in its capacity as such in respect of the Programme, has verified the accuracy or completeness of such documents or information.

Any Fund will be subject to credit, liquidity and market risks. The market price of any Fund will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of such Fund. Any Fund may have no, or only a limited, trading market.

### **Financial and other information relating to Funds**

Holders of fund-linked Notes will bear the risk that the performance of the underlying Fund(s) cannot be predicted. Noteholders should be aware that the limited availability of last sale information and quotations for such Fund(s) may make it difficult for many Noteholders to obtain timely, accurate data for the price or yield of such Fund(s). Save as expressly provided herein, this Base Prospectus is not intended to, and does not, provide any financial or other information with respect to any Fund. Please refer to such other information as such Fund has made publicly available. Noteholders should note that none of the Issuer, the Arranger or the Dealer assumes any responsibility for the adequacy or accuracy of any information that any Fund has made publicly available. Furthermore, the Issuer, the Arranger and the Dealer (including their affiliates) may have acquired, or during the term of the Notes may acquire, non-public information with respect to any Fund that may not be disclosed to Noteholders.

### **Independence of Fund(s)**

Unless otherwise specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, no Fund is in any way controlled, sponsored, endorsed or promoted by the Issuer, the Arranger, the Calculation Agent, the Swap Counterparty, the Trustee, any other Agent or the Dealer. No such party takes responsibility for the management or administration of any Fund or for monitoring the activities of any Fund

and makes no warranty, express or implied, as to how any Fund, any fund manager, any fund custodian, any fund administrator and/or any other fund services provider, as the case may be, will manage or administer any Fund or the results of any Fund.

None of the Issuer, the Arranger, the Calculation Agent, the Swap Counterparty, the Trustee, any other Agent or the Dealer gives any assurance that the activities and operations of any Fund, any fund manager, any fund custodian, any fund administrator and/or any other fund services provider are free from fraud or other conduct that could be damaging to the performance of any Fund. No such party shall be liable, in negligence or otherwise, to any party for any costs or losses arising either directly or indirectly from any acts and/or omissions (including, but not limited to, fraud, negligence or wilful default) of any Fund, any fund manager, any fund custodian, any fund administrator and/or any other fund services provider or any of their delegates or assignees.

### **Costs, fees and expenses relating to Funds and the issue of the Notes**

Noteholders should understand that fees and interest costs may be deductible from the management of any Fund, as well as any legal fees, underwriting fees, custodian fees and listing fees which may be payable, which may mean that the return on the Notes may not necessarily correlate to changes in the net asset value of the Fund over the life of the Notes.

## ***RISKS RELATED TO THE COUNTERPARTIES***

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### **Reliance on creditworthiness of other parties**

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap, unless “Pass-through Notes” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, in which case the ability of the Issuer to meet its obligations under the Notes will depend upon the receipt by it of scheduled payments under the Principal Assets. Consequently, the Issuer is exposed not only to the occurrence of an Asset Trigger Event in relation to the relevant Asset Issuer and/or the volatility in the market value of the Principal Assets, but also to the ability of the Swap Counterparty to perform its obligations under the Swap.

The Notes will be redeemed following the occurrence of a termination event or event of default under the Swap, including by reason of a default by the Swap Counterparty thereunder. Unless otherwise specified, the claim of the Swap Counterparty against the Issuer under the Swap shall rank ahead of the Noteholders’ claim to repayment.

If on the termination of the Swap an amount is payable by the Swap Counterparty to the Issuer but as at such date insufficient or no Eligible Credit Support has been delivered by the Swap Counterparty to the Issuer under a Credit Support Annex, then the Issuer shall have an unsecured claim against the Swap Counterparty for such amount or shortfall. If a Liquidation Event occurs, the Realisation Agent shall liquidate the claim of the Issuer against the Swap Counterparty. However, due to the reduction in creditworthiness of the Swap Counterparty, the amount realised by the Realisation Agent may be less than the value of the payment which the Issuer would otherwise have received from the Swap Counterparty under the Swap had no such Liquidation Event occurred.

The receipt by the Issuer of payments under the Swap is also dependent on the timely payment by the Issuer of its obligations under the Swap. The ability of the Issuer to make timely payment of its obligations under the Swap depends on receipt by it of the scheduled payments under the Principal Assets and under any Securities Lending Agreement entered into by it in connection with the Notes. Consequently, the Issuer is also exposed to the ability of the issuers and guarantors of the Principal Assets to perform their respective payment

obligations and the ability of the Securities Borrower to perform its obligations under any such Securities Lending Agreement.

The Notes shall be redeemed upon the occurrence of a default under the Securities Lending Agreement, including by reason of a default by the Securities Borrower thereunder. Unless otherwise specified above, the claim of the Securities Borrower against the Issuer under the Securities Lending Agreement shall rank ahead of the Noteholders' claim to repayment. If the Issuer lends some or all of the Principal Assets to the Securities Borrower under the Securities Lending Agreement and the Securities Borrower defaults thereunder, then the Issuer shall have an unsecured claim against the Securities Borrower for such amount, provided that, if "Collateralised Loan" is specified as applicable, the amount of such unsecured claim shall be reduced by an amount equal to the market value of the Margin Securities held by the Issuer.

The Arranger has, on behalf of the First Issuer, agreed to pay certain fees, costs and expenses of the First Issuer under a programme expenses letter entered into on the establishment of the programme in 2014 and subsequent expenses letters in respect of Series of Notes (together with any future expenses letters, the "**First Programme Expenses Letter**"). The Arranger has also, on behalf of the Second Issuer, agreed to pay certain fees, costs and expenses of the Second Issuer under a programme expenses letter entered into on the establishment of the programme in 2014 and subsequent expenses letters in respect of Series of Notes (the "**Second Programme Expenses Letter**"). Furthermore, the Arranger has, on behalf of the Third Issuer, agreed to pay certain fees, costs and expenses of the Third Issuer under a programme expenses letter and subsequent expenses letters in respect of Series of Notes (the "**Third Programme Expenses Letter**", together with the First Programme Expenses Letter, the Second Programme Expenses Letter and any future expenses letters, the "**Programme Expenses Letters**"). In the event that the Arranger does not meet its obligations under the Programme Expenses Letters on time and in full (which may occur, for example, upon the insolvency (or the occurrence of an analogous event) of the Arranger), the relevant Issuer(s) may not be able to meet its periodic costs and expenses which may lead to a default of that Issuer's obligations under the Trust Deed and consequently an Event of Default. In relation to Notes in respect of which "Pass-through Notes" is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, if the Arranger undergoes a "Bankruptcy" (determined in accordance with the Conditions), the Issuer shall, upon giving notice, redeem such Notes earlier than the relevant Maturity Date.

Assets in the form of transferable securities will be held in an account of the Custodian on behalf of the Issuer and in the name of the Issuer or a nominee of the Custodian or sub-custodian (as applicable). Where the Collateral consists of assets other than transferable securities, it may be held in the name of or under the control of the Custodian or the Loan Service Agent or in such other manner as is approved by the Trustee. The Custodian may be responsible under the Custody Agreement for receiving payments on the Assets where the Assets comprise transferable securities and remitting them to the relevant Other Creditors or the Issuing and Paying Agent, as the case may be. The Loan Service Agent may be responsible under the Loan Service Agent Agreement for receiving payments under the Assets where the Assets comprise a loan and remitting them to the relevant Other Creditors or the Issuing and Paying Agent, as the case may be.

The Issuer may, from time to time, deposit cash into one or more cash accounts with the Custodian or the Loan Service Agent (as applicable). Any cash so deposited and any cash received by the Custodian or the Loan Service Agent (as applicable) for the account of the Issuer in relation to the Notes will be held by the Custodian or the Loan Service Agent (as applicable) as banker and not as trustee and will be a bank deposit. As a result, the cash will not be held in accordance with the client money rules as set out in the FCA rules and the Issuer will rank as a general unsecured creditor of the Custodian or the Loan Service Agent (as applicable). The Custodian and the Loan Service Agent will not segregate the Issuer's money from its own and shall not be liable to account to the Issuer for any profits made by the Custodian's or the Loan Service

Agent's use as banker of such cash. Such deposits may not be covered by the United Kingdom's Financial Services Compensation Scheme.

Except in the case of a Luxembourg Issuer, non-cash assets of the Issuer may be held overseas on behalf of the Custodian, the Loan Service Agent or any other Secured Agent (as applicable) by a third party on such Secured Agent's behalf.

In the case of a Luxembourg Issuer, for so long as such Issuer is a regulated securitisation company under the Luxembourg Securitisation Law, such Issuer undertakes in respect of its relevant Compartment to entrust the custody of the Secured Property (consisting in cash or cash equivalent ("*avoirs liquides*", as defined in the Luxembourg Securitisation Law) and securities) to a credit institution established or having its registered office in Luxembourg.

It should be noted that:

- (i) legal and regulatory requirements may be different from those applying in the United Kingdom, particularly where an account containing such assets is subject to the laws of a non-EEA jurisdiction. The relevant Secured Agent will only use a sub-custodian in a country that is not an EEA state where the holding and safekeeping of financial instruments is not regulated when the nature of such assets or of the other services provided to the Issuer requires them to be deposited with such a sub-custodian;
- (ii) such assets may be held in an omnibus account by the sub-custodians, in which event there is a risk that such assets could be withdrawn or used to meet obligations of other persons, or that the balance of assets held by the sub-custodian does not reconcile with the quantity that the sub-custodian is required to hold, and the Issuer may not, in such circumstances, receive its full entitlement of such assets; and
- (iii) in some jurisdictions, it may not be possible to identify separately the assets that a sub-custodian holds for the Issuer (or the relevant Secured Agent on behalf of the Issuer) from those that it holds for itself or for the relevant Secured Agent, and in such circumstances there is a risk that such assets could be withdrawn or used to meet the obligations of the sub-custodian or the relevant Secured Agent, or not available to the Issuer at all if the sub-custodian becomes insolvent.

The relevant Secured Agent is required to ensure that it segregates the Issuer's non-cash assets from any securities belonging to itself and make adequate arrangements so as to safeguard the Issuer's ownership rights, including by protecting such non-cash assets from any fetter, lien, encumbrance or charge against the assets of the relevant Secured Agent or other customers, and shall prevent the use of such non-cash assets on the relevant Secured Agent's own account except as expressly agreed with the Issuer. To the extent that any sub-custodian fails to take the actions specified in this paragraph, a loss (up to and including a total loss) may result to the Issuer and, as a result, the Noteholders and the other secured parties.

**Risks relating to the transfer of Equivalent Credit Support (as defined in the Swap) following early termination of the Swap**

If the Swap is terminated early other than as a result of the occurrence of an Event of Default (as defined in the Swap), the value of the Credit Support Balance (as defined in the Swap) will not be deemed to be an Unpaid Amount (as defined in the Swap) due to the Transferor (as defined in the Swap) and the Issuer or the Swap Counterparty (as applicable) holding the relevant Eligible Credit Support will be required to deliver Equivalent Credit Support in respect of the other party's Credit Support Balance. The mechanics under Paragraph 6 (Default) of the Credit Support Annex (Bilateral Form – Transfer) will only apply if the Swap is terminated as a result of the occurrence of an Event of Default.

Following the termination of the Swap other than as a result of the occurrence of an Event of Default, if the party required to deliver Equivalent Credit Support is different from the party required to pay the termination amount of the Swap, the Issuer and the Swap Counterparty will discharge their respective obligations on a delivery-versus-payment basis. In the same scenario, if the party required to deliver Equivalent Credit Support fails to effect the delivery within three Local Business Days (as defined in the Swap) of the due date, the other party may elect that the value of the Credit Support Balance will be deemed to be an Unpaid Amount due to it.

On the termination of the Swap other than as a result of the occurrence of an Event of Default, despite the requirement of delivery-versus-payment, if (a) the Issuer delivers Equivalent Credit Support in respect of the Swap Counterparty's Credit Support Balance but the Swap Counterparty fails to pay the termination amount of the Swap or (b) the Issuer pays the termination amount of the Swap but the Swap Counterparty fails to deliver Equivalent Credit Support in respect of the Issuer's Credit Support Balance, as applicable, the Issuer will have an unsecured claim against the Swap Counterparty in respect of such amount or assets.

#### **Failure to appoint a replacement Secured Agent**

If the appointment of any Secured Agent is terminated for any reason whatsoever and the Issuer becomes obliged to pay some or all costs relating to its replacement and is unable to do so, then an Event of Default may occur in respect of the relevant Notes. The relevant Notes may be redeemed prior to their scheduled maturity under Condition 8(d)(ii) (*Event of Default*).

#### **Risks relating to all Agents**

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

#### **Potential conflict of interest**

The roles of the Swap Counterparty, the Realisation Agent and Calculation Agent may be performed by the same entity (unless replaced in accordance with the terms and conditions of the Notes). This gives rise to a potential conflict of interest and, when making any such determination, Barclays Bank PLC is not obliged to act in the best interests of the Noteholders but may act in its own best interests.

#### **No fiduciary role**

None of the Issuer, the Arranger, the Swap Counterparty, the Securities Borrower, Barclays Bank PLC (in any other capacity in which it acts under the Programme), the Administrator, the Realisation Agent, the Trustee, the Share Trustee, the Dealer or any Agent (each as defined herein and together, in relation to a Programme, the "**Programme Parties**"), or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer or any of the Programme Parties assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Assets or the terms thereof or of any Swap Counterparty or the terms of the relevant Swap.

Investors may not rely on the views or advice of the Issuer or any of the Programme Parties for any information in relation to any person other than such Issuer or Programme Party, respectively.

## **Realisation Agent**

The Realisation Agent has been appointed to liquidate relevant Assets of the Issuer following a Liquidation Event. In the event that the Realisation Agent fails to sell such Assets in accordance with the Liquidation Procedures, or in the event that the Realisation Agent becomes insolvent, the Agency Agreement and the Conditions contain a mechanism for the appointment of a replacement Realisation Agent. However, there can be no assurance that an appropriate counterparty could be found to perform this role. If no replacement Realisation Agent is appointed or there is a failure to liquidate Assets in certain circumstances, the realisation of Assets following a Liquidation Event would be undertaken by the Trustee or a receiver appointed by the Trustee upon enforcement of the Security Interests in accordance with the Conditions and subject to its being indemnified and/or secured and/or prefunded to its satisfaction, but may be subject to delays and the Trustee is not obliged or required to take any action under the Trust Deed that may involve it in incurring any personal liability or expense unless indemnified and/or secured and/or pre-funded to its satisfaction.

## **Calculation Agent determinations and refraining from acting**

In addition to determining interest rates and/or calculating amounts of interest and/or principal, the Calculation Agent may also undertake certain additional duties as set out in the terms and conditions relating to the relevant Notes.

For example, this may be the case if the terms and conditions of the Notes (such as fund-linked Notes) specify certain events in respect of the Notes. In such circumstances, based on information received from the Issuer (in its capacity as beneficial owner of the underlying fund interests, if applicable) and/or from other relevant sources available to the Calculation Agent, the Calculation Agent will be required to monitor whether any applicable event has occurred. The occurrence of one or more such events may give rise to an early redemption of such Notes. Noteholders should be aware that the Calculation Agent may have acquired, or during the term of the Notes may acquire, non-public information with respect to any underlying entity (or party related thereto) and shall be entitled to use such non-public information in making any determination with respect to the occurrence of an event that may give rise to an early redemption of the Notes. In such circumstances, the Calculation Agent may not be able to disclose the basis of such determination to Noteholders if it deems such information to be confidential, non-public, price sensitive or of such a nature as otherwise might prohibit it from disclosing the same in accordance with applicable laws, including, without limitation, any insider dealing and/or market abuse laws.

Notwithstanding the above, Noteholders should be aware that the Calculation Agent is entitled to refrain from performing any duties expressed to be performed by it where such performance would involve obligations of or to, or assets referencing, persons (including individuals, corporations (including a business trust), partnerships, collective investment schemes, joint ventures, associations, joint stock companies, trusts (including any beneficiary thereof), unincorporated associations or governments or any agency or political subdivision thereof) about which the Calculation Agent or any of its affiliates has information which the Calculation Agent deems confidential, non-public, price sensitive or of such a nature as otherwise might prohibit it from performing such duty in accordance with applicable laws, including, without limitation, any insider dealing and/or market abuse laws.

If the Calculation Agent refrains from performing any of its duties on this basis, it shall not be liable in tort or contract or otherwise to any person whatsoever for its failing to perform. Such circumstances would prevent the Calculation Agent from notifying the Issuer and Noteholders of the occurrence of a fund event, notwithstanding that the Notes would otherwise have been redeemed early if the Calculation Agent was not compelled to refrain from acting.

## **No reliance**

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

## **No representations**

None of the Issuer or any of the Programme Parties makes any representation or warranty, express or implied, in respect of any Assets or any issuer or obligor of any Assets or of any Swap Counterparty or in respect of the relevant Swap or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Assets or of any Swap Counterparty or in respect of the relevant Swap with any exchange, governmental, supervisory or self-regulatory authority or any other person.

None of the Issuer nor any of the Programme Parties makes any representation or warranty in respect of the Collateral or in respect of any Swap Counterparty (except that any information set forth in a Prospectus relating to Barclays Bank PLC has been obtained from, and shall be the sole responsibility of, the Swap Counterparty).

## **Regulatory Bail-Ins**

The EU Directive establishing a framework for the recovery and resolution of credit institutions and investment firms (the "Bank Recovery and Resolution Directive" or "BRRD") was published in the EU Official Journal on 12 June 2014. The BRRD was implemented with effect in all European Member States on 1 January 2015, with the exception of the bail-in powers which were implemented on 1 January 2016. The aim of the BRRD is to provide national supervisory authorities with tools and powers to pre-emptively address potential banking crises in order to promote financial stability and minimise taxpayers' exposure to losses.

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

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

- (a) materially adversely affect the rights of the holders of the Notes or the price or value of their investment in the Notes; and/or



- (b) result in the cancellation or deferral of all, or a portion, of any amounts owed to the Issuer by Barclays Bank PLC under the Swap Agreement, Loan Service Agent Agreement and/or the Securities Lending Agreement; and/or
- (c) impair the ability of the Issuer to satisfy its obligations under the Notes; and/or
- (d) lead to the holders of the Notes losing some or all of the value of their investment in such Notes.

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

## ***RISKS RELATED TO THE BANKING ACT 2009***

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Under the Banking Act 2009 (the “**Banking Act**”), substantial powers have been granted to HM Treasury, the Bank of England (including the UK Prudential Regulation Authority (the “**PRA**”)) and the U.K. Financial Conduct Authority (the “**FCA**” and, together with HM Treasury, the Bank of England and the PRA, the “**Authorities**”) as part of a special resolution regime (the “**SRR**”). These powers enable the Authorities to deal with a U.K. bank, building society or other U.K. institution with permission to accept deposits pursuant to Part IV of the Financial Services and Markets Act 2000 (“**FSMA**”) (each, a “**relevant entity**”) in circumstances in which the Authorities consider its failure has become highly likely and a threat is posed to the public interest. The SRR consists of three stabilisation options and two insolvency and administration procedures applicable to a relevant entity which may be commenced by the Authorities. The stabilisation options provide for: (i) private sector transfer of all or part of the business of the relevant entity; (ii) transfer of all or part of the business of the relevant entity to a “bridge bank” established by the Bank of England; and (iii) temporary public ownership (nationalisation) of the relevant entity. In each case, the Authorities have been granted wide powers under the Banking Act including powers to modify contractual arrangements in certain circumstances and powers for HM Treasury to disapply or modify laws (with possible retrospective effect) to enable the powers under the Banking Act to be used effectively. The following paragraphs set out some of the possible consequences of the exercise of those powers under the SRR.

### **The SRR may be triggered prior to insolvency of Barclays Bank PLC**

The purpose of the stabilising options is to address the situation where all or part of a business of a relevant entity has encountered, or is likely to encounter, financial difficulties, giving rise to wider public interest concerns. Accordingly, the stabilisation options may only be exercised if (i) the FCA is satisfied that a relevant entity (such as the Issuer) is failing, or is likely to fail, to satisfy the threshold conditions within the meaning of section 41 of the FSMA (which are the conditions that a relevant entity must satisfy in order to retain its authorisation to accept deposits), (ii) following consultation with the other Authorities, the FCA determines that it is not reasonably likely that (ignoring the stabilising options) action will be taken that will enable the relevant entity to satisfy those threshold conditions and (iii) the Authorities consider the exercise of the

stabilisation options to be necessary, having regard to certain public interest considerations (such as the stability of the U.K. financial system, public confidence in the U.K. banking system and the protection of depositors). It is therefore possible that one of the stabilisation options could be exercised prior to the point at which any insolvency proceedings with respect to the relevant entity could be initiated.

#### **Various actions may be taken in relation to the Notes without the consent of the Issuer and/or Noteholders**

If Barclays Bank PLC (“**Barclays**”) were made subject to the SRR, HM Treasury or the Bank of England may exercise extensive share transfer powers (applying to a wide range of securities) and property transfer powers (including powers for partial transfers of property, rights and liabilities) in respect of Barclays. Exercise of these powers could involve taking various actions in relation to Swap or the Securities Lending Agreement without the consent of the Issuer, including (among other things): (i) extinguishing any rights to acquire securities of the Issuer; and (ii) modifying or disapplying certain terms of the Swap or the Securities Lending Agreement, including disregarding any termination or acceleration rights or events of default under the terms of such agreements and the Notes (if applicable) which would be triggered by the transfer and certain related events.

There can be no assurance that the taking of any such actions would not adversely affect the rights of Noteholders, the price or value of their investment in the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes. In such circumstances, the Issuer may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that the Issuer would thereby recover compensation promptly or equal to any loss actually incurred.

#### **A partial transfer of the business of Barclays may result in a deterioration of its creditworthiness**

If Barclays were made subject to the SRR and a partial transfer of its business to another entity were effected, the quality of the assets and the quantum of the liabilities not transferred and remaining with Barclays (which may include the Assets transferred under the Swap and/or the Securities Lending Agreement) may result in a deterioration in the creditworthiness of Barclays and, as a result, increase the risk that it may be unable to meet its obligations in respect of the Swap and/or the Securities Lending Agreement and eventually become subject to administration or insolvency proceedings pursuant to the Banking Act. In such circumstances, the Issuer may have a claim for compensation under one of the compensation schemes existing under, or contemplated by, the Banking Act, but there can be no assurance that the Issuer would thereby recover compensation promptly or equal to any loss actually incurred.

As at the date of this Base Prospectus, the Authorities have not made an instrument or order under the Banking Act in respect of Barclays and there has been no indication that they will make any such instrument or order. However, there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such order or instrument if made.

## ***RISKS RELATED TO THE MARKET***

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### **Limited liquidity of the Notes**

Although application may be made to admit the Notes to the Official List of the Irish Stock Exchange and admit them to trading on the regulated market or the Global Exchange Market of the Irish Stock Exchange and application may be made for the Notes to be listed on the Cayman Islands Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes

with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If Barclays Bank PLC begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

## **Non-registration under the Securities Act and Restrictions on Transfer**

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

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

Each transferee of a Note will either have to provide to the Issuer a letter of representations or will be deemed to make certain representations at the time of transfer relating to compliance with Section 3(c)(7) of the Investment Company Act. See “Transfer Restrictions — Restricted Series” and “Subscription and Sale”. Any purported transfer in violation of the applicable transfer restrictions set forth in “Transfer Restrictions — Restricted Series” and “Subscription and Sale” will be null and void *ab initio* and will not operate to transfer any rights to the transferee, and the Issuer will have the right to require any such Noteholder or beneficial owner to sell such Notes or interest therein, or may sell such Notes or interest therein on behalf of such owner, at the least of (x) the purchase price therefor paid by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof.

The foregoing and other transfer restrictions described throughout this Base Prospectus further limit the liquidity of the Notes and may inhibit the development of a liquid market.

## **ERISA considerations**

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the initial purchasers and any subsequent transferees of the Notes will be required or deemed, as applicable, to represent, warrant and covenant that it is not (and for so long as it holds the notes or an interest therein will not be) and is not acting on behalf of (and for so long as it holds any note or an interest

therein will not be acting on behalf of) (i) an employee benefit plan within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (ii) a plan within the meaning of Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), (iii) an entity that is deemed to hold the assets of any such plan, which plan or entity is subject to Title I of ERISA or Section 4975 of the Code or (iv) a governmental or church plan that is subject to any federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code. Any purported transfer in violation of the foregoing will be null and void *ab initio* and will not operate to transfer any rights to the transferee, and the Issuer will have the right to require any such Noteholder or beneficial owner to sell such Notes or interest therein, or may sell such Notes or interest therein on behalf of such owner, at the least of (x) the purchase price therefor paid by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof.

## ***SFTR (Article 15) Title Transfer Collateral Arrangements Risk Disclosure***

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

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

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

### **Loss of proprietary rights in Securities Collateral**

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

other Title Transfer Arrangement or other agreement can be netted or set-off against the obligation of the Transferee to deliver equivalent Securities Collateral to the Transferor).

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

Where the Title Transfer Counterparty is the Transferor, upon transfer of the Securities Collateral, the Issuer's obligations to transfer equivalent Securities Collateral in respect of the Title Transfer Arrangement, amongst other things, will be secured by the Secured Property in respect of the relevant Series of Notes. The Title Transfer Counterparty will not have any proprietary rights in the Securities Collateral transferred to the Issuer. If the Issuer defaults under the Title Transfer Arrangement, although the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will benefit from the Security granted by the Issuer, the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will, as a result of the applicable payment waterfall, be subordinated to prior ranking claims of certain other Secured Parties in respect of the Secured Property. Consequently, the Transferor may not receive the equivalent Securities Collateral (although the Transferor's exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement or other agreement can be netted or set-off against an obligation on the Transferee to deliver equivalent Securities Collateral to the Transferor).

### **Stay of proceedings following resolution process**

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

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

### **Loss of voting rights in respect of Securities Collateral**

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

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

#### **No information provided in respect of Securities Collateral**

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

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

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented, varied and/or restated by any Additional Conditions set out in any Product Annex that is specified as being applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or in accordance with the provisions of the relevant Issue Deed and save for the italicised paragraphs, will be incorporated in the Issue Deed constituting the Series or Tranche of Notes. Either (i) the full text of these Conditions together with the relevant provisions of the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or (ii) these Conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions) shall be endorsed on Notes in definitive form (if any) or on the Certificates relating to Registered Notes. In respect of the Notes, “**Final Terms**” means the applicable Final Terms for the purposes of Article 5.4 of the Prospectus Directive completed by the Issuer which specifies the issue details of the Notes and “**Pricing Supplement**” means the applicable Pricing Supplement completed by the Issuer which specifies the issue details of the Notes where the Notes are (i) not offered to the public and (ii) unlisted or listed and admitted to trading on a market that is not a regulated market for the purposes of Directive 2004/39/EC. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Issue Deed. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be.*

The Notes are constituted and secured by an Issue Deed dated on or about the Issue Date (the “**Issue Deed**”) and made between the “Issuer” (as defined in the Issue Deed), the “Trustee” (as defined in the Issue Deed and that expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) and, if applicable, the other persons specified therein. The Issue Deed constitutes and secures the Notes by the creation of a trust deed (the “**Trust Deed**”) on the terms (as amended, modified and/or supplemented by the Issue Deed) set out in the master trust terms (the “**Master Trust Terms**”) specified in the Issue Deed. The Conditions (as defined below) include summaries of, and are subject to, the detailed provisions of the Trust Deed. By executing the Issue Deed, the Issuer has entered into (i) an agency agreement (the “**Agency Agreement**”) with one or more of the parties defined in the Issue Deed as the “Issuing and Paying Agent”, the “Paying Agents” (which expression shall include the Issuing and Paying Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar), the “Realisation Agent” and the “Calculation Agent(s)” and collectively as the “**Agents**” (which expression shall also include any Custodian and any Loan Service Agent (each as defined below)) and the Trustee on the terms (as amended, modified and/or supplemented by the Issue Deed) set out in the master agency terms (the “**Master Agency Terms**”) specified in the Issue Deed, (ii) a custody agreement (the “**Custody Agreement**”) with the “Custodian” (as defined in the Issue Deed) and the Trustee on the terms (as amended, modified and/or supplemented by the Issue Deed) set out in the master custody terms (the “**Master Custody Terms**”) specified in the Issue Deed, (iii) a loan service agent agreement (the “**Loan Service Agent Agreement**”) with the “Loan Service Agent” (as defined in the Issue Deed) and the Trustee on the terms (as amended, modified and/or supplemented by the Issue Deed) as set out in the master loan service agent terms (the “**Master Loan Service Agent Terms**”), (iv) a swap agreement (the “**Swap**”) with the “Swap Counterparty” (as defined in the Issue Deed) on the terms (as amended, modified and/or supplemented by the Issue Deed) as set out in the master swap terms (the “**Master Swap Terms**”) specified in the Issue Deed (and, if the Notes are rated by Standard & Poor’s and/or Moody’s (each as defined below) and the Issue Deed specifies that the ratings appendix applies, as set out in the ratings appendix to the Master Swap Terms (the “**Ratings Appendix**”)) and, if so specified in the Issue Deed, as set out in the master credit support annex terms (the “**Master Credit Support Annex Terms**”), (v) a securities lending agreement (the “**Securities Lending Agreement**”) with the “Securities Borrower” (as defined in the Issue Deed) on the terms (as amended, modified and/or supplemented by the Issue Deed) set out in the master securities lending terms (the “**Master Securities**

**Lending Terms**”) specified in the Issue Deed, (vi) a dealer agreement (the “**Dealer Agreement**”) with the Dealer, the Trustee, the Arranger and the Issuing and Paying Agent (as amended, modified and/or supplemented by the Issue Deed) as set out in the master dealer terms and/or (vii) a secondary market agreement (the “**Secondary Market Agreement**”) with the Trustee, the Swap Counterparty, the Securities Borrower and the Dealer on the terms (as amended, modified and/or supplemented by the Issue Deed) as set out in the master secondary market terms (the “**Master Secondary Market Terms**”). Copies of the Master Trust Terms, the Master Agency Terms, the Master Custody Terms and the Issue Deed in relation to the Notes together with the Master Swap Terms (including the Ratings Appendix and the Master Credit Support Annex Terms, if applicable), the Master Loan Service Agent Terms, the Master Securities Lending Terms, the Master Dealer Terms and/or the Master Secondary Market Terms, where relevant, are available for inspection during usual business hours at the principal office of the Trustee and at the specified offices of the Paying Agents and the Transfer Agents.

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

References to the “Conditions” shall be construed in relation to a Series or a Tranche as a reference to these terms and conditions as amended, supplemented or restated in relation to such Series or Tranche by any Additional Conditions set out in any Product Annex that is specified as being applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or the relevant Issue Deed. References in the Conditions to “Notes”, a “Series” or a “Tranche” shall be deemed to be references to the Notes, the Series or the Tranche that are or is the subject of the relevant Issue Deed and not to all Notes, Series or Tranches that may be issued under the Programme. References to the “Issuer” are to the Specified Company that is stipulated as such in the relevant Issue Deed.

All capitalised terms that are used but not defined in these Conditions will have the meanings given to them in the relevant Issue Deed, the absence of any such meaning indicating that such term is not applicable to the Notes. In the event of any inconsistency between these terms and conditions and the Issue Deed, the Issue Deed shall prevail.

## **1 DEFINITIONS**

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For the purposes of these Conditions:

“**Accelerated or Matured (ATE)**” means an obligation of the Asset Issuer under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the time that the market value of the relevant Bond (ATE) or Loan (ATE) is determined will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws

“**Accreting Obligation (ATE)**” means any obligation of the Asset Issuer (including, without limitation, a Convertible Obligation (ATE) or an Exchangeable Obligation (ATE)), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other



accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable

**“Additional Conditions”** means the additional terms and conditions set out in the applicable Product Annex (if any)

**“Additional Redemption Event”** means the occurrence of an event as set out in the relevant Series Prospectus, Series Listing Particulars or Pricing Supplement relating to the Notes, if “Additional Redemption Event” is specified as applicable in such Series Prospectus, Series Listing Particulars or Pricing Supplement

**“Adjustment Amount”** has the meaning set out in Condition 8(b)(iii)(K)(b)

**“Aggregate Nominal Amount”** means the amount specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Aggregate Termination Costs”** means, in relation to the redemption of any Series of Notes, the sum of the Swap Termination Costs (if any) and the Securities Lending Termination Costs (if any) in respect of the Assets related to such Series (that shall be expressed as a positive amount if payable by the Issuer in aggregate or a negative amount if payable to the Issuer in aggregate), in each case determined by the Calculation Agent in its sole discretion on or as soon as reasonably practicable after the date of designation of the relevant Early Redemption Date

**“Applicable Accounting Standards”** has the meaning set out in Condition 8(c)(ii)

**“Applicable Tax Laws”** has the meaning set out in Condition 8(c)(ii)

**“Approved Counterparties”** means the counterparties as listed in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Arranger Bankruptcy Event”** means the occurrence of a Bankruptcy in relation to the Arranger

**“Assets”** means:

- (i) all Initial Securities and/or Initial Loans (if any) initially acquired by the Issuer, and
- (ii) any Eligible Credit Support, Replacement Assets and/or Eligible Management Assets acquired by the Issuer under the Swap, and
- (iii) any Margin Securities and/or Equivalent Securities acquired by the Issuer under the Securities Lending Agreement,

in each case, for so long as the same are held by or on behalf of the Issuer. For the avoidance of doubt, such Assets may be issued by, or represent obligations of, one or more obligors

**“Asset Default Requirement”** means zero in respect of the Principal Assets, and in respect of any other Asset Issuer Obligations means U.S.\$10,000,000 or its equivalent in the currency or currencies in which such Asset Issuer Obligation is denominated as of the occurrence of the relevant Asset Trigger Event

**“Asset Event”** has the meaning set out in Condition 8(c)(i) below

**“Asset Event Type”** means one of “Asset Event-Linked to All Bonds”, “Asset Event-Linked to Assets Only” or “Pass Through Notes”, as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Asset Failure to Pay”** means:

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

**“Asset Grace Period”** shall not apply to the Principal Assets, and in respect of any other Asset Issuer Obligations means the applicable grace period, if any, with respect to payments under such Asset Issuer Obligations under the terms of such Asset Issuer Obligations in effect as of the date as of which such Asset Issuer Obligations were issued or incurred

**“Asset Issuer”** means the issuer or obligor of (to the extent not in cash) the Initial Securities, the Initial Loan(s), interests in funds, derivative contracts, certain eligible transferable securities or fully drawn loans, acquired by the Issuer or delivered or transferred under the relevant Swap, together with (to the extent not in cash) the issuer or obligor of any Replacement Assets and any Standard Eligible Management Assets delivered to the Issuer under the Swap and any Equivalent Securities delivered or transferred to the Issuer (and as defined in) under the Securities Lending Agreement

**“Asset Issuer Bankruptcy”** means the occurrence of a Bankruptcy in relation to the Asset Issuer

**“Asset Issuer Obligation”** means, (a) where “Asset Event-Linked to Assets Only” is specified as the applicable Asset Event Type in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Principal Assets or (b) where “Asset Event-Linked to All Bonds” is specified as the applicable Asset Event Type in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, (i) the Principal Assets and (ii) any Bond (ATE) obligation or any Loan (ATE) obligation of the Asset Issuer to the extent that such obligation constitutes, as at the date of occurrence of the relevant Asset Trigger Event, a security possessing all of the Eligibility Characteristics (ATE) and including any Qualifying Guarantee (ATE) to the extent that this and where relevant, the Underlying Obligation, possesses all of the relevant Eligibility Characteristics (ATE)

**“Asset Management Notice”** has the meaning set out in Condition 5(j) below

**“Asset Management Notice Date”** has the meaning set out in Condition 5(j) below

**“Asset Management Range Cap”** has the meaning set out in Condition 5(j) below

**“Asset Management Range Floor”** has the meaning set out in Condition 5(j) below

**“Asset Payment Requirement”** means zero in respect of the Principal Assets, and in respect of any other Asset Issuer Obligations means U.S.\$1,000,000 or its equivalent in the currency or currencies in which such Asset Issuer Obligation is denominated as of the occurrence of the relevant Asset Trigger Event

**“Asset Replacement Notice”** has the meaning set out in Condition 5(i) below

**“Asset Repudiation/Moratorium”** means the occurrence of both of the following events:

- (i) an authorised officer of the Asset Issuer or a Government:

- (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Asset Issuer Obligations in an aggregate amount of not less than the Asset Default Requirement; or
  - (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Asset Issuer Obligations in an aggregate amount of not less than the Asset Default Requirement; and
- (ii) an Asset Failure to Pay, determined without regard to the Asset Payment Requirement, or an Asset Restructuring, determined without regard to the Asset Default Requirement, with respect to any such Asset Issuer Obligation occurs on or prior to the Asset Repudiation/Moratorium Evaluation Date.

**“Asset Repudiation/Moratorium Evaluation Date”** means, if a Potential Asset Repudiation/Moratorium occurs on or prior to the Maturity Date, (i) if the Asset Issuer Obligations to which such Potential Asset Repudiation/Moratorium relates include Bonds (ATE), the date that is the later of (A) the date that is 60 calendar days after the date of such Potential Asset Repudiation/Moratorium and (B) the first payment date under any such Bond (ATE) after the date of such Potential Asset Repudiation/Moratorium (or, if later, the expiration date of any applicable Asset Grace Period in respect of such payment date) and (ii) if the Asset Issuer Obligations to which such Potential Asset Repudiation/Moratorium relates do not include Bonds (ATE), the date that is 60 calendar days after the date of such Potential Asset Repudiation/Moratorium

**“Asset Restructuring”** means that, with respect to one or more Asset Issuer Obligations and in relation to an aggregate amount of not less than the Asset Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Asset Issuer Obligation, is agreed between the Asset Issuer or a Government and a sufficient number of holders of such Asset Issuer Obligation to bind all holders of such Asset Issuer Obligation or is announced (or otherwise decreed) by an Asset Issuer or a Government in a form that binds all holders of such Asset Issuer Obligation, and such event is not expressly provided for under the terms of the Asset Issuer Obligation in effect as of the later of the Issue Date and the date as of which such Asset Issuer Obligation was first acquired by the Issuer:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) only if Standard & Poor’s has not assigned a rating to the Notes in respect of an Asset Issuer that is a Sovereign (ATE), a postponement or other deferral of a date or dates for either:
  - (A) the payment or accrual of interest; or
  - (B) the payment of principal or premium;
- (iv) only if “Full Restructuring” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, a change in the ranking in priority of payment of any Asset Issuer Obligation, causing the Subordination (ATE) of such Asset Issuer Obligation to, where “Asset Event-Linked to All Bonds” is specified as the applicable Asset Event Type in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, any other Asset Issuer Obligation or, where “Asset Event-Linked to Assets Only” is specified as the applicable Asset Event Type in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, any other obligation of the Asset Issuer; or
- (v) only if “Full Restructuring” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, any change in the currency or composition of any

payment of interest or principal to any currency which is not the legal tender of (x) any of France, Germany, Italy, Japan, Canada, the United Kingdom and the United States of America (“**Group of 7**”) (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (y) any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher by Standard & Poor’s, Aaa or higher by Moody’s or AAA or higher by Fitch.

Notwithstanding the above, none of the following shall constitute an Asset Restructuring:

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

For purposes of this definition of “Asset Restructuring”, the term Asset Issuer Obligation shall be deemed to include Underlying Obligations for which the Asset Issuer is acting as provider of any Qualifying Guarantee (ATE). In the case of a Qualifying Guarantee (ATE) and an Underlying Obligation, references to the Asset Issuer in this definition of Asset Restructuring shall be deemed to refer to the Underlying Obligor provided that references to the Asset Issuer in paragraphs (A) – (C) above shall continue to refer to the Asset Issuer

“**Asset Settlement Date**” has the meaning set out in Condition 5(j) below

“**Asset Trigger Conditions**” shall be deemed to have been satisfied upon the delivery to the Issuer by the Calculation Agent of an Asset Trigger Event Notice and a Notice of Publicly Available Information (ATE)

“**Asset Trigger Event**” means the occurrence of any one or more of:

- (i) in relation to an Asset Issuer that is not a Sovereign (ATE), an Asset Issuer Bankruptcy; or
- (ii) in relation to an Asset Issuer that is a Sovereign (ATE), an Asset Repudiation/Moratorium; or
- (iii) in relation to any Asset Issuer Obligation, an Asset Failure to Pay or an Asset Restructuring; or
- (iv) unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, in relation to the Principal Assets, (x) where such Principal Assets comprise securities, such securities being redeemed prior to their scheduled redemption date for any reason, (y) where such Principal Assets comprise loans, such loans being repaid prior to their scheduled repayment date for any reason, or (z) where such Principal Assets comprise any other assets, as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, such assets being redeemed prior to their scheduled redemption date for any reason.

“**Asset Trigger Event Determination Date**” has the meaning set out in Condition 8(c)(i) below

“**Asset Trigger Event Notice**” means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that describes an Asset Trigger Event that occurred at or after 12:01 a.m., Greenwich Mean Time, on the Trade Date and at or prior to 11:59 p.m., Greenwich Mean Time, on the Maturity Date

An Asset Trigger Event Notice must contain a description in reasonable detail of the facts relevant to the determination that an Asset Trigger Event has occurred. The Asset Trigger Event that is the subject of the Asset Trigger Event Notice need not be continuing on the date the Asset Trigger Event Notice is effective

**“Asset Trigger Event Notice Period”** means the period from and including the Issue Date to and including the Maturity Date

**“Asset Trigger Event Specified Currency”** means an obligation of the Asset Issuer that is payable in any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the Euro and any successor currency to any of the aforementioned currencies

**“Assignable Loan (ATE)”** means a Loan (ATE) that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Asset Issuer or the guarantor, if any, of such Loan (ATE) (or the consent of the applicable borrower if an Asset Issuer is guaranteeing such Loan (ATE)) or any agent

**“Authorised Person(s)”** means the Issuer or Trustee or any person (including any individual or entity) authorised by the Issuer or Trustee, as the case may be, to act on its behalf in the performance of any act, discretion or duty under the Master Custody Terms (including, for the avoidance of doubt, any officer or employee of such person) in a notice reasonably acceptable to the Custodian and any other such people as may be notified in writing to the Custodian by the Issuer or the Trustee

**“Banking Day”** means, in respect of any city, any day (other than a Saturday or a Sunday) on which commercial banks are generally open for business, including dealings in foreign exchange and foreign currency deposits in that city.

**“Bankruptcy”**, in relation to the relevant entity, means if such entity (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency, examinership or bankruptcy or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up, examinership or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency, examinership or bankruptcy or the entry of an order for relief or the making of an order for its winding-up, examinership or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, examinership, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, examiner, trustee, custodian or other similar official for it or for all or substantially all of its assets; (vii) has a secured party take possession of all or substantially all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii) (inclusive)

**“Bearer Notes”** has the meaning set out in Condition 2 below

**“Beneficial Owner”** has the meaning set out in Condition 8(b)(ii) below

**“Bid Request”** means a bid request substantially in the form set out in the Agency Agreement

**“Bond (ATE)”** means any obligation of the Asset Issuer (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit) that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans (ATE)), certificated debt security or other debt security and shall not include any other type of obligation

**“Business Centres”** has the meaning set out in Condition 9(g) below

**“Business Day”** means:

- (i) in the case of a currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of Euro, a day on which the TARGET System (as defined below) is operating (a **“TARGET Business Day”**) and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

**“Calculation Amount”** means the amount specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, provided that, in the event that all of the Notes are redeemed in part, the Calculation Amount shall be reduced such that the Calculation Amount after such reduction as a proportion of the Calculation Amount prior to such reduction shall equal the proportion that the outstanding Nominal Amount of a Note after such redemption bears to the outstanding Nominal Amount of such Note prior to such redemption

**“Cash”** means, all cash or cash equivalents in any currency received and held on the terms of the Master Documents or relevant agreements

**“Cash Account”** has the meaning given to it in the Custody Agreement

**“Cash Proceeds”** means any Cash held by or on behalf of the Issuer in relation to the Notes (including for the avoidance of doubt any Cash amounts comprising the Net Proceeds)

**“Cayman Islands Stock Exchange”** means the Cayman Islands Stock Exchange Ltd.

**“Certificates”** has the meaning set out in Condition 2 below

**“Cheapest to Deliver Option”** means that, pursuant to the Securities Lending Agreement, following the occurrence of an Asset Event and if “Full Restructuring” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Securities Borrower shall pay an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined

**“Claim Value”** means, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, in relation to each Note, the outstanding principal amount of such Note together with unpaid interest accrued to but excluding the date fixed for redemption in accordance with Condition 8 below

**“Claim Shortfall”** has the meaning set out in Condition 8(b)(ii) below

**“Clearing Business Day”** means a Business Day on which the relevant Clearing System(s) settle payments and deliveries

**“Clearing System”** means each of Clearstream, Luxembourg and Euroclear or such other clearing system specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as the Clearing System for delivery of Assets (including any Replacement Assets, Eligible Management Assets or Posted Assets)

**“Clearstream, Luxembourg”** means Clearstream Banking, société anonyme or any successor thereto

**“Collateral”** means the rights, title and interest (if any) of the Issuer in and under the Assets, each Swap and any Securities Loan where relevant

**“Collateralisation Percentage”** means the percentage specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Common Service Provider”** means, in relation to a Series where the relevant Global Note is an NGN, the common service provider for Euroclear and/or Clearstream, Luxembourg appointed in respect of such Notes

**“Compartment”** means each separate compartment of a Luxembourg Issuer within the meaning of the Luxembourg Securitisation Law

**“Consent Required Loan (ATE)”** means a Loan (ATE) that is capable of being assigned or novated with the consent of the relevant Asset Issuer or the guarantor, if any, of such Loan (ATE) (or the consent of the relevant borrower if an Asset Issuer is guaranteeing such Loan (ATE)) or any agent

**“Convertible Obligation (ATE)”** means any obligation of the Asset Issuer that is convertible, in whole or in part, into Equity Securities (ATE) solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation)

**“Counterparty”** means the Securities Borrower

**“Corporate Event”**, if applicable, will have the meaning given to such term in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Credit Support Balance”** has the meaning set out in the Swap

**“Credit Support Bid End Date”** has the meaning set out in Condition 11(b)(ix) below

**“Credit Support Trade Date”** has the meaning set out in Condition 11(b)(ix) below

**“Creditor”** means each person that is entitled to the benefit of Issuer Obligations

**“Creditor Direction”** means, where sums are due to the Swap Counterparty and/or any Secured Agent and/or the Securities Borrower (the claims in respect of which are secured), the first direction in writing received by the Trustee from any such party

**“Custody Account”** has the meaning given to it in the Custody Agreement

**“Cut-off Date”** means, the later of: (i) the Early Redemption Date or, in the case of an Event of Default, immediately upon the giving of the notice to the Issuer, pursuant to Condition 8(d) and (ii) if a replacement Realisation Agent has been appointed pursuant to Condition 10(c), the date of the appointment of such replacement Realisation Agent

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

- (i) if “Actual/Actual” or “Actual/Actual-ISDA” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365),
- (ii) if “Actual/Actual-ICMA” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars:
  - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,
- (iii) if “Actual/365 (Fixed)” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the actual number of days in the Calculation Period divided by 365,
- (iv) if “Actual/360” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the actual number of days in the Calculation Period divided by 360,
- (v) if “30/360”, “360/360” or “Bond Basis” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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



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

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

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

- (vi) if “30E/360” or “Eurobond Basis” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vii) if “30E/360 (ISDA)” is specified as the Day Count Fraction in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

**“Deed of Accession”** means a deed of accession substantially in the form set out in the Agency Agreement

**“Defaulted Liquidity Event Eligible Management Assets”** has the meaning set out in Condition 5(j) below

**“Deliverable Obligation Characteristics (ATE)”** means those of the following characteristics that the Calculation Agent determines are specified in relation to the relevant Bond (ATE) or Loan (ATE) in the Matrix: Not Subordinated (ATE), Asset Trigger Event Specified Currency, Not Sovereign Lender (ATE), Not Domestic Currency (ATE), Not Domestic Law (ATE), Listed (ATE), Not Contingent (ATE), Not Domestic Issuance (ATE), Assignable Loan (ATE), Consent Required Loan (ATE), Direct Loan Participation (ATE), Transferable (ATE), Maximum Maturity (ATE), Accelerated or Matured (ATE) and Not Bearer (ATE)

**“Delivery”** means the satisfaction of any obligation of the Issuer to complete all matters necessary to transfer the relevant Assets to the relevant Noteholder (or the first-named of joint holders) and in accordance with all applicable laws. Accordingly and for the avoidance of doubt, there shall be no obligation on the Issuer to concern itself with any formalities or requirements that shall be placed on the relevant Noteholder (or the first-named of joint holders) as the transferee of the relevant Assets in connection with the acquisition by the Noteholder of the relevant Assets

**“Delivery Notice”** has the meaning set out in Condition 8(b)(ii)(C) below

**“Depackaging Option Amount”** means, in respect of any Early Redemption Date, an amount equal to the greater of (i) the aggregate amount that would be required to satisfy the claims of the parties against the Issuer ranking equal with and in priority to any Noteholder Claim pursuant to Clause 7.2 of the Trust Deed (as described in Condition 5(d)(iii)) below (including any Swap Counterparty Claim and/or Securities Borrower Claim) on such date and any interest amounts that may accrue on such aggregate amount (determined on the basis of the relevant expected overnight funding rate for the currency in which the Notes are denominated for the period commencing on, and including, the date on which the relevant Depackaging Redemption Event occurs to, but excluding, the Early Redemption Date) minus the net proceeds (if any) of sale in accordance with Condition 11(b)(ix) below of the Posted Assets (if any), as may be determined by the Calculation Agent in good faith and in a commercially reasonable manner and (ii) zero, and notified to the Noteholders, the Issuer, the Trustee, the Swap Counterparty and the Securities Borrower in accordance with Condition 8(b)(iii) below.

For the purposes of determining the Depackaging Option Amount, the Swap Counterparty Claim shall be equal to the greater of (i) the Swap Termination Costs and (ii) zero and the Securities Borrower Claim shall be equal to the greater of (i) the Securities Lending Termination Costs and (ii) zero

**“Depackaging Option Amount Notice”** has the meaning given to it in Condition 8(b)(iii) below

**“Depackaging Option Amount Notice Delivery Date”** means, with respect to a Depackaging Option Amount Notice, the date falling five Business Days immediately following the date of issuance of such notice

**“Depackaging Option Exercise Conditions”** has the meaning set out in Condition 8(b)(iii) below

**“Depackaging Redemption Event”** means, if “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars:

- (i) in relation to Series of Notes that are not Pass-through Notes, a Swap Event (Condition 8(c)(iii)) occurring due to a Bankruptcy (as defined in the Swap) in respect of the Swap Counterparty under the Swap
- (ii) in relation to Series of Notes that are Pass-through Notes and in respect of which no Securities Loan is outstanding under the Securities Lending Agreement, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the occurrence of each of the following events:
  - (a) a Tax Event (Condition 8(c)(ii));
  - (b) an Illegality Event (Condition 8(c)(iv));
  - (c) an Arranger Bankruptcy Event (Condition 8(c)(v)); or
  - (d) any Additional Redemption Event (Condition 8(c)(vi))
- (iii) in relation to Series of Notes that are Pass-through Notes and in respect of which a Securities Loan is outstanding at the relevant time under the Securities Lending Agreement, for so long as such Securities Loan remains outstanding under the Securities Lending Agreement, no event shall be capable of being a Depackaging Redemption Event.

**"Designated Maturity"** means in respect of a Reference Rate, the period of time specified as the 'Designated Maturity' in respect of such Reference Rate in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**"Determination Date"** means the date specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or, if none is so specified, the Interest Payment Date

**"Determination Period"** means the period from and including a Determination Date in any year to but excluding the next Determination Date

**"directive"** includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank, department, government, legislature, minister, ministry, official, public or statutory corporation, self-regulating organisation or stock exchange

**"Direct Loan Participation (ATE)"** means a Loan (ATE) in respect of which, pursuant to a participation agreement, the Securities Borrower is capable of creating, or procuring the creation of, a contractual right in favour of the Issuer that provides the Issuer with recourse to the participation seller for a specified share in any payments due under the relevant Loan (ATE) which are received by such participation seller, any such agreement to be entered into between the Issuer and the Securities Borrower (to the extent the Securities Borrower is then a lender or a member of the relevant lending syndicate)

**"Domestic Currency (ATE)"** means the lawful currency and any successor currency of (a) the relevant Asset Issuer, if the Asset Issuer is a Sovereign (ATE), or (b) the jurisdiction in which the relevant Asset Issuer is organized, if the Asset Issuer is not a Sovereign (ATE). In no event shall Domestic Currency (ATE) include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency)

**"DTC"** means The Depository Trust Company

**"DTC Custodian"** means such custodian as may be appointed by the Issuer in relation to a Series of Notes to be cleared through DTC

**“Dual Currency Note”** means a Note specified as such in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Early Redemption Amount”** means, unless specified otherwise in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the amount determined in accordance with the table set out in the Schedule to these Conditions

**“Early Redemption Date”** means the date designated as the due date for any early redemption of the Notes in accordance with Condition 8 below

**“Early Redemption Event”** has the meaning set out in Condition 8(c) below

**“Early Termination Date”** has the meaning set out in the Swap

**“Eligibility Characteristics (ATE)”** means, in relation to a relevant obligation of the Asset Issuer, that obligation, at the date of occurrence of the relevant Asset Trigger Event, (a) is, unless it is a Qualifying Guarantee (ATE) in which case the Underlying Obligation is, a Bond (ATE); (b) is (and if it is a Qualifying Guarantee (ATE), in addition the Underlying Obligation is) Not Subordinated (ATE); (c) is, unless it is a Qualifying Guarantee (ATE) in which case the Underlying Obligation is, Transferable (ATE); (d) is, unless it is a Qualifying Guarantee (ATE) in which case the Underlying Obligation is, a bearer or registered form instrument that is cleared via Clearstream, Luxembourg and/or Euroclear, or any other internationally recognised clearing system

**“Eligible Credit Support”** has the meaning set out in the Swap

**“Eligible Management Assets”** has the meaning set out in Condition 5(j) below

**“Eligible Replacement Assets”** has the meaning specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars in the event that “Asset Replacement” is specified therein as being applicable

**“Enforcement Proceeds”** means the aggregate net proceeds of the realisation of the Security Interests by the Trustee or any receiver under Condition 5(c) below

**“Equity Securities (ATE)”** means:

- (i) in the case of a Convertible Obligation (ATE), equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (ii) in the case of an Exchangeable Obligation (ATE), equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time

**“Equivalent Securities”** has the meaning given to it in the Securities Lending Agreement

**“EURIBOR”** means the euro inter-bank offered rate

**“Euro”, “EUR” and “€”** each mean the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union

**“Euroclear”** means Euroclear Bank S.A./N.V. or any successor thereto

**“Euro-zone”** means the region comprising member states of the European Union that have adopted or will adopt the single currency in accordance with the Treaty establishing the European Community, as amended

**“Events of Default”** has the meaning set out in Condition 8(d) below

**“Excess Swap Counterparty Collateral”** means:

- (i) where the Swap has been terminated as a result of the occurrence of an Event of Default (as defined in the Swap) and the Swap Termination Costs is a positive amount, Equivalent Credit Support (as defined in the Swap) in respect of the Swap Counterparty’s Credit Support Balance (if any) (as defined in the Swap), as selected by the Calculation Agent under the Swap, having a value equal to the lesser of (i) such Swap Termination Costs and (ii) the Value (as defined in the Swap) of the Swap Counterparty’s Credit Support Balance used in determining the Swap Termination Costs; or
- (ii) where the Swap has been terminated as a result of the occurrence of a Termination Event (as defined in the Swap) in relation to all (but not less than all) Transactions (as defined in the Swap) and the Swap Termination Costs is a positive amount, Equivalent Credit Support in respect of the Swap Counterparty’s Credit Support Balance (if any).

**“Exchangeable Obligation (ATE)”** means any obligation of the Asset Issuer that is exchangeable, in whole or in part, for Equity Securities (ATE) solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation)

**“Exercise Notice”** has the meaning set out in Condition 8(f) below

**“Extraordinary Resolution Direction”** means a direction by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders or the Noteholder (as applicable)

**“FATCA”** means:

- (i) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (ii) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the U.S. and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (i) above or analogous provisions of non U.S law; or
- (iii) any agreement pursuant to the implementation of paragraphs (i) or (ii) above with the U.S. International revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**“FATCA Withholding Tax”** means any withholding imposed on any payments in respect of the Notes pursuant to FATCA.

**“Final Cut-off Date”** means the date falling 30 Business Days after the Cut-off Date

**“Final Interim Liquidation Distribution Date”** has the meaning set out in Condition 5(d)(ii) below

**“Final Redemption Amount”** means, in respect of a Note other than a Pass-through Note, the amount specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, in respect of a Pass-through Note, an amount equal to the product of (i) the aggregate redemption amount received by the Issuer in respect of the Assets on the Business Day prior to the Maturity Date and (ii) the Note Factor

**“Fitch”** means Fitch Ratings Limited, or any successor to the rating agency business of Fitch Ratings Limited

**“Fixed Rate Note”** means a Note specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Floating Rate Note”** means a Note specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“GBP”** means Pounds Sterling

**“Global Certificates”** means certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems

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

**“holder”** (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be)

**“Holder Request”** means a request in writing by the holders of at least one-fifth in aggregate of the Nominal Amounts of the Notes then outstanding (as defined in the Trust Deed)

**“Illegality Event”** has the meaning set out in Condition 8(c)(iv) below

**“Impossibility/Illegality Condition”** means due to an event beyond the control of a Noteholder or the Issuer, it is impossible or illegal for any of the Principal Assets to be delivered to such Noteholder (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order, but excluding market conditions)

**“Index-linked Note”** means a Note specified as such in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Initial Loan(s)”**, if specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, means the loan(s) initially transferred to the Issuer and described in such Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Initial Securities”**, if specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, means the cash or other investments (including without limitation, equities, bonds and other transferable securities) initially held by or on behalf of the Issuer and described in such Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Instalment Amount”** means, in respect of a Note other than a Pass-through Note, the amount specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, in respect of a Pass-through Note, an amount determined by the Calculation Agent to be such Note’s pro rata share equal to the principal payment received by the Issuer on the Assets on each of the maturity dates of the Assets specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (such Instalment Amount will be determined on or after notification of the principal payment amount to be received by the Issuer).

**“Instalment Date”** means, in respect of a Note other than a Pass-through Note, the date specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, in respect of a Pass-through Note, either one Business Day after the day on which amounts are received by the Issuer on the Assets, or fixed dates (in which case amounts received will accumulate and be paid out on these fixed dates).

**“Instalment Note”** means a Note specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Instructions”** means, the instructions substantially in the form set out in schedule 1 to the Master Custody Terms and any and all instructions (including approvals, consents and notices) received by the Custodian from, or reasonably believed by the Custodian to be from, any Authorised Person(s), including any instructions communicated through any manual or electronic medium or system agreed between the Issuer, the Trustee and the Custodian and which ;

- (A) prior to the Trustee serving a notice in accordance with clause 4.37 of the Master Custody Terms, shall be signed by Authorised Person(s) by or on behalf of the Issuer; and
- (B) after the Trustee serving a notice in accordance with clause 4.37 of the Master Custody Terms, shall be signed by Authorised Person(s) by or on behalf of the Trustee .

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

**“Interest Amount”**, in respect of a Pass-through Note, has the meaning ascribed in Condition 7(c) below or, in respect of a Note other than a Pass-through Note means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and that, in the case of Fixed Rate Notes, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, shall mean the Fixed Coupon Amount specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as being payable on the Interest Payment Date falling immediately after the end of such Interest Accrual Period; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

**“Interest Basis”** in respect of a Note has the meaning set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Interest Commencement Date”** means the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Interest Determination Date”** means any of the following, as applicable:

- (i) with respect to an Interest Accrual Period and a Reference Rate other than EONIA, the specified date or, if none is so specified:
  - (A) the first day of such Interest Accrual Period, if the relevant currency is Sterling or Hong Kong dollar;
  - (B) the date falling two TARGET Business Days prior to the first day of such Interest Accrual Period, if the relevant currency is Euro; or
  - (C) in any other case, the date falling two London Banking Days prior to the first day of such Interest Accrual Period; and
- (ii) with respect to an Interest Accrual Period and EONIA, unless specified otherwise, the last TARGET Business Day of such Interest Accrual Period.

**“Interest Payment Date”**, in respect of a Pass-through Note, has the meaning ascribed in Condition 7(c) below or, in respect of a Note other than a Pass-through Note, means each date, if any, specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, subject to adjustment in accordance with any applicable Business Day Convention

**“Interest Period End Date”** means:

- (i) if the relevant Interest Accrual Period is specified as “adjusted” or the Interest Basis is specified as “Floating Rate”, each date specified as such or, if none, each Interest Payment Date, in each case, subject to adjustment in accordance with any applicable Business Day Convention; or,
- (ii) if the relevant Interest Accrual Period is specified as “unadjusted” or the Interest Basis is “Fixed Rate”, each date specified as such or, if none, each Interest Payment Date, in each case, disregarding any adjustment in accordance with any applicable business day convention

**“Interim Distribution Date”** has the meaning set out in Condition 5(d)(ii) below

**“Interim Liquidation Distribution”** has the meaning set out in Condition 5(d)(i) below

**“Interim Liquidation Distribution Date”** has the meaning set out in Condition 5(d)(i) below

**“Irish Stock Exchange”** means The Irish Stock Exchange Limited

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

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by ISDA, unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Issue Date”** means the date specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Issuer Obligations”** means:

- (i) the obligations and duties of the Issuer under the Issue Deed, the Trust Deed and each Note, each Coupon, each Receipt, each Swap, each Securities Loan, the Agency Agreement, the Custody Agreement, the Loan Service Agreement (where relevant), the Dealer Agreement and the Secondary Market Agreement (where relevant); and
- (ii) the claims of the Custodian and/or the Loan Service Agent and/or the Issuing and Paying Agent and/or the Dealer and/or any other Secured Agents (if any),

including, without limiting the generality thereof, claims for unpaid fees and expenses or for reimbursement in respect of payments properly made to any person in discharge of an Issuer Obligation or, as the case may be, in respect of the Collateral in discharge of an Issuer Obligation

**“Issue Price”** has the meaning specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Investment Company Act”** means the U.S. Investment Company Act of 1940, as amended

**“JPY”** means Japanese Yen

**“Last Look Period”** has the meaning set out in Condition 11(b)(ix)(A) below

**“LIBOR”** means the London inter-bank offered rate

**“Linear Interpolation”** means:



- (i) with respect to a specified, short or long Interest Accrual Period, the straight-line interpolation by reference to two rates based on the Reference Rate, one of which will be determined as if the Specified Duration were the period of time for which rates are available next shorter than the length of the affected Interest Accrual Period, and the other of which will be determined as if the Specified Duration were the period of time for which rates are available next longer than the length of such Interest Accrual Period; and
- (ii) with respect to a Disrupted Reference Rate or a Discontinued Reference Rate (as applicable), the straight-line interpolation by reference to two rates based on the Reference Rate, one of which will be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the Designated Maturity of the Disrupted Reference Rate or the Discontinued Reference Rate (as applicable), and the other of which will be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the Designated Maturity of the Disrupted Reference Rate or the Discontinued Reference Rate (as applicable),

in each case, as determined by the Calculation Agent.

**“Liquidation”** means (x) in respect of any Assets, the realisation of such Assets for cash proceeds or by way of physical settlement (as the case may be), whether by way of sale, delivery or by putting for redemption or early repayment of such Assets or otherwise in accordance with Condition 11 (as appropriate) and (y) in respect of any rights arising upon termination of a Swap or the Securities Lending Agreement, the realisation of such rights by way of transfer by assignment of all such rights, for cash consideration, and the terms **“Liquidate”**, **“Liquidated”** and **“Liquidating”** shall be construed accordingly.

**“Liquidation Confirmation”** means (i) where the Trustee is not the Relevant Party, a confirmation from such Relevant Party, confirming in good faith and in a commercially reasonable manner that a Liquidation Event has occurred and, where practicable, providing publicly available information of the occurrence of such event and (ii) where the Trustee is the Relevant Party, a notice issued by the Trustee pursuant to Condition 8(d) that the Notes have become due and payable at their Early Redemption Amount (which notice shall be deemed to be a Liquidation Confirmation)

**“Liquidation Event”** means the occurrence of any of the following:

- (i) an Asset Event (Condition 8(c)(i))
- (ii) a Pass-through Notes Event (Condition 8(c)(i))
- (iii) a Tax Event (Condition 8(c)(ii))
- (iv) a Swap Event (Condition 8(c)(iii))
- (v) an Illegality Event (Condition 8(c)(iv))
- (vi) an Arranger Bankruptcy Event (Condition 8(c)(v))
- (vii) an Additional Redemption Event (Condition 8(c)(vi))
- (viii) an Event of Default pursuant to Condition 8(d)(i) or Condition 8(d)(ii)
- (ix) except in the case of a Luxembourg Issuer, an Event of Default pursuant to Condition 8(d)(iii)
- (x) Redemption at the Option of Issuer (Condition 8(e)) or
- (xi) Redemption at the Option of Noteholders (Condition 8(f))

**“Liquidation Last Look Period”** has the meaning set out in Condition 11(c) below

**“Liquidation Procedures”** has the meaning set out in Condition 11(b) below

**“Liquidation Procedures Certificate”** means, in respect of a failed Liquidation, a certificate signed by an authorised representative of the Realisation Agent certifying that the Realisation Agent has complied, in all material respects, with the Liquidation Procedures in respect of the Liquidation

**“Liquidation Procedures Failure”** means that the Realisation Agent has both:

- (i) failed to arrange Liquidation of any Assets and rights required in accordance with these Conditions on or before the Final Cut-off Date; and
- (ii) failed to send a Liquidation Procedures Certificate to the Issuer within the three Business Days following the Final Cut-off Date

**“Liquidation Procedures Failure Bid Period”** has the meaning set out in Condition 10(d)(i) below

**“Liquidation Trade Date”** has the meaning set out in Condition 11(c) below

**“Liquidity Eligible Management Assets Replacement Date”** has the meaning set out in Condition 5(j) below

**“Liquidity Event”** has the meaning set out in Condition 5(j) below

**“Liquidity Event Eligible Management Assets”** has the meaning set out in Condition 5(j) below

**“Liquidity Event Eligible Management Assets Default”** has the meaning set out in Condition 5(j) below

**“Listed”** means an obligation of the Asset Issuer that is quoted, listed or ordinarily purchased and sold on an exchange

**“Loan (ATE)”** means any obligation of the Asset Issuer (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit) that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of obligation

**“Luxembourg Accounts”** means, in respect of a Series issued by a Luxembourg Issuer and in relation to the relevant Compartment, the Cash Account and the Custody Account (in each case as defined in the Custody Agreement) and the LSA Cash Account (as defined in the Loan Service Agent Agreement)

**“Luxembourg Collateral”** means, in respect of a Series issued by a Luxembourg Issuer and in relation to the relevant Compartment, all the present and future assets, rights and claims such Luxembourg Issuer has or will have in relation to the Luxembourg Accounts, including, for the avoidance of doubt, securities, cash and other rights and the property held therein or credited thereto and the proceeds and products thereof and property received, receivable or otherwise distributed in respect of the Luxembourg Accounts and the property held therein and any assets from time to time subject, or expressed to be subject, to the pledge created or expressed to be created by or pursuant to Clause 6.2 of the Trust Deed or any part of those assets

**“Luxembourg Issuer”** means an issuer incorporated under the laws of the Grand Duchy of Luxembourg and existing as a securitisation company (*société de titrisation*) within the meaning of the Luxembourg Securitisation Law and supervised and regulated by the CSSF

**“Luxembourg Securitisation Law”** means the Luxembourg law of 22 March 2004 on securitisation as amended

**“Margin”** means the percentage specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Margin Eligibility Characteristics”** has the meaning set out in the Securities Lending Agreement

**“Margin Securities”** has the meaning set out in Condition 5(g) below

**“Market Value”** means:

- (i) in relation to Replaced Loans and/or Replacement Loans and/or any other assets other than securities or such loans, the market value of such loans or assets as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and
- (ii) in relation to Replaced Securities and/or Replacement Securities, an amount determined by the Calculation Agent as follows:
  - (A) if a price is displayed on the same Third Party External Pricing Source as that used in relation to the Replaced Securities or Replacement Securities, the market value shall be the price so displayed in respect of such Replacement Securities or Replaced Securities, as applicable; or
  - (B) if sub-paragraph (A) above does not apply, the Calculation Agent shall seek a quotation from at least three dealers in such securities (as selected by the Calculation Agent) and (a) if the Calculation Agent obtains two or more quotations from such dealers, the market value shall be deemed to be an amount equal to the arithmetic mean of the mid-market quotations provided by such dealers or (b) otherwise, the market value shall be deemed to be zero

**“Master Conditions”** means the terms and conditions as set out in schedule 2 to the Master Trust Terms

**“Master Documents”** means the Base Prospectus, the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) and the Issue Deed, including the agreements created by such Issue Deed

**“Matrix”** means the physical settlement matrix published by ISDA called “Credit Derivatives Physical Settlement Matrix” as at the Trade Date or such other similar document from time to time agreed between the Issuer and the Securities Borrower in relation to any Securities Loan or the Issuer and the Swap Counterparty in relation to any Swap

**“Maturity Date”** means, in respect of a Note other than a Pass-through Note, the date specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, in respect of a Pass-through Note, the Business Day following the stated date of maturity of the Assets

**“Maximum Maturity (ATE)”** means an obligation of the Asset Issuer that has a remaining maturity from the time that the market value of the relevant Bond (ATE) or Loan (ATE) is determined of not greater than the period specified in the Matrix

**“Maximum Swap Exposure”** has the meaning set out in Condition 5(j) below

**“Minimum Swap Exposure”** has the meaning set out in Condition 5(j) below

**“Moody’s”** means Moody’s Investors Service Limited, or any successor to the rating agency business of Moody’s Investors Service Limited

**“Net Proceeds”** means (a) the proceeds of realisation of any Assets received on the Issuer’s behalf from a Liquidation or, to the extent such Assets comprise cash, such cash, (b) the cash consideration received upon realisation by transfer by assignment of any rights arising upon termination of a Swap or the Securities Lending Agreement on the Issuer’s behalf from a Liquidation, (c) any amount paid by any Swap Counterparty

to the Issuer as a result of the termination of any Swap entered into in connection with the Notes, (d) any amount paid by any Securities Borrower to the Issuer as a result of the termination of any Securities Lending Agreement entered into in connection with the Notes and (e) in the event that all outstanding Notes are to be redeemed, all other sums available to the Issuer derived from the Secured Property

**“Net Subscription Moneys”** means the product of the Issue Price and the Aggregate Nominal Amount of the Notes less any commission or other amount specified in the relevant Dealer Agreement as to be deducted from the Issue Price

**“No Fault Liquidation Failure”** means that the Realisation Agent has failed to arrange any Liquidation required in accordance with the applicable Conditions but has sent a Liquidation Procedures Certificate to the Issuer within the three Business Days following the Final Cut-off Date

**“No Fault Liquidation Failure Bid End Date”** has the meaning set out in Condition 11(c) below

**“No Fault Liquidation Failure Cut-off Date”** has the meaning set out in Condition 11(c) below

**“Nominal Amount”** means, in respect of any Note, its Specified Denomination as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Nomination Period”** has the meaning set out in Condition 10(c)(ii)(B)(a) below

**“Not Bearer (ATE)”** means any obligation of the Asset Issuer that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream Luxembourg or any other internationally recognized clearing system

**“Not Contingent (ATE)”** means any obligation of the Asset Issuer having an outstanding principal balance that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation (ATE), an Exchangeable Obligation (ATE) and an Accreting Obligation (ATE) shall satisfy the Not Contingent Deliverable Obligation Characteristic (ATE) if such Convertible Obligation (ATE), Exchangeable Obligation (ATE) or Accreting Obligation (ATE) otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation (ATE) or an Exchangeable Obligation (ATE), the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities (ATE)) has not been exercised (or such exercise has been effectively rescinded) on or before the time that the market value of the relevant Bond (ATE) or Loan (ATE) is determined.

If the obligations are Convertible Obligations (ATE) or Exchangeable Obligations (ATE), then the obligations may satisfy the Not Contingent Deliverable Obligation Characteristic (ATE) only if the rights referred to in clauses (A) and (B) of the above paragraph have not been exercised (or such exercise has been effectively rescinded) on or before the time that the market value of the relevant Bond (ATE) or Loan (ATE) is determined.

**“Not Domestic Currency (ATE)”** means any obligation of the Asset Issuer that is payable in any currency other than the Domestic Currency (ATE)

**“Not Domestic Law (ATE)”** means any obligation of the Asset Issuer that is not governed by the laws of (A) the relevant Asset Issuer, if such Asset Issuer is a Sovereign (ATE), or (B) the jurisdiction of organization of the relevant Asset Issuer, if such Asset Issuer is not a Sovereign (ATE)

**“Not Domestic Issuance (ATE)”** means any obligation of the Asset Issuer other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Asset Issuer. Any obligation that is registered

or qualified for sale outside the domestic market of the relevant Asset Issuer (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Asset Issuer) shall be deemed not to be intended for sale primarily in the domestic market of the Asset Issuer

**“Not Sovereign Lender (ATE)”** means any obligation of the Asset Issuer that is not primarily owed to a Sovereign (ATE) or Supranational Organization (ATE), including, without limitation, obligations generally referred to as “Paris Club debt”

**“Not Subordinated (ATE)”** means an obligation of the Asset Issuer that is not Subordinated (ATE) to the Principal Assets in priority of payment. For purposes of determining whether an obligation is “Not Subordinated (ATE)”, the ranking in priority of payment of the Principal Assets shall be determined as of the date as of which the Principal Assets were issued and shall not reflect any change to such ranking in priority of payment after such date

**“Note Factor”** means, at any time in relation to a Pass-through Note, a fraction the numerator of which is the then outstanding Nominal Amount of such Note and the denominator of which is the then outstanding Aggregate Nominal Amount of the Notes

**“Noteholder”** means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be)

**“Noteholder Depackaging Option Exercise Period”** means the period from, and including, the Depackaging Option Amount Notice Delivery Date to, and including, the date falling 10 Business Days after such date

**“Notice of Publicly Available Information (ATE)”** means an irrevocable notice from the Calculation Agent (which may be by telephone) to the Issuer that cites Publicly Available Information (ATE) confirming the occurrence of the Asset Trigger Event described in the Asset Trigger Event Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information (ATE). If an Asset Trigger Event Notice contains Publicly Available Information (ATE), such Asset Trigger Event Notice will also be deemed to be a Notice of Publicly Available Information (ATE)

**“Notification Date”** has the meaning set out in Condition 10(c)(ii) below

**“Obligee”** means each person that is entitled to the benefit of the obligations and duties of the Issuer pursuant to a Transaction other than an issue of Notes, such obligations and duties being subject to Security Interests for the benefit of each such person

**“Obligor”** means each person that has an obligation to the Issuer pursuant to the Collateral

**“Offering Prospectus”** means the Base Prospectus and, in relation to each Series, the relevant Final Terms, Pricing Supplement or a Series Prospectus incorporating by reference the Conditions, including any Specified Company Base Prospectus

**“Official List”** means the official list of the relevant Stock Exchange(s)

**“Optional Redemption Date”** means the date specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Other Creditor”** means each person that is entitled to the benefit of Other Obligations

**“Other Obligations”** means the obligations and duties of the Issuer under each Swap and Securities Loan (where relevant)

**“outstanding”** means, in relation to the Notes, all the Notes issued except (a) those that have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption has occurred and

the redemption moneys (including all interest accrued on such Notes to the date for such redemption and any interest payable after such date) have been duly paid to the Trustee or to the Issuing and Paying Agent as provided in clause 3 of the Master Trust Terms and remain available for payment against presentation and surrender of Notes, Certificates, Receipts and/or Coupons, as the case may be, (c) those that have become void or in respect of which claims have become prescribed, (d) those that have been purchased and cancelled as provided in the Conditions, (e) those mutilated or defaced Bearer Notes that have been surrendered in exchange for replacement Bearer Notes, (f) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued, (g) those Exchangeable Bearer Notes that have been exchanged for Registered Notes and (h) any Global Note to the extent that it shall have been exchanged for a permanent Global Note or for one or more Definitive Notes, in either case pursuant to its provisions provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Noteholders, (2) the determination of how many Notes are outstanding for the purposes of Conditions 5(c), 8(d), 10, 11(f) and 14 below and schedule 3 to the Master Trust Terms, (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders and (4) the certification (where relevant) by the Trustee as to whether a Potential Event of Default is in its opinion materially prejudicial to the interests of the Noteholders, those Notes that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding, save for the purposes of the proviso herein, in the case of each NGN, the Trustee shall rely on the records of Euroclear and Clearstream, Luxembourg in relation to any determination of the nominal amount outstanding of each NGN

**“Pass-through Note”** means a Note specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Pass-through Notes Event”** has the meaning set out in Condition 8(c)(i) below

**“Posted Assets”** means the Swap Counterparty’s Credit Support Balance and/or the Margin Securities and any assets derived from any of them, other than any such Credit Support Balance or Margin Securities in the form of cash, each of which is held by or on behalf of the Issuer

**“Potential Event of Default”** means an event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default

**“Potential Asset Repudiation/Moratorium”** means the occurrence of an event described in clause (i) of the definition of “Asset Repudiation/Moratorium”

**“Principal Asset Conditions”** means the terms and conditions of the Principal Assets in effect as of the later of the Issue Date of the Notes to which the Principal Assets relate and the date on which the Principal Assets were first acquired by the Issuer in connection with the relevant Series of Notes

**“Principal Assets”** means

- (i) the Initial Securities and/or Initial Loans initially acquired by the Issuer; and
- (ii) any Equivalent Credit Support, Replacement Assets, Standard Eligible Management Assets or Equivalent Securities subsequently acquired by the Issuer,

but excluding

- (i) any Replaced Securities or Replaced Loan transferred by the Issuer to the Swap Counterparty; and

- (ii) any Initial Securities and/or Initial Loans and/or Equivalent Credit Support and/or Replacement Assets and/or Standard Eligible Management Assets and/or Equivalent Securities that have been liquidated, disposed or otherwise transferred in connection with a partial redemption or repurchase of Notes.

**“Priority of Claims”** means the relevant order of priority set out in Clause 7.2 of the Trust Deed (as described in Condition 5(d)(iii) below)

**“Prior Ranking Creditor”** means any Secured Party whose claims against the Issuer rank prior to the Noteholder, where such priority is determined in accordance with the Priority of Claims

**“Prior Ranking Creditor Cut-off Date”** has the meaning set out in Condition 8(b)(iii)(K)(a) below

**“Product Annex”** means any product annex which is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Publicly Available Information (ATE)”** means information that reasonably confirms any of the facts relevant to the determination that the Asset Trigger Event described in an Asset Trigger Event Notice has occurred, regardless of whether the reader or user thereof pays a fee to obtain such information

**“QIB”** shall have the meaning set out in Rule 144A

**“QP”** shall have the meaning set out in section 2(a)(51) of the Investment Company Act

**“Qualifying Guarantee (ATE)”** means, in relation to the Asset Issuer, an arrangement evidenced by a written instrument pursuant to which the Asset Issuer irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **“Underlying Obligation”**) for which another party is the obligor (the **“Underlying Obligor”**). Qualifying Guarantees (ATE) shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Asset Issuer can be discharged, reduced, or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee (ATE) must be capable of being delivered together with the delivery of the Underlying Obligation

**“Rate of Interest”** means the rate of interest, if any, payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Rated Notes”** means a Series of Notes which has been rated

**“Rating Agency Confirmation”** means receipt by the Issuer, the Swap Counterparty (if any) and the Trustee of written confirmation (which form shall include by electronic message) from Standard & Poor’s that the specified amendment will not result in the reduction or withdrawal of the rating currently assigned to the Notes by Standard & Poor’s

**“Realisation Agent”** means Barclays Bank PLC or any replacement realisation agent appointed pursuant to Condition 10 below

**“Realisation Agent Bankruptcy”** means a Bankruptcy that occurs in relation to the Realisation Agent

**“Realisation Agent Certificate”** has the meaning set out in Condition 10(c)(ii) below

**“Record Date”** has the meaning set out in Condition 9(b)(i) below

**“Redemption Amount”** means the Final Redemption Amount or the Early Redemption Amount, as the context so requires

**“Reference Banks”** means the principal office of four major banks in the relevant inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Reference Rate”** means the rate specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

**“Register”** has the meaning set out in Condition 2 below

**“Registered Global Certificate”** means a Global Certificate, without interest coupons, which is issued as part of a Restricted Series and which will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company

**“Registered Notes”** has the meaning set out in Condition 2 below

**“Relevant Claim Amount”** has the meaning set out in Condition 8(b)(iii)(K)(a.) below

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

**“Relevant Party”** means, in relation to:

- (i) an Asset Event or a Pass-through Notes Event (each as defined in Condition 8(c)(i) below), the Calculation Agent;
- (ii) a Tax Event (as defined in Condition 8(c)(ii) below), the Issuer;
- (iii) a Swap Event (as defined in Condition 8(c)(iii) below), an Illegality Event (as defined in Condition 8(c)(iv)), an Additional Redemption Event (as defined in this Condition 1 above), an Arranger Bankruptcy Event (as defined in this Condition 1 above), Redemption at Option of Issuer (as defined in Condition 8(e) below), or Redemption at the Option of Noteholder (as defined in Condition 8(f)), the Issuer; and
- (iv) an Event of Default (as defined in this Condition 1) that has occurred and if the Notes have become due and payable subject to and in accordance with Condition 8(d), the Trustee

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (or any successor or replacement page, section, caption, column or other part of a particular information service)

**“Relevant Time”** means the time (in the place) specified in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Replaced Loan”** has the meaning set out in Condition 5(i) below

**“Replaced Securities”** has the meaning set out in Condition 5(i) below

**“Replacement Assets”** means any Eligible Replacement Assets that are transferred by the Swap Counterparty to the Issuer (or to the Custodian on behalf of the Issuer) under the Swap in the event that “Asset Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, provided that such Eligible Replacement Assets shall only comprise Replacement



Assets (and, accordingly, shall only comprise a part of the Assets) for so long as such Eligible Replacement Assets are held by or on behalf of the Issuer

**“Replacement Event Notice”** means a notification to or on behalf of the Issuer of the occurrence of a Realisation Agent Bankruptcy under Condition 10(c)(ii) below

**“Replacement Loan”** has the meaning set out in Condition 5(i) below

**“Replacement Liquidity Eligible Management Assets”** has the meaning set out in Condition 5(j) below

**“Replacement Liquidity Eligible Management Assets Notice”** has the meaning set out in Condition 5(j) below

**“Replacement Securities”** has the meaning set out in Condition 5(i) below

**“Restricted Certificates”** means certificates representing individual definitive physical Registered Notes issued in exchange for a Restricted Global Certificate

**“Restricted Global Certificates”** means Global Certificates representing Registered Notes of a Restricted Series deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC

**“Restricted Series”** means any Series of Notes comprising at least one Restricted Global Certificate and/or Restricted Certificate, and which may include Unrestricted Global Certificates at the option of the Issuer, but which does not include any Bearer Notes

**“Rule 144A”** means rule 144A under the Securities Act

**“Sale Proceeds”** means the cash proceeds from the sale of the Assets by or on behalf of the Issuer less any taxes, costs, losses and expenses incurred due to such sale and the amounts specified in Condition 8(b) converted into the currency of the Series of Notes as determined by the Calculation Agent on the date of such sale

**“Secured Agents”** means each Agent except for the Realisation Agent

**“Secured Agreement”** means each Swap and/or Securities Lending Agreement and/or Custody Agreement and/or Loan Service Agent Agreement and/or any other agreement entered into with a Secured Agent in relation to a Series of Notes

**“Secured Party”** has the meaning set out in Condition 5(a)

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

**“Securities”** has the meaning set out in the Master Securities Lending Terms

**“Securities Act”** means the U.S. Securities Act of 1933, as amended

**“Securities Borrower”** has the meaning set out in Condition 4(b)(iii) below

**“Securities Borrower Claim”** has the meaning set out in Condition 5(d)(iv) below

**“Securities Lending Agreement”** has the meaning set out in Condition 4(b)(iii) below

**“Securities Lending Replacement Costs”** means, as determined by the Calculation Agent, in relation to the redemption of any Series of Notes, an amount (if any) equal to the Close Out Value (as defined in the Securities Lending Agreement) (which amount shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable to the Issuer)

**“Securities Lending Termination Costs”** means, as determined by the Calculation Agent, in relation to the redemption of any Series of Notes, the net amount payable by the Issuer to the Securities Borrower upon termination of each Securities Loan entered into pursuant to the Securities Lending Agreement in relation to such Series of Notes (which amount shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable to the Issuer), determined on or as soon as reasonably practicable after the date of designation of the relevant Early Redemption Date provided that, for the purposes of determining the Securities Lending Termination Costs, any obligation under the Securities Lending Agreement to deliver an asset shall be treated as an obligation by the party required to deliver such asset to pay an amount equal to the market value of such asset

**“Securities Loan”** has the meaning set out in Condition 5(g) below

**“Security Interests”** has the meaning set out in Condition 5(a) below

**“Series”** has the meaning set out in Condition 2 below

**“Series Prospectus”** means a prospectus relating to the Notes that incorporates by reference the whole or any part of the Specified Company Base Prospectus

**“Series Confirmation”** has the meaning ascribed to it in the Master Securities Lending Terms

**“Settlement Date”** means the date specified in, or determined in accordance with the provisions of, the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or, if not so specified, the day falling 14 calendar days following the occurrence of the relevant Early Redemption Event, provided that if such date is not a day on which the Clearing System is open for business, the next following day that is such a day

**“Settlement Direction”** has the meaning set out in Condition 8(b)(ii)(C) below

**“Settlement Disruption Event”** means an event beyond the control of the Issuer and the relevant Noteholder as a result of which the Clearing System cannot clear transfers of the relevant Principal Assets comprising the Early Redemption Amount in respect of such Noteholder

**“Shortfall”** means the difference between the amount of the Enforcement Proceeds or Net Proceeds (as the case may be) and the amount that would but for Condition 13 below have been due under the Issuer Obligations

**“Sovereign (ATE)”** means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof

**“Sovereign Agency (ATE)”** means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign (ATE)

**“Specified Company Base Prospectus”** means, in respect of the Issuer, the base prospectus relating to that Issuer

**“Specified Currency”** means the currency specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or, if none is specified, the currency in which the Notes are denominated

**“Specified Duration”** means the duration specified as such or, if none, a period equal to the corresponding Interest Accrual Period, ignoring any adjustment made in accordance with any Business Day Convention.

“**specified office**” means, in relation to a Paying Agent, the Registrar or a Transfer Agent, the office identified with its name at the end of the Conditions or any other office approved by the Trustee and notified to Noteholders pursuant to clause 8.1.6 of the Master Trust Terms

“**Standard & Poor’s**” means Standard & Poor’s Rating Services, a division of the McGraw-Hill Companies, Inc. or any successor to the rating business of Standard & Poor’s Rating Services

“**Standard Eligible Management Assets**” has the meaning set out in Condition 5(j) below

“**Stock Exchanges**” means the Irish Stock Exchange or Cayman Islands Stock Exchange (as appropriate) and/or such other stock exchange or market on which any Notes may be listed or admitted to trading

“**Subordination (ATE)**” means, with respect to an obligation of the Asset Issuer (the “**Subordinated Obligation**”) and another obligation of the Asset Issuer to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the Asset Issuer, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Asset Issuer at any time that the Asset Issuer is in payment arrears or is otherwise in default under the Senior Obligation. “**Subordinated (ATE)**” will be construed accordingly. For purposes of determining whether Subordination (ATE) exists or whether an obligation is Subordinated (ATE) with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Asset Issuer is a Sovereign (ATE)

“**Supranational Organization (ATE)**” means any entity or organization established by treaty or other arrangement between two or more Sovereigns (ATE) or the Sovereign Agencies (ATE) of two or more Sovereigns (ATE) and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development

“**Swap**” has the meaning set out in Condition 4(b)(ii) below

“**Swap Counterparty**” has the meaning set out in Condition 4(b)(ii) below

“**Swap Event**” has the meaning set out in Condition 8(c)(ii) below

“**Swap Exposure**” has the meaning set out in Condition 5(j) below

“**Swap Guarantor**” has the meaning set out in Condition 4(b)(ii) below

“**Swap Termination Costs**” means, in relation to the redemption of any Series of Notes, the net amount payable upon termination (in whole or in part) of any Swap entered into in connection with such Series of Notes (that shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable to the Issuer), determined by the Calculation Agent in its sole discretion on or as soon as reasonably practicable after the date of designation of the relevant Early Redemption Date

“**Swap Termination Method**” has the meaning set out in Condition 8(b)(v) below

“**TARGET System**” means the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system or any successor thereto

“**Tax Event**” has the meaning set out in Condition 8(c)(ii) below

**“Taxes”** means all taxes, levies, imposts, charges, assessments, deductions, withholdings and related liabilities, including additions to tax, penalties and interest imposed on or in respect of (i) the Assets or Cash, (ii) the transactions effected under the Issue Deed or (iii) the Issuer; provided that “Taxes” does not include income or franchise taxes imposed on or measured by the net income of the Custodian or its agents

**“Third Party External Pricing Source”** means an electronic pricing source published by anyone other than Barclays Bank PLC, which source displays a price in respect of Assets to be Liquidated or the Replacement Securities and the Replaced Securities on the date on which an Asset Replacement Notice is delivered

**“Trade Date”** means each date on which the Issuer concludes an agreement with a Dealer for the issue and sale of Notes pursuant to clause 3 of the Master Dealer Terms which, in the case of a syndicated issue, shall be the date on which the Lead Manager agrees the pricing details for the relevant Notes with the Issuer

**“Transaction”** means any financial transaction entered into by the Issuer, including the issue of Notes but not involving the guarantee by it, or its becoming obligated, for the debts of any other person or entity, and including, without limitation, loans, swaps and options, and the incurring by the Issuer of indebtedness in forms other than the Notes, in each case where recourse in respect of such Transactions is limited to the proceeds of enforcement of the security interests over the assets of the Issuer on which such Transaction is secured

**“Transaction Agreement”** means any agreement entered into between, among others, the Issuer and any Transaction Counterparty

**“Transaction Counterparty”** means, in respect of a Series of Notes, any of the Trustee, the Agents, the Custodian, the Swap Counterparty, the Securities Borrower (if any), the Dealer(s) and the Arranger, in relation to such Notes, and **“Transaction Counterparties”** shall refer to all of them

**“Transferable (ATE)”** means an obligation of the Asset Issuer that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (i) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (ii) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds

**“trust corporation”** means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees

**“Trust Deed”** means, in relation to a Series of Notes, the deed created by the Issue Deed relating to the Notes of such Series, comprising the Master Trust Terms as supplemented and/or amended in relation to such Series as provided by the Issue Deed relating to such Series

**“Unrestricted Certificates”** means certificates representing individual definitive physical Registered Notes issued in exchange for an Unrestricted Global Certificate

**“Unrestricted Global Certificates”** means Global Certificates representing Registered Notes of an Unrestricted Series registered in the name of, and deposited with a common depositary for, Euroclear and Clearstream, Luxembourg.

**“Unrestricted Series”** means any Series of Notes comprising one or more Bearer Notes, or comprising only Registered Notes, which are not Restricted Global Certificates or Restricted Certificates

**“U.S.\$”** and **“USD”** means United States dollars

**“Warranty Date”** means each Trade Date, each Signing Date, each Issue Date, each date on which this document or any Master Document is amended, supplemented or replaced and each date of the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and

**“Zero Coupon Note”** means a Note specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars

References in these Conditions to:

- (i) a pro rata share of a cash amount shall in respect of any Noteholder be construed as references to that proportion of cash equal to the aggregate of the Nominal Amounts of the Notes held by that Noteholder divided by the aggregate of the outstanding Nominal Amounts of the Notes of such Series outstanding on such date;
- (ii) any item being specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars shall be construed as such item being specified in the Final Terms, Pricing Supplement, Series Prospectus or a Series Listing Particulars, as applicable to the relevant Series of Notes;
- (iii) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 8 or any amendment or supplement to it; and
- (iv) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 7 or any amendment or supplement to it.

## **2 FORM, SPECIFIED DENOMINATION AND TITLE**

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The Notes are issued in bearer form (**“Bearer Notes”**) or in registered form (**“Registered Notes”**), in each case in the “Specified Denomination” specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. The minimum Specified Denomination for any Note of any Restricted Series is U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any Specified Denomination that is less than U.S.\$100,000; provided, however, that a single Unrestricted Global Certificate may be issued with a Specified Denomination of U.S.\$0 as part of the initial issuance of each Restricted Series.

All Registered Notes within a Series shall have the same minimum Specified Denomination.

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

Registered Notes are represented by registered certificates (**“Certificates”**) and, save as provided in Condition 3(a), each Certificate shall represent the entire holding of Registered Notes of one Series by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the **“Register”**) and, in the case of a Luxembourg Issuer, a copy of the Register will be sent by the Registrar to such Issuer on the Issue Date and after any

change to the Register made by the Registrar, with the information contained in such copy to be transcribed in a register held by such Issuer at its registered office. In the case of a Luxembourg Issuer, where there are discrepancies between the Register and the register held by such Issuer at its registered office, the register held by such Issuer at its registered office will prevail for Luxembourg law purposes. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

The Notes are issued in series (each, a “**Series**”), and each Series may be issued in one or more tranches (each, a “**Tranche**”) on the same or different issue dates.

### **3 TRANSFERS OF REGISTERED NOTES**

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#### **3(a) Transfer of Registered Notes**

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer) duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Notes scheduled to the Master Agency Terms. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

#### **3(b) Exercise of Options or Partial Redemption in Respect of Registered Notes**

In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

#### **3(c) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 3(a) or 3(b) shall be available for delivery within three business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 8(f)), the surrender of the Certificate for exchange and provision of such evidence that the Registrar or the Transfer Agents may require under Condition 3(a). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making

such delivery or surrender as aforesaid and as specified in the relevant form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

### **3(d) Exchange Free of Charge**

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

### **3(e) Closed Periods**

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 calendar days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period commencing 15 calendar days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 8(e), (iii) after any such Note has been called for redemption or (iv) during the period commencing seven calendar days ending on (and including) any Record Date.

## **4 STATUS, COLLATERAL, OBLIGATIONS AND NON-APPLICABILITY**

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### **4(a) Status of Notes**

The Notes are secured, limited recourse, obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 5 and recourse in respect of which is limited in the manner described in Condition 13.

### **4(b) Assets and Other Transactions**

In connection with the issue of the Notes, the Issuer may:

- 4(b)(i)** pursuant to the Swap (as defined below) or otherwise, acquire, or may acquire interests in and take delivery of cash or investments including, without limitation, equities, bonds and other transferable securities which shall comprise the Initial Securities (if “Initial Securities” are specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars), or interests in fully drawn loans or sub-participations which shall comprise Initial Loan(s) (if “Initial Loan(s)” are specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars);
- 4(b)(ii)** enter into one or more swap transactions (including any applicable guarantee, ratings appendix and/or related credit support annex, each, a “**Swap**”) with a swap counterparty (the “**Swap Counterparty**”) guaranteed, if applicable, by a swap guarantor (the “**Swap Guarantor**”) with an effective date as of the Issue Date, under which the Issuer may acquire, or may acquire interests in and take delivery of Eligible Credit Support, Replacement Assets and/or Eligible Management Assets; and/or

- 4(b)(iii) enter into a securities lending agreement (the “**Securities Lending Agreement**”) with the party defined as the “**Securities Borrower**” in the Issue Deed (the “**Securities Borrower**”) on the terms (as amended, modified and/or supplemented by the Issue Deed and any series confirmation) set out in the master securities lending terms (the “**Master Securities Lending Terms**”) and as more fully described in Condition 5(g) below, under which the Issuer may acquire, or may acquire interests in and take delivery of Margin Securities and/or Equivalent Securities.

4(c) **Non-applicability**

Where no reference is made in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars to one or more components of the Collateral or any Issuer Obligation, references in these Conditions to any such component of the Collateral or any Issuer Obligation and to any related Obligor or Creditor, as the case may be, shall be disregarded.

## 5 **SECURITY INTERESTS AND THE SECURED PROPERTY**

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5(a) **Security Interests**

Pursuant to the Trust Deed, the Issuer has secured the Issuer Obligations in respect of a Series by granting, in favour of the Trustee for itself and for the benefit of each of the parties to whom the Issuer owes Issuer Obligations (each a “**Secured Party**”, collectively, the “**Secured Parties**”):

- 5(a)(i) a first-ranking fixed charge over the related Assets (to the extent that they comprise securities or where such rights are contractual rights that are not capable of assignment by way of security or that are only capable of assignment by way of security with the consent of any person, which consent has not been obtained) from time to time held by or on behalf of the Issuer (including any such Assets redelivered or transferred or cash paid and any Margin Securities delivered or transferred by (and not repaid, redelivered or retransferred to) the Securities Borrower under the Securities Lending Agreement and any Replacement Assets and/or Eligible Management Assets delivered or transferred by the Swap Counterparty and/or the Posted Assets) and all rights, sums and assets derived therefrom;
- 5(a)(ii) an assignment by way of security of all the Issuer’s rights attaching to or relating to the Assets (where such rights are contractual rights, only to the extent that the same are capable of assignment by way of security and where an assignment of such rights would require the consent of any person, such consent has been obtained) from time to time held by or on behalf of the Issuer (including any such Assets redelivered or retransferred or cash paid and, any Margin Securities delivered or transferred by (and not repaid, redelivered or retransferred to) the Securities Borrower under the Securities Lending Agreement and any Replacement Assets and/or Eligible Management Assets delivered or transferred by the Swap Counterparty and/or the Posted Assets) and all sums and assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof that arises in connection with any such assets being held in a Clearing System or through a financial intermediary;
- 5(a)(iii) an assignment by way of security of the Issuer’s rights, title and interest against the Custodian under the Custody Agreement, against the Loan Service Agent under the Loan Service Agent Agreement and all rights, sums and assets derived therefrom, to the extent that they relate to the Assets from time to time held by or on behalf of the Issuer (including any such Assets redelivered or retransferred or cash paid and, any Margin Securities delivered or transferred by



(and not repaid, redelivered or retransferred to) the Securities Borrower under the Securities Lending Agreement and any Replacement Assets and/or Eligible Management Assets delivered or transferred by the Swap Counterparty and/or the Posted Assets) and all sums and assets derived therefrom;

- 5(a)(iv)** an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, the Custody Agreement, the Loan Service Agent Agreement, the Secondary Market Agreement, the Swap and the Securities Lending Agreement to the extent that they relate to such Series; and
- 5(a)(v)** a first fixed charge over (A) all sums held by the Issuing and Paying Agent to meet payments due in respect of any such Issuer Obligation, (B) all sums held by the Custodian in respect of any such Issuer Obligation, (C) all sums held by the Loan Service Agent in respect of any such Issuer Obligation, (D) any sums received by the Issuing and Paying Agent under any Swap, and/or (E) all sums held or received by the Realisation Agent in respect of such Issuer Obligation.

In the case of a Luxembourg Issuer, the security described above will be subject, and in addition to, such Issuer's pledge to the Trustee of all the Luxembourg Collateral and the grant by it to the Trustee of a security interest ("gage") over such Luxembourg Collateral, in each case as continuing security for the full payment, discharge and performance of the Issuer Obligations in respect of a Series and in relation to the relevant Compartment and subject to Luxembourg law. For the avoidance of doubt, in the case of a Luxembourg Issuer, the security described in paragraphs 5(a)(i) – 5(a)(v) above will be given by such Luxembourg Issuer as beneficial owner of such of the relevant assets as are not already secured pursuant to the pledge described in the preceding sentence.

Subject to the above, references in these Conditions to "**Security Interests**" are to the security constituted by the Trust Deed in respect of the Notes.

## **5(b) Enforcement of Security Interests**

- 5(b)(i)** The Security Interests over the Secured Property shall become enforceable upon the occurrence of:
- (A) both of:
    - a. a Liquidation Event; and
    - b. any of the events described in Conditions 10(c)(iii), 10(d)(ii) or 11(f) below; or
  - (B) in the case of a Luxembourg Issuer only, an Event of Default pursuant to Condition 8(d)(iii).
- 5(b)(ii)** In order to enforce any Security Interests, the Trustee may, but shall not be obliged to, estimate the quantum of any claim which is otherwise indeterminable and provided further that the Trustee or any receiver shall not be obliged to take any such estimate into account for the purposes of applying any moneys received by it under the provisions of the Trust Deed in connection with the realisation or enforcement of the Security Interests in accordance with Clause 7.2 of the Trust Deed (as described in Condition 5(d)(ii) below).

## **5(c) Realisation of Security Interests**

If any Security Interests become enforceable, only the Trustee may at its discretion and shall, on receipt of whichever of a Holder Request, Extraordinary Resolution Direction or Creditor Direction as shall be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, or, in the case of Transactions where sums are due and payable to any Obligatee if so directed in writing by such Obligatee, enforce

the Security Interests constituted by the Trust Deed in each case provided it has been indemnified and/or secured and/or pre-funded to its satisfaction. To do this it may at its discretion take possession of and/or realise the Assets and/or take action against any person liable in respect of any Assets to enforce repayment of such Assets, enforce and/or terminate the Swap and/or any Securities Lending Agreement and/or the Agency Agreement and/or the Custody Agreement and/or the Loan Service Agent Agreement in accordance with its or their terms, and/or take action against any Obligor but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or Couponholders or holders of Receipts. The Trustee shall not be required to take any action in relation to the enforcement of the Security Interests that would involve any personal liability or expense without first being indemnified and/or secured and/or prefunded to its satisfaction.

#### **5(d) Application of Proceeds**

- 5(d)(i)** Where any Security Interests have not become enforceable, the Realisation Agent in connection with a Liquidation shall, first transfer or direct the Custodian or Loan Service Agent (as appropriate) to transfer all Excess Swap Counterparty Collateral (as determined by the Calculation Agent under the Swap in its sole discretion, upon whose determination the Realisation Agent (as applicable) shall be entitled to rely without investigation or enquiry and without incurring any liability to any person for so doing) to the Swap Counterparty under the Swap, and then, on behalf of the Issuer, apply or direct the Custodian or Loan Service Agent (as appropriate) to apply, all Net Proceeds under the provisions of the Issue Deed in connection with the Liquidation of the relevant Assets in accordance with the order prescribed in Clause 7.2 of the Trust Deed and described in Condition 5(d)(iii) below.

Following receipt of a Liquidation Confirmation, the Realisation Agent shall ascertain the claims of each party in accordance with the Priority of Claims. Notwithstanding that there may be outstanding amounts to be collected following the Liquidation, the Realisation Agent shall make a distribution of the Net Proceeds received within 30 Business Days of the Cut-off Date (the “**Interim Liquidation Distribution**”) in accordance with the Priority of Claims (the “**Interim Liquidation Distribution Date**”).

To the extent any further proceeds remain to be distributed following the Interim Liquidation Distribution Date, the Realisation Agent will make a further distribution as soon as reasonably practicable and, in any event, within 10 Business Days of the receipt of all Net Proceeds from the Liquidation, in accordance with the Priority of Claims (the “**Final Interim Liquidation Distribution Date**”). Any Early Redemption Date that is otherwise designated to occur before such Final Interim Liquidation Distribution Date shall be deemed to be re-designated so that it does not occur before the Final Interim Liquidation Distribution Date.

- 5(d)(ii)** If any Security Interests become enforceable, the Trustee (or a receiver appointed by the Trustee in accordance with the Trust Deed) (as applicable) shall first transfer or direct the Custodian or Loan Service Agent (as appropriate) to transfer all Excess Swap Counterparty Collateral (as determined by the calculation agent under the Swap in its sole discretion, upon whose determination the Trustee and any receiver appointed by it shall be entitled to rely without investigation or enquiry and without incurring any liability to any person for so doing) to the Swap Counterparty under the Swap, and then apply all moneys received by it under the provisions of the Trust Deed in connection with the realisation or enforcement of the Security Interests relating to each Series, subject to the provisions of the Trust Deed, in accordance with the order prescribed in Clause 7.2 of the Trust Deed and described in Condition 5(d)(iii) below.

Notwithstanding this Condition 5(d), the Trustee or a receiver appointed by it may on any one or more dates selected by the Trustee in its sole discretion prior to it having received all Enforcement Proceeds (each such date, an “**Interim Distribution Date**”) apply any Enforcement Proceeds that have been received by it prior to that Interim Distribution Date in making payments in accordance with the Priority of Claims, provided that the Trustee may not make any payment to any Creditor to the extent that the claims of any prior ranking Secured Party under the Priority of Claims have either not been met in full or where further claims may arise in respect of any such prior ranking Secured Party. In making any such distribution, the Trustee (or the receiver) may retain such part of the Enforcement Proceeds as the Trustee (or the receiver), in its absolute discretion, sees fit in order to meet any further claims which may arise in respect of any such prior ranking Secured Party under Clause 7.2 of the Trust Deed (as described in Condition 5(d)(iii) below).

**5(d)(iii)** The order for the application of all such moneys (i) received by the Trustee (or any receiver appointed by it) in connection with the realisation or enforcement of the Security Interests relating to the relevant Series or (ii) received or directed for payment by the Realisation Agent in connection with the Liquidation of Assets relating to the relevant Series shall be applied in each case:

(A) Unless otherwise provided in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, for Series of Notes that are Rated Notes, as follows:

- a. first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any security and the Trustee’s remuneration) and in carrying out its obligations under the Trust Deed;
- b. secondly, in meeting any Issuing and Paying Agent Claim, Custodian Claim and Loan Service Agent Claim, and the claims of all other Secured Agents, *Pari passu* Ranking;
- c. thirdly, except where an Event of Default has occurred under the Swap in respect of which the Swap Counterparty is the Defaulting Party, in meeting any Swap Counterparty Claim, Securities Borrower Claim and Dealer Claim, *Pari passu* Ranking;
- d. fourthly, in meeting any Noteholder Claim;
- e. fifthly, if an Event of Default has occurred under the Swap in respect of which the Swap Counterparty is the Defaulting Party, in meeting any Swap Counterparty Claim, Securities Borrower Claim and Dealer Claim, *Pari passu* Ranking; and
- f. sixthly, in payment of any balance to the Issuer.

(B) For Series of Notes that are not Rated Notes, as follows:

- a. first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the costs of realising any security and the Trustee’s remuneration) and in carrying out its obligations under the Trust Deed;
- b. secondly, in meeting any Issuing and Paying Agent Claim, Custodian Claim and Loan Service Agent Claim, and the claims of all other Secured Agents, *Pari passu* Ranking;

- c. thirdly, in meeting any Swap Counterparty Claim, Dealer Claim and Securities Borrower Claim, Pari passu Ranking;
- d. fourthly, in meeting any Noteholder Claim; and
- e. fifthly, in payment of any balance to the Issuer.

- (C) Any Creditor that has a claim in respect of more than one Issuer Obligation may rank differently in respect of each Issuer Obligation.
- (D) If the moneys received following Liquidation of the relevant Assets or the enforcement of Security Interests (as applicable) are not enough to pay in full all amounts to persons whose claims rank rateably, the Realisation Agent or the Trustee (or any receiver appointed by the Trustee) (as applicable) shall apply the moneys pro rata on the basis of the amount due to each party entitled to such payment.

**5(d)(iv)** Unless otherwise provided, references herein and in the Issue Deed to:

- (A) **“Custodian Claim”** means the claims of the Custodian for unpaid fees and expenses and/or reimbursement of payments properly made by it to any person of sums receivable in respect of the relevant Collateral;
- (B) **“Issuing and Paying Agent Claim”** means the claims of the Issuing and Paying Agent for unpaid fees and expenses and/or reimbursement of payments properly made by it to any person in discharge of an Issuer Obligation;
- (C) **“Loan Service Agent Claim”** means the claims of the Loan Service Agent for unpaid fees and expenses and/or reimbursements of payments properly made by it to any person of sums receivable in respect of the relevant Collateral;
- (D) **“Noteholder Claim”** means the claims of the Noteholders and Couponholders in respect of the Notes, Coupons and Receipts provided that claims in respect of amounts representing interest shall rank ahead of claims in respect of amounts representing principal;
- (E) **“Swap Counterparty Claim”** means the claims of each Swap Counterparty under the relevant Swap excluding, for the avoidance of doubt, all Excess Swap Counterparty Collateral that has been transferred to the Swap Counterparty by the Issuer under the Swap;
- (F) **“Securities Borrower Claim”** means, in respect of each Series, the claims of the Securities Borrower under the Securities Lending Agreement in respect of any Securities Loan in connection with the related Series;
- (G) **“Dealer Claim”** means, in respect of each Series, the claims of the Dealer under the Dealer Agreement and/or the Secondary Market Agreement;
- (H) **“Pari passu Ranking”** stated in the Issue Deed in respect of any claims referred to in subparagraphs 5(d)(iv)(A) to 5(d)(iv)(G) above means that such claims shall rank rateably inter se; and
- (I) any person by name are to the claims of that person as a Creditor in the capacity or capacities identified in the Issue Deed.

**5(e) Release of Security Interests**

**5(e)(i) Release of Security Interests to effect Liquidation:**

- (A) Notwithstanding the above, following the effective delivery of a Liquidation Confirmation to the Realisation Agent (copied to each of the other Transaction Counterparties), the Realisation Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by the Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance thereof or ancillary thereto as they relate to the Assets, without requiring any sanction referred to therein.
- (B) Pursuant to the terms of the Trust Deed and following the delivery of a Liquidation Confirmation to the Realisation Agent:
  - a. the Security Interests described in Condition 5(a) corresponding to the Assets and rights that are Liquidated in accordance with Condition 11 on the relevant day (including, but not limited to, a Credit Support Trade Date and/or a Liquidation Trade Date) shall be automatically released without further action on the part of the Trustee to the extent necessary to effect the settlement of such Assets or transfer of such rights, as the case may be; provided that nothing in this Condition 5(e)(i)(B)(a) will operate to release the charges and other security interests over the proceeds of the Liquidation of the relevant Assets and rights;
  - b. notwithstanding the foregoing, the Security Interests described in Condition 5(a) (including, for the avoidance of doubt, any charges or security interests over the proceeds of the Liquidation of the relevant Assets and rights) shall be automatically released without further action on the part of the Trustee, to the extent necessary to effect any distribution in accordance with Condition 5(d)(i) above, provided that nothing in this Condition 5(e)(i)(B)(b) will operate to release the charges and other security interests over any other proceeds of the Liquidation of the relevant Assets and rights which are not distributed on the Interim Liquidation Distribution Date; and
  - c. notwithstanding the foregoing, all Security Interests described in Condition 5(a) (including, for the avoidance of doubt, any charges or security interests over the proceeds of the Liquidation of the relevant Assets and rights) shall be automatically released without further action on the part of the Trustee in order to apply all proceeds received by the Realisation Agent (in connection with a Liquidation of the relevant Assets and rights pursuant to Condition 11) in accordance with Conditions 5(d)(i) and (iii).

**5(e)(ii) Other release:**

(1) On the Repurchase Date (as defined in the Secondary Market Agreement), (2) following a valid exercise of the Noteholder Depackaging Option in accordance with Condition 8(b)(iii), (3) following the effective delivery of a Delivery Notice or a Loan Transfer Notice, as applicable, pursuant to Condition 8(b)(ii) and (4) if the Issuer is required to deliver Equivalent Credit Support (as defined in the Swap) to the Swap Counterparty in accordance with the terms of the Swap, the Trustee, without incurring any liability therefor, hereby agrees to release the security created by the Trust Deed over the relevant Assets and rights so as to enable the relevant deliveries or transfers to be made on the Repurchase Date, on the Early Redemption Date or on the date as specified in the Swap, as applicable.

## 5(f) Rights in respect of Secured Property and Substitution

- 5(f)(i) **Issuer's Rights as Beneficial Owner of Collateral:** The Issuer may exercise any rights in its capacity as beneficial owner of the Collateral only with the consent of the Trustee or as directed by an Extraordinary Resolution of the Noteholders (in which case it shall also obtain the consent of the Trustee) and, if such direction and/or consent is given, the Issuer will act only in accordance with such direction and/or consent. In particular, the Issuer will not attend or vote at any meeting of holders of the Assets, or give any consent or notification or make any declaration in relation to the Collateral, unless the Trustee shall so consent or by direction of any Extraordinary Resolution of the Noteholders (in which case it shall also obtain the consent of the Trustee).
- 5(f)(ii) **Substitution:** The Issuer may from time to time in respect of each Series of Notes upon agreement with all the Noteholders, or if so directed by an Extraordinary Resolution of the Noteholders and, in either case, with the prior written consent of the Trustee (provided that, the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders ), substitute alternative Secured Property (the "**Alternative Secured Property**") for such of the Secured Property as it may deem appropriate (the "**Replaced Secured Property**") provided that (A) such substitution will not at the time of substitution result in a downgrading of any rating assigned to the Notes, as confirmed in writing by Moody's and/or Standard & Poor's, (B) the Alternative Secured Property shall be of the same or greater value than the Replaced Secured Property, and (C) where the Replaced Secured Property constitutes financial collateral (as defined in the Financial Collateral Arrangements (No.2) Regulations 2003, as amended), the Alternative Secured Property shall also constitute financial collateral. Any corresponding Security Interests shall be deemed to be released in accordance with the Trust Deed. Any such Alternative Secured Property shall be held subject to such Security Interests in favour of the Trustee and the Issuer shall execute such further documentation as the Trustee may require in order to constitute such Security Interests as a condition to such substitution. If all the Noteholders or the Noteholders acting by an Extraordinary Resolution (as applicable) or in either case the Trustee agree to the substitution, the Issuer shall notify the Noteholders thereof in accordance with Condition 17 and, if the Notes are listed and/or admitted to trading on any stock exchange, the Issuer shall also notify such stock exchange of such substitution.

## 5(g) Securities Lending

If "Securities Lending Agreement" is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars the Issuer and the Securities Borrower will enter into a Securities Lending Agreement pursuant to which, subject to the Issuer's consent (and in respect of Notes that are rated by Standard & Poor's, confirmation from Standard & Poor's that there will be no adverse change to the rating of such Notes and in respect of Notes that are rated by Moody's, notification to Moody's from the Securities Borrower of the entry into of the Securities Lending Agreement) from time to time one or more loans (each a "**Securities Loan**") may be made by the Issuer to the Securities Borrower of some or all of the Principal Assets that are part of the Secured Property. If "Collateralised Loan" is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, for such borrowing, the Securities Borrower will, pursuant to the Securities Lending Agreement, in return be required to deliver or transfer to the Issuer collateral ("**Margin Securities**", which term shall include any Equivalent Securities and assets derived from any such collateral, in each case, transferred to or to the order of the Issuer):

- 5(g)(i) fulfilling the Margin Eligibility Characteristics;

- 5(g)(ii) subject to sub-paragraph (iii) below (A) if “Full Collateralisation” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, having a market value (as determined by the Calculation Agent) equal to the product of the market value of the loaned securities and the Collateralisation Percentage (being 100 per cent. plus or minus, in the case of unrated Notes only, any applicable margin) or (B), if “Net Collateralisation” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, having a market value (as determined by the Calculation Agent) equal to the product of the market value of the loaned securities and the Collateralisation Percentage (being 100 per cent. plus or minus, in the case of unrated Notes only, any applicable margin) less (if such amount would be payable by the Issuer) or plus (if such amount would be payable by the Swap Counterparty) the mark-to-market termination value (as determined by the Calculation Agent) of the related Swap if the Swap were terminated on the date on which such collateral is due to be delivered or transferred; and
- 5(g)(iii) having a market value, as determined by the Calculation Agent, on a daily mark-to-market basis, equal to or above the relevant minimum collateralisation threshold specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (the “**Minimum Collateral Value**”) and/or that satisfies such other tests or requirements as may be specified in the Issue Deed in relation to a particular Securities Loan.

The Securities Lending Agreement further provides that, the Securities Borrower will not, except to the extent permitted by Luxembourg law and regulation, be permitted to transfer cash collateral to a Luxembourg Issuer.

If “Principal Assets Borrowing on Issue Date” and “All Principal Assets” are specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Securities Lending Agreement provides that a Securities Loan in respect of all of the Principal Assets will be deemed to have been made under the Securities Lending Agreement and the Principal Assets will be borrowed on the Issue Date.

If “Principal Assets Borrowing on the Issue Date” and “Some Principal Assets” are specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Securities Lending Agreement provides that a Securities Loan in respect of an amount of the Principal Assets specified by notice from the Securities Borrower to the Issuer will be deemed to have been made under the Securities Lending Agreement and such amount of the Principal Assets will be borrowed on the Issue Date.

Where “Securities Lending Agreement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars but “Principal Assets Borrowing on Issue Date” is specified as not applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, then the Securities Lending Agreement provides that the Securities Borrower must, if it wishes to borrow any or all of the Principal Assets from the Issuer, make a request to borrow the Principal Assets in accordance with the Securities Lending Agreement by delivery of a Series Confirmation. Following receipt of any such request, the Securities Lending Agreement provides that the Issuer may elect to deliver or transfer securities equivalent to the Principal Assets requested equal to the market value (as determined by the Calculation Agent) of such Principal Assets.

Pursuant to the Trust Deed, to the extent that the Securities Borrower borrows Principal Assets, such Principal Assets so borrowed and/or any cash paid in respect thereof will be deemed to be released by the Trustee from the Secured Property immediately prior to the delivery or transfer of such Principal Assets or payment of such cash by or on behalf of the Issuer to the Securities Borrower. Any Equivalent Securities (as defined in the Securities Lending Agreement) delivered or transferred to the Issuer by the Securities Borrower or cash repaid

from time to time pursuant to its redelivery, retransfer and/or repayment obligations under the Securities Lending Agreement shall become part of the Secured Property in accordance with the terms of the Trust Deed.

The Issuer shall be entitled to call for the redelivery of all or any Equivalent Securities or cash paid to the Securities Borrower pursuant to the Securities Lending Agreement at any time in accordance with the terms of the Securities Lending Agreement.

However, following the occurrence of an Asset Event pursuant to Condition 8(c)(i) below and if “Full Restructuring” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Securities Lending Agreement provides that rather than being obliged to pay to the Issuer an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of the Principal Assets borrowed but not returned prior to such date by the Securities Borrower, the Securities Borrower shall instead have the option of paying an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined.

Under the terms of the Securities Lending Agreement, where any coupon or other amount (not being a scheduled repayment of principal) is paid to the Securities Borrower in respect of any securities that have been lent, the Securities Borrower has agreed to pay to the Issuer a sum equal to that which the Issuer would have been entitled to receive had such securities not been loaned by the Issuer and had been retained by it. Similarly, where any coupon or other amount (not being a scheduled repayment of principal) is paid to the Issuer in respect of any Margin Securities which have been delivered or transferred by the Securities Borrower, the Issuer has agreed to pay to the Securities Borrower a sum equal to that which the Securities Borrower would have been entitled to receive had such Margin Securities not been delivered by the Securities Borrower and had been retained by it.

Upon the occurrence of an event of default under the terms of the Securities Lending Agreement, the delivery and payment obligations of the Issuer and the Securities Borrower shall be accelerated subject to the right of the Securities Borrower to pay an amount in cash equal to the market value of Principal Assets borrowed (subject to redelivery of the Principal Assets). In addition a close-out value will be payable in an amount which shall be equal to the loss or gain to either the Issuer or the Securities Borrower as may be determined by the Calculation Agent pursuant to the termination of the Securities Loan.

#### **5(h) Swap**

Pursuant to the terms of any Swap entered into in connection with the Notes, the Issuer agrees to pay to the Swap Counterparty on each scheduled date for payment thereof, an amount equal to the principal and/or interest (if any) due and payable on such date in respect of the Assets (including, for the avoidance of doubt, any Principal Assets that have been lent pursuant to the Securities Lending Agreement); and the Swap Counterparty agrees to pay to the Issuer on each scheduled date for payment thereof, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) payable by the Issuer to the Noteholders on the Notes on such date.

In relation to Rated Notes only, if the Swap Counterparty does not have the required ratings specified in the ratings appendix to the Swap, the Swap Counterparty may transfer its rights and obligations as set out in the relevant Swap (for the purposes of this Condition 5(h), a “**Transfer**”) without the consent of the Trustee or the Noteholders. In the event of a Transfer (i) the Swap Counterparty will notify the Trustee and the



Noteholders of the occurrence of such Transfer, (ii) the Trustee will not be liable or responsible to any person as a result of such Transfer and (iii) such Transfer will not affect the security taken over the Swap. Furthermore, the transferee will then accede or otherwise become party to any relevant agreements to which the Swap Counterparty is party in relation to such Swap.

#### **5(i) Asset Replacement**

Pursuant to the terms of any Swap entered into in connection with the Notes and notwithstanding Condition 5(f)(ii) above, where “Asset Replacement” is specified as applicable in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars in respect of the relevant Series of Notes, the Swap Counterparty may (subject to, in respect of Notes that are rated by Standard & Poor’s, confirmation from Standard & Poor’s that there will be no adverse change to the rating of such Notes and, in respect of Notes that are rated by Moody’s, notification to Moody’s from the Swap Counterparty of the Asset Replacement Notice), from time to time from and including the Issue Date of the Notes to but excluding the day falling five Business Days prior to the Maturity Date of the Notes deliver a notice in writing, substantially in the form set out in schedule 2 to the Master Agency Terms (an “**Asset Replacement Notice**”) to the Issuer requesting that the Issuer delivers or transfers to the Swap Counterparty any Principal Assets then held by or on behalf of the Issuer, in exchange for the delivery or transfer by the Swap Counterparty to the Issuer of Eligible Replacement Assets. The Asset Replacement Notice must specify (i) the name of the issuer or, where such Principal Assets comprise a loan, borrower of the Principal Assets to be replaced and the outstanding principal amount or, where such Principal Assets comprise a loan, outstanding principal balance of the Principal Assets to be replaced (the “**Replaced Securities**” or the “**Replaced Loan**”, as the case may be) or, where such Principal Assets comprise any other assets, such information as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and (ii) the name of the issuer and the ISIN (or such other identification code as may be relevant) of the securities delivered or transferred to the Issuer (the “**Replacement Securities**”) or, where such Eligible Replacement Assets comprise a loan, borrower of the loan delivered or transferred to the Issuer (the “**Replacement Loan**”) or, where such Eligible Replacement Assets comprise any other assets, such information as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as the case may be. A copy of the Asset Replacement Notice shall be delivered by the Swap Counterparty to the Custodian or Loan Service Agent, as appropriate. Both the Replaced Loan and the Replacement Loan must be fully drawn as at the date of the proposed replacement. The criteria that apply to such Eligible Replacement Assets shall be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

If “Notional Amount Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, such Eligible Replacement Assets must have, where such Principal Assets that are to be replaced comprise securities, an aggregate nominal amount at least equal to the nominal amount of those Principal Assets being replaced or, where such Principal Assets that are to be replaced comprise a loan, an outstanding principal balance at least equal to the outstanding principal balance of the Principal Assets being replaced or where such Principal Assets comprise any other assets, such requirement as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

If “Market Value Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, such Eligible Replacement Assets must have an aggregate Market Value at least equal to the aggregate Market Value of those Principal Assets being replaced, as of the date on which the Asset Replacement Notice is delivered. If the Market Value of the Replacement Assets is deemed to be zero, the Issuer shall be deemed to have automatically declined such asset replacement request.

If “Present Value Replacement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the present value of the scheduled but unpaid cash flows of such Eligible Replacement Assets must be equal to or greater than the present value of the scheduled but unpaid cash flows of the Principal Assets that are the subject of the replacement. Such present values shall be determined by the Calculation Agent in a commercially reasonable manner using discount factors as implied by the mid-swap curve as at the date of such replacement.

On the Business Day immediately following the receipt by the Swap Counterparty from the Issuer of a countersigned copy of a valid Asset Replacement Notice, the Issuer will cause the delivery or transfer of the relevant Principal Assets to the Swap Counterparty and the Swap Counterparty will deliver or transfer the relevant Eligible Replacement Assets to or to the order of the Issuer within the customary period for the settlement or delivery of such securities or loan or other assets, as the case may be. Notwithstanding any provision to the contrary, the Issuer shall not be under any obligation to agree to an asset replacement request and shall evidence any agreement by countersigning and returning to the Swap Counterparty (copied to the Custodian and/or the Loan Service Agent, as the case may be) a copy of the relevant Asset Replacement Notice.

Any Principal Assets so delivered or transferred by the Issuer shall be deemed automatically released from the Secured Property and shall no longer comprise “Assets” for the purposes of these Conditions. Any Replacement Assets or cash so delivered or transferred or paid shall form part of the Secured Property. References in these Conditions to Replacement Securities shall include cash in a relevant currency to the extent that cash in such a currency comprises Eligible Replacement Assets provided that in such circumstances references to the “issuer” of the Replacement Securities shall then be construed as references to the relevant currency.

For the avoidance of doubt, more than one Asset Replacement Notice may be delivered by the Swap Counterparty prior to the Maturity Date.

#### **5(j) Asset Management**

Pursuant to the terms of any Swap entered into in connection with the Notes and notwithstanding Condition 5(f)(ii) above, where “Asset Management” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, if at any point during the period from but excluding the Issue Date to but excluding the day falling four Business Days prior to the Maturity Date:

**5(j)(i)** the Swap Exposure is greater than the Maximum Swap Exposure; or

**5(j)(ii)** the Swap Exposure is less than the Minimum Swap Exposure,

then the Swap Counterparty shall deliver an Asset Management Notice on the relevant Asset Management Notice Date. In each case, on the Asset Settlement Date relating thereto, the Swap Counterparty or the Custodian (on behalf of the Issuer) or the Loan Service Agent (on behalf of the Issuer) or the Issuer, as applicable, shall make the delivery or effect the transfer specified in such Asset Management Notice. If such delivery or transfer is required to be made by the Swap Counterparty and a Liquidity Event has occurred and is continuing on the Asset Settlement Date, the Swap Counterparty may deliver or transfer the Liquidity Event Eligible Management Assets to the Custodian (on behalf of the Issuer) on the Asset Settlement Date, in lieu of Standard Eligible Management Assets.

If a Liquidity Event Eligible Management Assets Default has occurred, the Swap provides that the Calculation Agent shall notify each of the Issuer, the Swap Counterparty, the Custodian and the Loan Service Agent of such event in writing, in which event the Swap Counterparty shall deliver Replacement Liquidity Eligible Management Assets to the Custodian (on behalf of the Issuer) on the Liquidity Eligible Management Assets

Replacement Date, in exchange for delivery of the Defaulted Liquidity Event Eligible Management Assets by the Custodian (on behalf of the Issuer) to or to the order of the Swap Counterparty on such date.

As used above in this Condition 5(j):

**“Asset Management Notice”** means:

- (i) where the Principal Assets comprise securities, a notice in writing from the Swap Counterparty to the Issuer (with a copy to the Custodian) substantially in the form set out in schedule 6 to the Master Agency Terms, in which the Swap Counterparty specifies whether the Swap Counterparty:
  - (a) shall deliver Eligible Management Assets to the Custodian (to hold on behalf of the Issuer) on the Asset Settlement Date (in which event, the Swap Counterparty shall specify in such Asset Management Notice the outstanding principal amount and ISIN Code(s) of the Eligible Management Assets that the Swap Counterparty proposes to deliver on the Asset Settlement Date); or
  - (b) requires the Custodian (on behalf of the Issuer) to deliver Principal Assets to or to the order of the Swap Counterparty on the Asset Settlement Date (in which event, the Swap Counterparty shall specify in such Asset Management Notice the outstanding principal amount and ISIN Code(s) of the Principal Assets that the Swap Counterparty requires the Custodian (on behalf of the Issuer) to deliver on the Asset Settlement Date);
- (ii) where the Principal Assets comprise loans, a notice in writing from the Swap Counterparty to the Issuer (with a copy to the Loan Service Agent), substantially in the form set out in schedule 6 to the Master Agency Terms, in which the Swap Counterparty specifies whether the Swap Counterparty:
  - (a) shall transfer Eligible Management Assets to the Issuer on the Asset Settlement Date (in which event, the Swap Counterparty shall specify in such Asset Management Notice the name of the borrower and the outstanding principal balance of the loan comprising such Eligible Management Assets that the Swap Counterparty proposes to transfer on the Asset Settlement Date); or
  - (b) requires the Issuer to transfer Principal Assets to or to the order of the Swap Counterparty on the Asset Settlement Date (in which event, the Swap Counterparty shall specify in such Asset Management Notice the name of the borrower and the outstanding principal balance of the loan comprising such Principal Assets that the Swap Counterparty requires the Issuer to transfer on the Asset Settlement Date); and
- (iii) where the Principal Assets comprise any assets other than securities or loans, a notice in writing from the Swap Counterparty to the Issuer, substantially in the form set out in schedule 6 to the Master Agency Terms, in which the Swap Counterparty provides such information as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

In each case, the Swap Exposure on the Asset Management Notice Date, as applicable, on which such Asset Management Notice is delivered (once adjusted to take into account the delivery or transfer of the Eligible Management Assets or Principal Assets specified in this definition) shall not be less than the Minimum Swap Exposure nor greater than the Maximum Swap Exposure (each as determined by the Calculation Agent in a commercially reasonable manner);

**“Asset Management Notice Date”** means the day falling one Business Day after the date on which the Calculation Agent notifies the Swap Counterparty that the Swap Exposure on such date of notification is less than the Minimum Swap Exposure or greater than the Maximum Swap Exposure;

**“Asset Management Range Cap”** means 10 per cent. or such other percentage specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars;

**“Asset Management Range Floor”** means minus 10 per cent. or such other percentage specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (which, if not specified to be a negative percentage, shall be deemed to be a negative percentage unless expressly specified otherwise);

**“Asset Settlement Date”** means the day falling three Business Days after the applicable Asset Management Notice Date;

**“Defaulted Liquidity Event Eligible Management Assets”** means the Liquidity Event Eligible Management Assets (if any) held by the Custodian (on behalf of the Issuer) or the Issuer (as applicable) in respect of which a Liquidity Event Eligible Management Assets Default has occurred;

**“Eligible Management Assets”** means, on any day:

- (i) if no Liquidity Event has occurred and is continuing, the securities, loans or other assets, as the case may be, defined as such in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (the **“Standard Eligible Management Assets”**);
- (ii) if a Liquidity Event has occurred and is continuing on such day, the following (the **“Liquidity Event Eligible Management Assets”**):
  - (A) except in the case of a Luxembourg Issuer (unless and, if so, to the extent permitted by Luxembourg law and regulation), cash in Euro, USD, GBP, JPY and, if it is not denominated in any such currency, the currency in which the Notes are denominated; and
  - (B) negotiable debt obligations issued or guaranteed by the Government of any of: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Spain, Sweden, United Kingdom, United States;

**“Liquidity Event Eligible Management Assets Replacement Date”** means the day falling five Business Days after the date on which the Calculation Agent notifies each of the Issuer, the Swap Counterparty, the Custodian and the Loan Service Agent that a Liquidity Event Eligible Management Assets Default has occurred;

A **“Liquidity Event Eligible Management Assets Default”** shall occur in respect of the Liquidity Event Eligible Management Assets held by the Custodian (on behalf of the Issuer) or the Issuer (as applicable) in the event that an Asset Trigger Event (as defined in Condition 1 above) occurs in respect of such Liquidity Event Eligible Management Assets or the issuer in respect thereof (and for the avoidance of doubt, assuming for such purposes that such Liquidity Event Eligible Management Assets comprise an “Asset Issuer Obligation” and that the issuer in respect thereof is an “Asset Issuer”);

A **“Liquidity Event”** shall occur in the event that the Swap Counterparty determines, having used all reasonable endeavours to be able to do so, that it is unable (for whatever reason) to deliver any Standard Eligible Management Assets to the Issuer on the Asset Settlement Date;

**“Maximum Swap Exposure”** means the product of (i) the Aggregate Nominal Amount and (ii) the Asset Management Range Cap;

**“Minimum Swap Exposure”** means the product of (i) the Aggregate Nominal Amount and (ii) the Asset Management Range Floor;

**“Replacement Liquidity Event Eligible Management Assets”** means Eligible Management Assets specified in a Replacement Liquidity Event Eligible Management Assets Notice having a value determined by the Swap

Counterparty as being equal to or greater than, as at the Liquidity Eligible Management Assets Replacement Date, the value of the Defaulted Liquidity Event Eligible Management Assets to be replaced on the date on which such Defaulted Liquidity Event Eligible Management Assets were initially delivered to the Custodian (on behalf of the Issuer) or the Issuer (as applicable);

**“Replacement Liquidity Eligible Management Assets Notice”** means, a notice in writing from the Swap Counterparty to the Issuer (with a copy to the Custodian) substantially in the form set out in schedule 7 to the Master Agency Terms, in which the Swap Counterparty specifies the Replacement Liquidity Eligible Management Assets that it shall deliver to the Custodian (on behalf of the Issuer) on the Liquidity Eligible Management Assets Replacement Date; and

**“Swap Exposure”** means, on any day, the amount by which the Swap Counterparty is in-the-money under the Swap on such day (as determined by the Calculation Agent by reference to the mid mark-to-market of the Swap), which amount shall be expressed as a positive amount if in favour of the Swap Counterparty or, the amount by which the Swap Counterparty is out-of-the-money under the Swap on such day (as determined by the Calculation Agent by reference to the mid mark-to-market of the Swap), which amount shall be expressed as a negative amount if in favour of the Issuer.

## **6 RESTRICTIONS**

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The Issuer has under the Trust Deed agreed to certain restrictions on its business. In particular, the Issuer has agreed that subject as set out below, it will not, without the prior written consent of the Trustee and any Other Creditors, incur any other indebtedness for borrowed moneys or engage in any business, have any subsidiaries (although it may establish branches in jurisdictions other than its jurisdiction of incorporation and may appoint agents in respect of the administration thereof) or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in these Conditions and the Trust Deed) or issue any further shares. Notwithstanding the foregoing, the Issuer may acquire and hold the Secured Property, manage financial assets comprising the Secured Property, enter into other Transactions, enter into any Other Obligations and enter into related agreements or transactions and enter into any other secured, limited recourse financial transactions.

## **7 INTEREST AND OTHER CALCULATIONS**

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### **7(a) Interest on Fixed Rate Notes**

Each Fixed Rate Note bears interest on its outstanding Nominal Amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 7(h).

### **7(b) Interest on Floating Rate Notes and Index-linked Interest Notes**

#### **7(b)(i) Interest Payment Dates**

Each Floating Rate Note and Index-linked Interest Note bears interest on its outstanding Nominal Amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 7(h). Such Interest Payment Date(s) is/are either shown in the

relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, each date that falls the number of months or other period shown in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as the Interest Accrual Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

#### **7(b)(ii) Rate of Interest for Floating Rate Notes**

Subject to Condition 7(b)(iv) below, the Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and the provisions below relating to Determination of the Rate of Interest, Floating Rate Disruption and Reference Rate Discontinuance shall apply.

##### **(A) Determination of the Rate of Interest**

The Rate of Interest for each Interest Accrual Period will be determined as follows:

(1) If the Reference Rate is specified to be a rate other than "EONIA", the relevant Rate of Interest will, subject as provided below, be:

- (I) where 'Offered Quotation' is specified as applicable, the offered quotation; or
- (II) where 'Arithmetic Mean' is specified as applicable, the arithmetic mean of the offered quotations,

in each case, expressed as a percentage rate per annum, for the Reference Rate of the relevant Designated Maturity which appear(s) on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date relating to such Interest Accrual Period, as determined by the Calculation Agent. In the case of (II) above only, if five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If 'Linear Interpolation' is specified as applicable, then in respect of any specified, short or long Interest Accrual Period as specified in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Calculation Agent will determine the relevant Rate of Interest using Linear Interpolation.

(2) If the Reference Rate is specified to be 'EONIA', the relevant Rate of Interest will be the rate of return of a daily compound interest investment with the arithmetic mean of the daily rates of the day-to-day Euro-zone interbank euro money market as reference rate and which will be calculated by the Calculation Agent on the Interest Determination Date, as follows, and, notwithstanding Condition 7(g)(iii), the resulting percentage will be rounded, if necessary, to the nearest one ten-thousandth of a percentage point, with 0.00005 being rounded upwards ("EONIA"):

where

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{EONIA}_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

"d<sub>o</sub>", for any Interest Accrual Period, is the number of TARGET Business Days in the relevant Interest Accrual Period;

"i" is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day, in the relevant Interest Accrual Period;

"EONIA<sub>i</sub>", for any day "i" in the relevant Interest Accrual Period, is a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Relevant Screen Page in respect of that day;

"n<sub>i</sub>" is the number of calendar days in the relevant Interest Accrual Period on which the rate is EONIA<sub>i</sub>;

"d" is the number of calendar days in the relevant Interest Accrual Period.

#### (B) Floating Rate Disruption

Unless a Reference Rate Discontinuance has occurred, in which case Condition 7(b)(ii)(C) (*Reference Rate Discontinuance*) shall apply, if, on any Interest Determination Date, the Relevant Screen Page for the Reference Rate (or, if the Reference Rate is 'EONIA', EONIA<sub>i</sub>) is not available, or (in the case of Condition 7(b)(ii)(A)(1)(I) above) no such offered quotation appears on the Relevant Screen Page or (in the case of Condition 7(b)(ii)(A)(1)(II) above), fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, or on any TARGET Business Day pursuant to Condition 7(b)(ii)(A)(2) above EONIA<sub>i</sub> is not available on the Relevant Screen Page (such Reference Rate, a "**Disrupted Reference Rate**" and each such event, a "**Floating Rate Disruption**"), the Calculation Agent shall determine the Rate of Interest in respect of such Interest Determination Date (or EONIA<sub>i</sub>, in respect of the relevant TARGET Business Day, as applicable) in accordance with the following methodologies, as applicable depending on the Designated Maturity of the relevant Reference Rate or whether the Disrupted Reference Rate is EONIA:

(1) If the Designated Maturity of the relevant Reference Rate is 12 months or less:

- (I) the Calculation Agent shall determine the Rate of Interest in respect of such Interest Determination Date using Linear Interpolation;
- (II) if the Calculation Agent determines that one or both of the rates to be used for the purposes of Linear Interpolation in accordance with sub-paragraph (I) immediately above are unavailable, the Rate of Interest in respect of such Interest Determination Date shall be the last published offered quotation(s) for the Reference Rate that appeared on the Relevant Screen Page, provided that the last published quotation(s) may not be earlier than the fifth Business Day prior to the Interest Determination Date;
- (III) if the Calculation Agent determines that no offered quotation was published (or in the case of sub-paragraph (A)(1)(II) above, fewer than three such offered quotations were published) for the Reference Rate in accordance with and during the period

provided in sub-paragraph (II) immediately above, the Rate of Interest in respect of the relevant Interest Determination Date shall be determined using Linear Interpolation save that the Interest Determination Date for such purpose will be deemed to be the immediately preceding Business Day on which the rates to be used for Linear Interpolation are both available on the Relevant Screen Page, provided that the last published rate for such purpose may not be earlier than the fifth Business Day prior to the Interest Determination Date;

(IV) if the Calculation Agent determines that the rates to be used for the purposes of Linear Interpolation in accordance with and during the period provided in sub-paragraph (III) immediately above are unavailable, the Rate of Interest for such Interest Payment Date shall be such other rate as determined by the Calculation Agent in its discretion.

(2) If the Designated Maturity of the relevant Reference Rate is more than 12 months:

(I) the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate of the relevant Designated Maturity as soon as practicable after the Relevant Time on the Interest Calculation Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest in respect of such Interest Payment Date shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent in its discretion;

(II) if the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations in accordance with sub-paragraph (I) immediately above, the Rate of Interest in respect of such Interest Determination Date shall be determined by postponing the relevant Interest Determination Date to the first succeeding Business Day on which the Floating Rate Disruption ceases to exist, provided that for such purpose the Interest Determination Date shall not be postponed for more than two Business Days after the date on which the Interest Determination Date was originally scheduled to fall;

(III) if the Calculation Agent determines that it is unable to determine the Floating Rate in accordance with and during the period provided in sub-paragraph (II) immediately above, the Floating Rate in respect of such Interest Determination Date shall be such other rate as determined by the Calculation Agent in its discretion.

(3) If the Disrupted Reference Rate is EONIA:

(I) EONIA<sub>i</sub> in respect of the relevant TARGET Business Day shall be determined by the Calculation Agent as the last published offered quotation for EONIA<sub>i</sub> that appeared on the Relevant Screen Page, provided that the last published quotation may not be earlier than the fifth Business Day prior to the relevant TARGET Business Day;

(II) if the Calculation Agent determines that no offered quotation was published for EONIA<sub>i</sub> in accordance with and during the period provided in sub-paragraph (I) immediately above, EONIA<sub>i</sub> in respect of the relevant TARGET Business Day shall be such other rate as determined by the Calculation Agent in its discretion.

(C) Reference Rate Discontinuance



If on (or prior to) any Interest Determination Date, the Calculation Agent determines that the relevant Reference Rate has been discontinued or has otherwise ceased to exist (such Reference Rate, a "**Discontinued Reference Rate**" and such event, a "**Reference Rate Discontinuance**"), the Calculation Agent shall determine the Rate of Interest for the relevant Interest Payment Date in accordance with the following methodologies, as applicable:

(1) If the Discontinued Reference Rate is not EONIA:

- (I) the Calculation Agent shall, in its discretion, select a substitute or successor rate of interest that it determines is comparable to the Discontinued Reference Rate to replace such Discontinued Reference Rate, and shall replace the Discontinued Reference Rate by such substitute or successor rate of interest with effect from the date as determined by the Calculation Agent and such substitute or successor reference rate will be deemed to be the Reference Rate with effect from such date. The Calculation Agent may propose to the Issuer and the Trustee such adjustments (which adjustments shall be deemed to be of a formal, minor or technical nature) that it determines to be appropriate, if any, to any one or more of the Conditions of the Notes, including without limitation, any Condition relevant to the settlement or payment under the Notes, as the Calculation Agent determines appropriate to account for such replacement and the Issuer and the Trustee shall use all reasonable endeavours to effect such adjustments promptly;
- (II) if the Calculation Agent determines that no substitute or successor rate is available for the purpose of sub-paragraph (I) immediately above, then, with effect from and including the date on which the relevant Reference Rate has been discontinued or has otherwise ceased to exist, the Rate of Interest in respect of such Interest Determination Date, and any subsequent Interest Determination Date, shall be determined using Linear Interpolation;
- (III) if the Calculation Agent determines that one or both of the rates to be used for the purpose of Linear Interpolation in accordance with sub-paragraph (II) immediately above are unavailable, the Rate of Interest for such Interest Payment Date shall be such other rate as determined by the Calculation Agent in its discretion.

(2) If the Discontinued Reference Rate is EONIA:

- (I) the Calculation Agent shall, in its discretion, select a substitute or successor reference rate that it determines is comparable to the Discontinued Reference Rate to replace such Discontinued Reference Rate, and shall replace the Discontinued Reference Rate by such substitute or successor reference rate with effect from the date as determined by the Calculation Agent and such substitute or successor reference rate will be deemed to be the Reference Rate with effect from such date. The Calculation Agent may propose to the Issuer and the Trustee such adjustments (which adjustments shall be deemed to be of a formal, minor or technical nature) that it determines to be appropriate, if any, to any one or more of the Conditions of the Notes, including without limitation, any Condition relevant to the settlement or payment under the Notes, as the Calculation Agent determines appropriate to account for such replacement and the Issuer and the Trustee shall use all reasonable endeavours to effect such adjustments promptly;

- (II) if the Calculation Agent determines that no substitute or successor reference rate is available for the purpose of sub-paragraph (I) immediately above,  $EONIA_i$  in respect of the relevant TARGET Business Day shall be such other rate as determined by the Calculation Agent in its discretion.

**7(b)(iii) Rate of Interest for Index-linked Interest Notes**

Subject to Condition 7(b)(iv), the Rate of Interest in respect of Index-linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and interest will accrue by reference to an Index or Formula as specified in such Pricing Supplement, Series Prospectus or Series Listing Particulars.

**7(b)(iv) Negative Rate of Interest**

If the Rate of Interest determined in respect of an Interest Accrual Period pursuant to Conditions 7(b)(ii) and 7(b)(iii) above is less than zero, then such Rate of Interest shall be deemed to be zero.

**7(c) Interest on Pass-through Notes**

Where the Interest Basis of a Note is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars to be Pass-through, on the day falling one Business Day after each date on which interest is due and payable to the Issuer in respect of the Principal Assets in accordance with the Principal Asset Conditions (for the avoidance of doubt, subject to adjustment in accordance with any business day convention specified in the Principal Asset Conditions) (each such date, an “**Interest Payment Date**”), in respect of each Note, an amount (an “**Interest Amount**”) equal to the product of (i) the aggregate interest amount due and payable to the Issuer under the Principal Asset Conditions in respect of the relevant Principal Assets and (ii) the Note Factor, shall be payable on such Interest Payment Date.

**7(d) Zero Coupon Notes**

Where the Interest Basis of a Note is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars to be Zero Coupon, such Note shall not bear interest.

**7(e) Dual Currency Notes**

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

**7(f) Cessation and/or delay of Interest**

Interest shall cease to accrue on each Note from and including the earlier of (i) an Asset Trigger Event Determination Date and (ii) the date fixed for redemption in accordance with Condition 8 below unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 7 to the Relevant Date.

In the event that a potential Asset Trigger Event or an Asset Trigger Event has, in the determination of the Calculation Agent, occurred but the Asset Trigger Conditions have not been satisfied on or prior to an Interest Payment Date, the Interest Amount that would otherwise be due and payable on such Interest Payment Date shall, on the Issuer giving notice to Noteholders in accordance with Condition 17, be delayed until the first

Business Day following the 30th calendar day following the relevant Interest Payment Date, provided that (i) no additional amounts or interest shall be payable by the Issuer in respect of any such delay and (ii) this provision shall be subject to the cessation of accrual of interest from and including the Asset Trigger Event Determination Date if the Asset Trigger Conditions have been satisfied. For the avoidance of doubt, from and including the date of designation of the relevant Early Redemption Date or, where applicable, from the date on which the Depackaging Redemption Event occurs, to but excluding the relevant Early Redemption Date, any accrued but unpaid interest on each Note shall become due and payable on the relevant Early Redemption Date.

#### **7(g) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding**

- 7(g)(i)** If any Margin is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 7(b) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- 7(g)(ii)** If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- 7(g)(iii)** For the purposes of any calculations required pursuant to the Conditions (unless otherwise specified in these Conditions or in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded down), (b) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a five or greater, the seventh significant figure shall be rounded down) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such Currency (with half a unit being rounded down). For these purposes, "unit" means the lowest amount of such Currency that is available as legal tender in the country of such Currency. If the Notes are in global form or uncertificated registered form, (x) any calculations in respect of such Notes shall be made in respect of the aggregate nominal amount or number, as the case may be, of such Notes from time to time outstanding (or the relevant affected portion thereof) and (y) the result of any such calculation shall be rounded in accordance with the relevant method above.

#### **7(h) Calculations**

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount, the Day Count Fraction for such Interest Accrual Period and, where the denomination of such Note exceeds the Calculation Amount, the figure resulting from dividing such denomination by the Calculation Amount, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

### **7(i) Determination and Publication**

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and/or the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Trustee, the Issuer, the Swap Counterparty, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed and/or admitted to trading on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period End Date is subject to adjustment pursuant to Condition 7(l) below, the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Notes become due and payable under Condition 8(d) below, the accrued interest and the Rate of 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 Rate of Interest and/or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

### **7(j) Determination or Calculation by Trustee**

If the Calculation Agent (including, for the purposes of this Condition 7(j), any replacement Calculation Agent appointed pursuant to Condition 10(e) below) does not at any time for any reason determine or calculate the Rate of Interest for an Interest Accrual Period or any Interest Amount, Instalment Amount, Final Redemption Amount or Early Redemption Amount, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee 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.

### **7(k) Calculation Agent and Reference Banks**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and for so long as any Note is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall (if directed by an Extraordinary Resolution of the Noteholders) appoint a replacement calculation agent in accordance with such direction to act as such in its place. The Calculation Agent may not resign its duties

without a successor having been appointed as aforesaid. Except to the extent that the Calculation Agent has acted negligently or fraudulently or is in wilful breach of its duties, the Calculation Agent shall not be liable to the Trustee or the Noteholders for any expense, loss or damage suffered by or occasioned to them. In any event, the Calculation Agent shall not be responsible for any direct loss or indirect consequential losses, notwithstanding it having been advised of the possibility of such loss.

#### **7(l) Business Day Convention**

If any date referred to in these Conditions that is specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

## **8 REDEMPTION, PURCHASE AND OPTIONS**

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### **8(a) Redemption by Instalments and Final Redemption**

- 8(a)(i)** Unless previously redeemed, purchased and/or cancelled as provided in this Condition 8, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the Instalment Amount specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as relating to such Instalment Date. The outstanding Nominal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- 8(a)(ii)** Unless previously redeemed, purchased and/or cancelled and/or unless an Asset Trigger Event Determination Date has occurred as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars at its Final Redemption Amount (which, unless otherwise provided in such Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, is its Nominal Amount) or, in the case of a Note falling within Condition 8(a)(i) above, its final Instalment Amount.
- 8(a)(iii)** Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(a):
- (A) an Asset Trigger Event Determination Date or a Pass-through Notes Event occurs pursuant to Condition 8(c)(i);
  - (B) the Notes are declared immediately due and payable pursuant to Condition 8(d); or

- (C) notice of an Early Redemption Date in respect of all Notes is given pursuant to Condition 8(c)(ii), 8(c)(iii), 8(c)(iv), 8(c)(v), 8(c)(vi), 8(e) or 8(f),

then, the Notes shall not be redeemed in accordance with this Condition 8(a) and the provisions of Condition 8(c)(i), 8(c)(ii), 8(c)(iii), 8(c)(iv), 8(c)(v), 8(c)(vi), 8(d), 8(e) or 8(f) shall apply as appropriate.

## **8(b) Early Redemption**

- 8(b)(i)** Following the occurrence of an Early Redemption Event (as described below), each Note will be redeemed by payment and/or delivery of the Early Redemption Amount on the Early Redemption Date.

The Early Redemption Amount payable (if “Cash Settlement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) and/or deliverable (if “Physical Settlement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars as applicable and validly exercised in accordance with Condition 8(b)(iii) below) in respect of a Note shall, subject to Conditions 8(b)(ii) and 8(b)(iii) in the case of Physical Settlement, be determined by reference to the table set out in the Schedule to these Conditions.

Where necessary, the Realisation Agent, upon delivery of a Liquidation Confirmation, shall on behalf of the Issuer (but acting as principal), arrange the Liquidation of Assets and any relevant rights of the Issuer in respect of the Transaction Agreements in accordance with Condition 11 below. In the event of the Security Interests becoming enforceable in accordance with the provisions of the Trust Deed, the Trustee (or the receiver appointed by it) may take such action as is provided in Condition 5(c) above.

For the avoidance of doubt, the Early Redemption Amount that comprises part of the Net Proceeds or the Enforcement Proceeds (as the case may be) may be less than the Nominal Amount of the Notes being redeemed.

- 8(b)(ii)** In the case of Physical Settlement:

- (A) If (x) “Physical Settlement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and (y) the Noteholder Depackaging Option is not specified as applicable in such Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or is not validly exercised and (z) the Realisation Agent, acting in good faith and in a commercially reasonable manner, determines that the aggregate Cash Proceeds held by or on behalf of the Issuer prior to the Early Redemption Date are insufficient to satisfy the claims of the parties against the Issuer ranking in priority to any Noteholder Claim pursuant to Clause 7.2 of the Trust Deed (as described in Condition 5(d)(iii) above) (including any Swap Counterparty Claim and/or Securities Borrower Claim) on the Early Redemption Date (the “**Claim Shortfall**”), then the Realisation Agent, except where the Issuer is a Luxembourg Issuer and following any of the events described in Condition 8(d)(iii) below, shall arrange for Liquidation of the relevant proportion of Assets and/or any rights of the Issuer in respect of the Transaction Agreements in accordance with Condition 11 so that the aggregate proceeds from such Liquidation is equal to the absolute value of the Claim Shortfall.

- (B) If (x) “Physical Settlement” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and (y) the Noteholder Depackaging Option is not specified as applicable in such Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars or is not validly exercised and (z) a Noteholder confirms, in the Delivery Notice, that (I) it holds Notes on behalf of more than one person and (II) each such person is a beneficial owner in respect of a portion of such Notes (“**Beneficial Owner**”):
- a. the Noteholder must identify in the Delivery Notice the aggregate principal amount of Notes held in respect of each Beneficial Owner;
  - b. for the purposes of determining the aggregate Early Redemption Amount in respect of each Beneficial Owner, the Notes that are redeemed at the same time in respect of the same Beneficial Owner shall be aggregated in respect of such Beneficial Owner, subject to rounding in accordance with Condition 7(g) above;
  - c. if the Early Redemption Amount calculated in respect of each Beneficial Owner is not an integral multiple of the minimum denomination of the relevant Principal Assets, the Issuer shall deliver to the Noteholder, in aggregate, the amount of the relevant Principal Assets equal to the highest integral multiple of the minimum denomination of the relevant Principal Assets comprised in the Early Redemption Amount determined in respect of each Beneficial Owner and pay, in cash, the difference between the aggregate Early Redemption Amount and the value of such relevant Principal Assets;
  - d. if it is impossible or illegal for the delivery of the Early Redemption Amount to the Noteholder in respect of any Beneficial Owner to occur (including, without limitation, failure of the relevant clearing system or due to any law, regulation or court order, but excluding market conditions), the Early Redemption Amount in respect of each Beneficial Owner shall be re-calculated and paid as if “Cash Settlement” had been specified in relation to the Notes held in respect of that Beneficial Owner; and
  - e. for the avoidance of doubt, none of the Issuer, the Trustee, the Registrar, any Agent, Dealer, Arranger, Swap Counterparty, Securities Borrower or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the applicable laws (other than the Noteholder) will have any responsibility or liability for (x) any aspect of the records relating to or payments made to any Beneficial Owner in connection with the Notes or (y) for confirming, verifying, maintaining, supervising or reviewing any records relating to the beneficial ownership interests of any Beneficial Owner.
- (C) Delivery of any Principal Assets that comprise securities to which a Noteholder is entitled shall be made in accordance with the instructions of such Noteholder set out in a delivery notice specifying an account in the Clearing System (or where the relevant Principal Assets are not held in the Clearing System, such other account or method) for delivery of such Principal Assets (in or substantially in the form set out in the Master Agency Terms, copies of which are available at the specified office of each of the Paying Agents) (the “**Delivery Notice**”).

In the case of the transfer of any Principal Assets that comprise loans, it shall be made (i) by novation, transfer, assignment or sale as appropriate, in the manner customary for the settlement of such Principal Assets (which shall include executing all necessary documentation and taking any other necessary actions) in order to convey all right, title and interest in such Principal Assets free and clear of any and all liens, charges, claims or encumbrances or right of set-off of the borrower (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally), and (ii) in accordance with the instructions of the Noteholders set out in a loan transfer notice specifying the details of the transferee in whose name the Principal Assets are to be transferred (in or substantially in the form set out in the Master Agency Terms, copies of which are available at the specified office of each of the Paying Agents) (the **"Loan Transfer Notice"**).

In the case of any Principal Assets that comprise any other assets, such assets shall be delivered/transferred in accordance with such terms as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

Upon presentation and surrender of a Note pursuant to this Condition 8(b), the Paying Agent shall issue to the holder thereof a receipt in respect of such Note. The Notes shall cease to be outstanding on the first day on or after the Settlement Date (as defined in Condition 1 above) upon which the Issuer makes the relevant Principal Assets available for delivery or transfer in accordance with these Conditions.

In the case of the delivery of any Principal Assets that comprise securities, if there is a Settlement Disruption Event that prevents settlement of such Principal Assets on the Settlement Date, then settlement shall be on the first succeeding day on which settlement can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each day that the relevant Clearing System is (or, but for the Settlement Disruption Event, would have been) open for business during the period ending 30 calendar days after the original date on which, but for the Settlement Disruption Event, settlement would have occurred. If settlement does not occur during such 30-calendar day period, the Issuer shall procure that the Custodian will hold such Principal Assets comprising the aggregate Early Redemption Amounts in respect of each Noteholder until such time as the Custodian receives a direction in writing from the relevant Noteholder (a **"Settlement Direction"**) regarding the delivery of the relevant proportion of such Principal Assets, whereupon the Custodian shall notify the Trustee, the Issuer and the Realisation Agent of the Settlement Direction and shall procure that the relevant proportion of such Principal Assets is delivered as soon as reasonably practicable in accordance with the Settlement Direction.

Where Notes have been presented or surrendered for Physical Settlement and a Paying Agent has issued a receipt in respect of the same, such receipt shall for all purposes be treated as the Notes in respect of which it was issued and the holder of such receipt as the holder of the Notes represented by it until delivery of the Early Redemption Amount.

Pursuant to the Trust Deed, the Security Interests over any Principal Assets to be delivered or transferred pursuant to this Condition 8 shall be automatically released in accordance with and subject to Conditions 5(e)(i) and 5(e)(ii) above.



Where a Delivery Notice or Loan Transfer Notice has not been received by the Paying Agent or Transfer Agent (as applicable) by the day falling 3 Business Days prior to the Settlement Date, “Cash Settlement” will be deemed to have been specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and each Note will be redeemed by payment of the Early Redemption Amount on the Early Redemption Date.

**8(b)(iii)** In the case where the Noteholder Depackaging Option is applicable:

- (A) If “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, at the time of the occurrence of the relevant Depackaging Redemption Event, any Principal Assets have been borrowed (but not yet redelivered or retransferred) by the Securities Borrower under any Securities Lending Agreement, the Notes shall be redeemed in accordance with Condition 8 as though the Noteholder Depackaging Option is not applicable and “Cash Settlement” or “Physical Settlement” (as originally specified) is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
- (B) If “Noteholder Depackaging Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and, at the time of the occurrence of the relevant Depackaging Redemption Event, no Securities Loan is outstanding under any Securities Lending Agreement, the Calculation Agent shall, as soon as is practicable following the Credit Support Trade Date calculate, in good faith and in a commercially reasonable manner, the Depackaging Option Amount in relation to the relevant Series of Notes. For the avoidance of doubt, any redemption of such Notes prior to the Maturity Date shall take place only in accordance with this Condition 8(b)(iii) and not otherwise under Condition 8. Following calculation of such amount, the Calculation Agent shall promptly deliver to the Noteholders, the Issuer, the Trustee, the Realisation Agent, the Swap Counterparty (if applicable and including any administrator(s)) and the Securities Borrower (if applicable and including any administrator(s)), a notice (the **“Depackaging Option Amount Notice”**) specifying:
  - a. that a Depackaging Redemption Event has occurred and providing relevant details of the event;
  - b. the “Early Redemption Date”, which shall be the date falling five Business Days following the last day of the Noteholder Depackaging Option Exercise Period;
  - c. the Depackaging Option Amount;
  - d. the Swap Termination Costs (if any);
  - e. the Securities Lending Replacement Costs (if any);
  - f. the relevant payment details for payment of the Depackaging Option Amount to the Issuer’s cash account with the Custodian or the Loan Service Agent (as the case may be); and
  - g. the last day of the Noteholder Depackaging Option Exercise Period.

The determination of the Depackaging Option Amount by the Calculation Agent in accordance with this Condition shall (in the absence of manifest error) be final and

binding upon all parties. The Trustee shall be entitled to rely on any determination of the Depackaging Option Amount in respect of any amount due to any party (other than in respect of amounts due to the Trustee) without investigation or enquiry and without liability to any person for so doing.

- (C) The Issuer shall, following the delivery of the Depackaging Option Amount Notice and upon exercise of the Depackaging Option Exercise Conditions solely at the option of the holder of 100 per cent. of the Aggregate Nominal Amount of the Notes outstanding (the “**Exercising Noteholder**”) redeem all, but not some only, of such outstanding Notes on the Early Redemption Date (as described in this Condition 8(b)(iii)) at the Early Redemption Amount determined by reference to the table set out in the Schedule to these Conditions, provided that (i) the Depackaging Option Exercise Conditions have been complied with and (ii) any physical delivery of assets shall be effected in compliance with, mutatis mutandis, Condition 8(b)(ii)(C). Subject to the Depackaging Option Exercise Conditions having been complied with and the Noteholder Depackaging Option having been validly exercised by the holder, the Security Interests described in Condition 5(a) over the relevant Assets and rights will be automatically released without further action on the part of the Trustee in accordance with and subject to Condition 5(e)(ii) above.
- (D) In order for a Noteholder Depackaging Option to be exercised, the following conditions (the “**Depackaging Option Exercise Conditions**”) must be complied with:
  - a. the Exercising Noteholder must, on or prior to the last day of the Noteholder Depackaging Option Exercise Period:
    - (1) (x) deposit (in the case of Bearer Notes) 100 per cent. of the Aggregate Nominal Amount of the Notes outstanding (together with all unmatured Receipts and Coupons and unexchanged Talons) with the Issuing and Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office or (y) (in the case of Notes that are held through a Clearing System) provide evidence reasonably satisfactory to the Issuer and the Trustee of its ownership of 100 per cent. of the Aggregate Nominal Amount of the Notes outstanding and that it has blocked the transfer of Notes held through the relevant Clearing System to the order of the Issuer until such time as the Notes are redeemed in accordance with the Conditions, together with a duly completed depackaging option exercise notice (the “**Noteholder Depackaging Option Exercise Notice**”) in the form obtainable from the Issuing and Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholder Depackaging Option Exercise Period; and
    - (2) pay the Depackaging Option Amount to the Issuer by making payment to the Issuer’s cash account relating to the Notes, as maintained with the Custodian or the Loan Service Agent (as the case may be) (such details having been provided in the Depackaging Option Amount Notice);
  - b. on receipt of the Depackaging Option Amount into the Issuer’s cash account relating to the Notes, as maintained with the Custodian or the Loan Service Agent (as the case may be), the Custodian or the Loan Service Agent (as the case may be) shall promptly notify the Trustee and the Issuer, confirming receipt of such amounts; and

- c. the Issuer shall promptly, on receipt of such notification, provide a written notice to the Trustee and the Exercising Noteholder (substantially in the form of schedule 4 to the Master Trust Terms) confirming the receipt of such amount by the Custodian or the Loan Service Agent (as the case may be) and that the Noteholder Depackaging Option has been validly exercised.
- (E) If the Noteholder Depackaging Option is not validly exercised on or prior to the last day in the Noteholder Depackaging Option Exercise Period, the Notes shall be redeemed in accordance with Condition 8, as though the Noteholder Depackaging Option is not applicable and the Early Redemption Date shall be re-designated in accordance with Condition 8 provided that such date shall not occur earlier than the last day of the Noteholder Depackaging Option Exercise Period. No Note or Certificate so deposited and option exercised under this Condition may be withdrawn (except as provided in the Agency Agreement) without the prior written consent of the Issuer.
- (F) Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to the relevant Depackaging Redemption Event, an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) below, then, if provided in the Conditions for the relevant Early Redemption Event that is specified as the Depackaging Redemption Event, the notice of redemption given pursuant to the relevant Depackaging Redemption Event shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) below. Accordingly, any exercise of the Noteholder Depackaging Option in respect thereof shall be deemed to be void. Any Depackaging Option Amount that may have been received by the Issuer shall be delivered to the Exercising Noteholder without regard to the order of priority of payments provided under Condition 5(d)(iii) above.
- (G) In the event that a Depackaging Redemption Event has occurred, the Posted Assets (if any) shall be Liquidated in accordance with Condition 11 below.
- (H) In the event that the Noteholder Depackaging Option has been validly exercised pursuant to this Condition 8(b)(iii), the Issuer shall comply with the assignment obligations set out in clause 8.1.37 of the Master Trust Terms.
- (I) For the avoidance of doubt, the Trustee shall not be required to monitor whether any Depackaging Redemption Event has occurred or calculate the Depackaging Option Amount and shall have no obligation, responsibility or ability for giving or not giving any notice thereof to the Issuer or the Calculation Agent. The Trustee shall be entitled to rely on any Depackaging Option Amount Notice given by the Calculation Agent or the Issuer without further investigation and without any liability to any person for so doing.
- (J) On the completion of the redemption of the Notes following the valid exercise of the Noteholder Depackaging Option under this Condition 8(b)(iii), none of the Issuer, the Trustee, the Custodian, the Swap Counterparty or the Agents shall have any outstanding obligations in connection with the Notes.
- (K) The Depackaging Option Amount shall be adjusted in the following circumstances and in the following manner:
  - a. Following the determination of the Depackaging Option Amount, the Calculation Agent shall also promptly notify each Prior Ranking Creditor of the relevant portion

of the Depackaging Option Amount that will be paid by the Issuer to that Prior Ranking Creditor by way of satisfaction of all claims of such Prior Ranking Creditor upon completion of the redemption of the Notes (the “**Relevant Claim Amount**”) that would have otherwise become due and payable in accordance with the Priority of Claims provided under Condition 5(d)(iii) and of the Prior Ranking Creditor Cut-off Date (as defined below). If the relevant Prior Ranking Creditor does not respond to this notice on or before the fifth Business Day falling before the Early Redemption Date (the “**Prior Ranking Creditor Cut-off Date**”), the Relevant Claim Amount calculated by the Calculation Agent shall be final and binding on such Prior Ranking Creditor.

- b. Notwithstanding any provision to the contrary, if, on or before the Prior Ranking Creditor Cut-off Date, the relevant Prior Ranking Creditor provides evidence reasonably satisfactory to the Calculation Agent that the Relevant Claim Amount is not equal to the amount due to such Prior Ranking Creditor, the Calculation Agent shall promptly notify the Exercising Noteholder of any adjustment payment that may become necessary to reflect the change to the Depackaging Option Amount previously calculated and/or paid under this Condition 8(b)(iii) (the “**Adjustment Amount**”).
- c. The Exercising Noteholder shall as soon as reasonably practicable and, in any event, prior to the delivery of the Early Redemption Amount to it, pay the Adjustment Amount to the Issuer by crediting the Issuer’s cash account relating to the Notes, as maintained with the Custodian or the Loan Service Agent (as the case may be) (such details having been provided in the Depackaging Option Amount Notice).

**8(b)(iv)** If, during the period between the date on which an Early Redemption Date is designated or, where Noteholder Depackaging Option is specified as applicable, the date on which the Depackaging Redemption Event occurs, and the Early Redemption Date so designated, the Issuer receives (i) any income or distribution on the Assets and/or (ii) any Sale Proceeds of the Assets, then it shall deposit such amounts with the Custodian and/or Loan Service Agent (as applicable). Any interest on the amounts specified in this Condition 8(b)(iv) shall be deemed to be part of the Sale Proceeds.

**8(b)(v)** Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, under the terms of the relevant Swap (if any), the parties thereto may elect for payments upon termination to be made in accordance with any one of the following four options (each being a “**Swap Termination Method**”):

- (A) “**Standard 6(e) Termination**”: the relevant Swap shall terminate in accordance with the provisions of Section 6(e) of that Swap; or
- (B) “**One Way Payment**”: payments in respect of an Early Termination Date shall be due in accordance with Section 6(e) of the relevant Swap, but notwithstanding the provisions of Section 6(e) of the relevant Swap, if the amount otherwise payable on termination of that Swap pursuant to Section 6(e) thereof would be an amount payable by the Swap Counterparty to the Issuer, then such amount shall be deemed to be zero, save that any Unpaid Amounts (as defined in the Swap) or any Equivalent Credit Support (as defined in the Swap) shall remain payable or deliverable by the relevant party; or

- (C) **“No Payment”**: notwithstanding the provisions of Section 6(e) of the relevant Swap, that Swap shall terminate with no payments required to be made by either party to the Swap, save that any Unpaid Amounts (as defined in the Swap) or any Equivalent Credit Support (as defined in the Swap) shall remain payable or deliverable by the relevant party; or
- (D) **“Claims Settlement”**: payments in respect of an Early Termination Date shall be due in accordance with Section 6(e) of the relevant Swap, but notwithstanding the provisions of Section 6(e), if the amount otherwise payable would be an amount payable by the Swap Counterparty to the Issuer then, in lieu of paying such amount to the Issuer, the Swap Counterparty may assign and/or deliver to the Issuer due but unpaid claims against the Asset Issuer having, as at the Early Termination Date, an outstanding principal balance (as determined by the Calculation Agent) equal to the amount otherwise due and payable by the Swap Counterparty.

### 8(c) Early Redemption Events

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars each of the following events shall be an **“Early Redemption Event”** for the purposes of the Notes: (i) an Asset Event or Pass-through Notes Event, (ii) a Tax Event, (iii) a Swap Event, (iv) an Illegality Event, (v) an Arranger Bankruptcy Event and (vi) an Additional Redemption Event.

#### 8(c)(i) Asset Event and Pass-through Notes Event

- (A) In the case of Notes where the Asset Event Type is specified as **“Asset Event-Linked to All Bonds”** or **“Asset Event-Linked to Assets Only”** in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, if at any time an Asset Trigger Event has occurred in respect of the Asset Issuer and the Asset Trigger Conditions have been satisfied during the Asset Trigger Event Notice Period (an **“Asset Event”** and the date upon which the Asset Trigger Conditions are satisfied, an **“Asset Trigger Event Determination Date”**):

a. the Calculation Agent shall:

- (x) as soon as reasonably practicable, designate a day no less than seven and no more than 30 calendar days following the Asset Trigger Event Determination Date as the **“Early Redemption Date”** (for the avoidance of doubt, such Early Redemption Date may fall after the Maturity Date in circumstances where the Asset Trigger Event Determination Date occurs within 30 calendar days of the Maturity Date); and

- (y) as soon as reasonably practicable, notify the Issuer, the Trustee, the Issuing and Paying Agent, each other Secured Agent, the Swap Counterparty, the Securities Borrower and the Noteholders of the satisfaction of the Asset Trigger Conditions; and

b. the Issuer shall give notice to Noteholders of such Early Redemption Date in accordance with Condition 17 and redeem each Note at its Early Redemption Amount on the Early Redemption Date.

- (B) In the case of Notes where the Asset Event Type is specified as **“Pass-through Notes”** in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, then references in these Conditions to Asset Event, Asset Trigger Event and related terms shall not be applicable. In the case of Pass-through Notes, if pursuant to the Principal Asset Conditions, any of the Principal Assets become payable or repayable, or become capable of being declared due and payable or repayable, prior to their stated date of maturity for whatever reason or there is a

payment default in respect of any of the Principal Assets (a “**Pass-through Notes Event**”), then the Issuer shall redeem each Note at its Early Redemption Amount on the Early Redemption Date (which will be such date as is notified by the Calculation Agent to the Issuer, Trustee, the Issuing and Paying Agent, the Swap Counterparty, the Securities Borrower and the Noteholders) as soon as reasonably practicable upon the occurrence of the Pass-through Notes Event.

**8(c)(ii) Tax Event**

- (A) Subject to paragraph (B) of this Condition 8(c)(ii) (*Tax Event*) and provided that the Issuer has not given notice of an Early Redemption Date or no Early Redemption Date has occurred pursuant to any other Condition, the Issuer shall, as soon as is reasonably practicable and in any event not less than 15 nor more than 30 calendar days prior to such next payment date (unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) after becoming aware of (whether by notice thereof from the Calculation Agent or otherwise) the occurrence of a Note Tax Event and/or an Initial Assets Tax Event, give notice of such Note Tax Event and/or Initial Assets Tax Event (as the case may be) to the Trustee, each Secured Agent, the Noteholders, the Swap Counterparty and the Securities Borrower and, upon the giving of such notice, all but not some only of the Notes shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount.

A “**Note Tax Event**” will occur if:

- (I) either the Issuer or the Calculation Agent determines that on the due date for any payment in respect of the Notes, the Issuer will be required (x) by any applicable law and/or (y) as a result of any change in, or proposed change in, or amendment to or proposed amendment to, the accounting standards, practices or guidelines applicable in the jurisdiction of incorporation of the Issuer (“**Applicable Accounting Standards**”) or applicable tax law, practices or guidelines applicable in the jurisdiction of incorporation of the Issuer (“**Applicable Tax Laws**”) or any change in, or proposed change in the application of, the official or generally published interpretation of the Applicable Accounting Standards or Applicable Tax Laws to withhold, deduct or account for an amount for any present or future taxes, duties or charges of whatsoever nature other than a withholding or deduction in respect of FATCA or would suffer the same in respect of its income so that it would be unable to make in full the payment in respect of the Notes in respect of such due date; and/or
- (II) on the due date for any payment in respect of the Notes, such a withholding, deduction or account is actually made in respect of any payment in respect of the Notes other than where such event constitutes an Initial Assets Tax Event.

An “**Initial Assets Tax Event**” will occur if the Issuer, in its or the Calculation Agent’s determination:

- (I) is or will be unable to receive any payment due in respect of any Initial Securities or Initial Loan(s) 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;

- (II) is or will be required to pay any tax, duty or charge of whatsoever nature imposed by any authority of any jurisdiction in respect of any payment received in respect of any Initial Securities or Initial Loan(s); and/or
- (III) is or will be required to comply with any reporting requirement (other than in respect of FATCA or CRS) of any authority of any jurisdiction in respect of any payment received in respect of any Initial Securities or Initial Loan(s),

provided that the Issuer, using reasonable efforts prior to the due date for the relevant payment, is (or would be) unable to avoid such deduction(s), payment(s) and/or reporting requirements described in sub-paragraphs (I) to (III) of this definition of Initial Assets Tax Event by filing a valid declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it. If the action that the Issuer would be required to undertake so as to avoid any such deduction(s), payment(s) and/or reporting requirements would involve any material expense or is, in the sole opinion of the Issuer, unduly onerous the Issuer shall not be required to take any such action.

Without prejudice to the generality of the foregoing, a withholding imposed on payments in respect of any Initial Securities or Initial Loan(s) as a result of FATCA shall constitute an Initial Assets Tax Event. For the purposes of this definition, if on the date falling 60 calendar days prior to the earliest date on which FATCA Withholding Tax could apply to payments under, or in respect of sales proceeds of, the relevant Initial Securities or Initial Loan(s) (such 60th day prior being the “**FATCA Test Date**”), the Issuer is a “nonparticipating foreign financial institution” (as such term is used under section 1471 of the U.S. Internal Revenue Code or in any regulations or guidance thereunder), the Issuer will be deemed on the FATCA Test Date to be unable to receive a payment due in respect of such Initial Securities or Initial Loan(s) in full on the due date therefor without deduction for or on account of any withholding tax and, therefore, an Initial Assets Tax Event will have occurred on the FATCA Test Date.

- (B) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature referred to in paragraph (A) above arises solely as a result of:
  - (I) any Noteholder’s or Couponholder’s connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof;
  - (II) a withholding or deduction imposed on a payment by or on behalf of the Issuer to an individual required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (III) the presentation for payment of any Bearer Note, Receipt or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bearer Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union,

then, to the extent possible, the Issuer shall deduct such taxes, duties or charges, as applicable, from the amount(s) payable to such Noteholder or Couponholder, and provided

that payments to other Noteholders or Couponholders would not be impaired, the Issuer shall not give notice pursuant to Condition 8(C)(ii)(A). Any such deduction shall not constitute an Event of Default or a Liquidation Event.

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

### **8(c)(iii) Swap Event**

If a Swap or the Securities Lending Agreement is terminated in whole for any reason (a “**Swap Event**”), then the Issuer shall give notice (as soon as is reasonably practicable and in any event not less than 15 nor more than 30 calendar days prior to the date fixed for redemption in such notice (unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars)) to the Trustee, the Calculation Agent, each Secured Agent, the Noteholders, the Swap Counterparty and any Securities Borrower and upon the giving of such notice all but not some only of the Notes shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount.

Notwithstanding the above, if a Swap Event is specified as a Depackaging Redemption Event in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (as applicable) in relation to a Series of Notes, the relevant Notes shall be redeemed only in accordance with Condition 8(b)(iii) above and any notification of an early redemption of such Notes by the Issuer under this Condition 8(c)(iii) shall be deemed to be void.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(c)(iii), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) above, then the notice of redemption given pursuant to this Condition 8(c)(iii) shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

### **8(c)(iv) Illegality Event**

If, due to the adoption of, or any change in, any applicable law after the Issue Date, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for the Issuer (i) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes or any Master Document, (ii) to hold any Asset or to receive a payment or delivery in respect of any Assets or (iii) to comply with any other material provision of any Transaction Agreement (an “**Illegality Event**”), the Issuer shall give notice (as soon as reasonably practicable and in any event not less than 15 nor more than 30 calendar days prior to such next payment date (unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars)) to the Trustee, each Secured Agent, the Noteholders, any Swap Counterparty and any Securities Borrower and upon the giving of such notice all but not some only of the Notes shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount.

Notwithstanding the above, if an Illegality Event is specified as a Depackaging Redemption Event in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (as applicable) in



relation to a Series of Notes, the relevant Notes shall be redeemed only in accordance with Condition 8(b)(iii) above and any notification of an early redemption of such Notes by the Issuer under this Condition 8(c)(iv) shall be deemed to be void.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(c)(iv), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) above, then the notice of redemption given pursuant to this Condition 8(c)(iv) shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

#### **8(c)(v) Arranger Bankruptcy Event**

If an Arranger Bankruptcy Event occurs, then the Issuer shall give notice (as soon as is reasonably practicable and in any event not less than 15 nor more than 30 calendar days prior to the Early Redemption Date (unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars)) to the Trustee, the Calculation Agent, the Noteholders, each Secured Agent, any Swap Counterparty and any Securities Borrower and upon the giving of such notice all but not some only of the Notes shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount.

Notwithstanding the above, if an Arranger Bankruptcy Event is specified as a Depackaging Redemption Event in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars (as applicable) in relation to a Series of Notes that are Pass-through Notes, the relevant Notes shall be redeemed only in accordance with Condition 8(b)(iii) above and any notification of an early redemption of such Notes by the Issuer under this Condition 8(c)(v) shall be deemed to be void.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(c)(v), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) above, then the notice of redemption given pursuant to this Condition 8(c)(v) shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

#### **8(c)(vi) Additional Redemption Event**

If an Additional Redemption Event is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, then in the event that on any day falling on or after the Issue Date the conditions for such Additional Redemption Event as set out in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars have been met, the Issuer shall, on giving not less than 15 nor more than 30 calendar days' notice to the Trustee, each Secured Agent and the Noteholders within 15 calendar days of such occurrence, redeem all but not some only of the Notes on the date specified in such notice at their Early Redemption Amount.

Notwithstanding the above, if an Additional Redemption Event is specified as a Depackaging Redemption Event in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars (as applicable) in relation to a Series of Notes, the relevant Notes shall be redeemed only in accordance with Condition 8(b)(iii) above and any notification of an early redemption of such Notes by the Issuer under this Condition 8(c)(vi) shall be deemed to be void.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(c)(vi), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) above, then the notice of redemption given pursuant to this Condition 8(c)(vi)

shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

#### **8(d) Events of Default**

If any of the following events (“**Events of Default**”) occur, the Trustee at its discretion may, and if so requested by holders of at least one-fifth in aggregate of the Nominal Amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (which notice shall be copied to the Realisation Agent) that the Notes are, and they shall immediately become, due and payable at their Early Redemption Amount:

- 8(d)(i)** if default is made for more than 14 calendar days in the payment of any sum due in respect of any Note; or
- 8(d)(ii)** if the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed which default is incapable of remedy or, if in the opinion of the Trustee 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, in each case, that the Trustee considers such a default to be materially prejudicial to the interests of the Noteholders; or
- 8(d)(iii)** if any order shall be made by any competent court or authority or any resolution passed for the winding-up, (forced or voluntary) liquidation or dissolution of the Issuer or the appointment of an examiner, liquidator or similar official in relation to the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of Noteholders or, in the case of a Luxembourg Issuer, if the CSSF withdraws the Issuer from the list of regulated securitisation companies (*sociétés de titrisation agréés*).

The Issuer has undertaken in the Trust Deed that, annually and also within 14 calendar days of any request by the Trustee, it will send to the Trustee a certificate signed by one or two Directors (as the case may be) to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default or a Potential Event of Default (as defined in the Trust Deed) has occurred.

#### **8(e) Redemption at the Option of the Issuer**

If “Call Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Issuer may, on giving not less than 15 nor more than 30 calendar days’ irrevocable notice to the Noteholders, substantially in the form set out in schedule 3 to the Master Agency Terms (or such other notice period as may be specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars), redeem all or, if so provided, some of the Notes on any Optional Redemption Date (“**Redemption at the Option of the Issuer**”). Each Note so redeemed shall be redeemed at its Early Redemption Amount (which shall be the Nominal Amount of the Note, unless specified otherwise in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars). Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(e), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant

to Condition 8(c)(i) above, then the Notice of Redemption given pursuant to this Condition 8(e) shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

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

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

So long as the Notes are listed and/or admitted to trading on the Irish Stock Exchange or any other stock exchange and the rules of the relevant stock exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Ireland (that is expected to be the Irish Times) or as specified by such other stock exchange or other relevant authority a notice specifying the aggregate outstanding Nominal Amount of the Notes and a list of the Notes drawn for redemption but not surrendered.

#### **8(f) Redemption at the Option of Noteholders**

If “Put Option” is specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Issuer shall, at the option of any Noteholder, upon the holder of such Note giving not less than 15 nor more than 30 calendar days’ notice to the Issuer (or such other notice period as may be specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) redeem such Note on the Optional Redemption Date(s) (“**Redemption at the Option of Noteholders**”) at its Early Redemption Amount (which shall be the Nominal Amount of the Note, unless specified otherwise in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars).

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 8(f), an Asset Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Condition 8(c)(i) above, then the notice of redemption given pursuant to this Condition 8(f) shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Condition 8(c)(i) above.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (the “**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

#### **8(g) Purchases**

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Assets, for the reduction in the notional amount of any Other Obligation and for the purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof, it may purchase Notes (provided that, in the case of Bearer Notes, all unmatured Receipts and

Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

#### **8(h) Cancellation**

All Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unexpired Receipts and Coupons and all unexchanged Talons to or to the order of the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar or any Transfer Agent and, in each case, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with, in the case of Bearer Notes, all unexpired Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

#### **8(i) Trustee: no Duty to Monitor**

For the avoidance of doubt and for the purposes of these Conditions, the Trustee shall not be required to monitor whether any Liquidation Event has occurred or to calculate any Early Redemption Amount and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or the Calculation Agent. The Trustee shall be entitled to rely on any notice given by the Issuer or the Calculation Agent in respect thereof without further enquiry or investigation.

## **9 PAYMENTS AND TALONS**

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#### **9(a) Bearer Notes**

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 9(e)(vi) below) or Coupons (in the case of interest, save as specified in Condition 9(e)(vi) below), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or in the case of Euro in a city in which banks have access to the TARGET System.

#### **9(b) Registered Notes**

Payments of principal (which for the purposes of this Condition 9(b) shall include the final Instalment Amount but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 9(b)(ii) below.

**9(b)(i)** Interest (which for the purpose of this Condition 9(b) shall include all Instalment Amounts other than the final Instalment Amount) on Registered Notes shall be paid to the person shown on the Register at the close of business on (i) the 15th calendar day before the due date for payment thereof or (ii) where the Registered Note is represented by a Global Certificate, one Clearing Business Day before the due date for payment of any payment due on a Registered Note (the “Record Date”).

**9(b)(ii)** Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank, and mailed to the holder (or to the first-named of joint holders) of such Note

at its address appearing in the Register, upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

### **9(c) Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in USD, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### **9(d) Payments subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders or Couponholders or holders of Receipts in respect of such payments.

### **9(e) Unmatured Coupons and Receipts and Unexchanged Talons**

- 9(e)(i)** Upon the due date for redemption, Bearer Notes that comprise Fixed Rate Notes (other than Dual Currency Notes or Index-linked Notes) should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing that an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount or Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9(h) below).
- 9(e)(ii)** Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index-linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.
- 9(e)(iii)** Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- 9(e)(iv)** Upon the due date for redemption in full of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- 9(e)(v)** Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- 9(e)(vi)** If the due date for redemption of any Note is not a due date for payment of interest, interest accrued but unpaid from and including the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

#### **9(f) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9(h) below).

#### **9(g) Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Business Centres**” in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars and:

- 9(g)(i)** (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- 9(g)(ii)** (in the case of a payment in Euro or where the Business Centre specified is TARGET) that is a TARGET Business Day.

#### **9(h) Prescription**

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

#### **9(i) Withholding or deductions on payments in respect of the Notes**

Without prejudice to Condition 8(c)(ii) (Tax Event), all payments in respect of the Notes will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer or any Agent is required by applicable law to make. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction. For the purposes of this Condition 9(i), any FATCA Withholding Tax shall be deemed to be required by applicable law.

#### **9(j) FATCA Information**

Each Noteholder and beneficial owner of Notes shall provide the Issuer and/or any agent acting on behalf of the Issuer with such documentation, information or waiver as may be requested by the Issuer and/or any agent acting on behalf of the Issuer in order for the Issuer to comply with any obligations it, and/or any agent acting on its behalf, may have under FATCA or CRS and under any agreement entered into by the Issuer and/or any agent acting on behalf of the Issuer pursuant to, or in respect of, FATCA or CRS. Each Noteholder and beneficial owner of the Notes further agrees and consents that in respect of FATCA or CRS the Issuer may, but is not obliged and owes no duty to any person to, enter into an agreement with the U.S. Internal Revenue Service in such form as may be required to avoid the imposition of withholding under FATCA or CRS on payments made to the Issuer. In connection therewith, the Issuer may make such amendments to the Notes and the Swap (if any) as are necessary to enable the Issuer to enter into, or comply with the terms of, any such agreement. Any such amendment will be binding on the Noteholders and Couponholders.

## **10 AGENTS**

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### **10(a) Appointment of Agents (other than the Realisation Agent)**

The Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Loan Service Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Loan Service Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Custodian, the Loan Service Agent, or the Calculation Agent(s) and to appoint additional or other Paying Agents, Registrar or Transfer Agents or Custodians or Loan Service Agent(s) or Calculation Agent(s), provided that such variation, termination, or appointment will not, at the time of such variation, termination, or appointment, result in any rating assigned to the Notes being adversely affected, as confirmed in writing by Moody's and/or Standard & Poor's and provided further that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Custodian, (vi) a Paying Agent having its specified office in a major European city, (vii) a Loan Service Agent if and for so long as some or all of the Assets are in the form of a loan and (viii) such other agents as may be required by any other stock exchange on which the Notes may be listed in each case, as approved by the Trustee. In certain circumstances following the downgrading of either the short-term unsubordinated and unsecured indebtedness and/or long-term unsubordinated and unsecured indebtedness (as applicable) of any of the Issuing and Paying Agent, the Custodian or the Loan Service Agent in respect of Rated Notes, the Issuer will appoint a substitute Issuing and Paying Agent and/or Custodian and/or Loan Service Agent (as the case may be), with the approval of the Trustee in respect of such Notes.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 9(c) above. As long as required by any applicable laws and regulations, the Issuer shall maintain at least one Paying Agent in Luxembourg.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

### **10(b) Appointment of Realisation Agent**

Notwithstanding any term to the contrary and the use of the term "agent" and unless specified otherwise in these Conditions, in performing its respective duties and exercising its rights in respect of the Notes, the Realisation Agent acts solely as principal, and not as an agent of any party, and as such does not assume any

obligation, fiduciary duty or responsibility to, or relationship of agency or trust with or towards, any person, including investors or prospective investors in the Notes.

Subject to Condition 10(c) below, the Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Realisation Agent and to appoint additional or other Realisation Agent(s), provided that the Issuer shall at all times maintain a Realisation Agent.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

#### **10(c) Termination and Replacement following a Realisation Agent Bankruptcy**

**10(c)(i) Automatic termination:** Upon occurrence of a Realisation Agent Bankruptcy, the appointment of the Realisation Agent shall automatically terminate (unless a Realisation Agent Certificate is delivered in accordance with Condition 10(c)(ii) below) and the replacement mechanics set out under this Condition 10(c) and in the Agency Agreement shall apply to determine the replacement Realisation Agent.

**10(c)(ii) Replacement of Realisation Agent:** Following the occurrence of a Realisation Agent Bankruptcy, Noteholders representing at least 75 per cent. in outstanding Aggregate Nominal Amount of the Notes or Other Creditors who are collectively owed an amount that is equal to at least 75 per cent. in outstanding Aggregate Nominal Amount of the Notes at such time (subject to such Noteholders providing evidence of their holdings of the Notes or Other Creditors providing evidence of the amounts owed collectively to them (as the case may be), in each case, to the satisfaction of the Issuer and the Trustee) may send a Replacement Event Notice to the Issuer notifying the Issuer of such Realisation Agent Bankruptcy. The directors of the Issuer shall either notify the Trustee, the Swap Counterparty, the Noteholders and the Realisation Agent of the receipt of such Replacement Event Notice or, where the directors of the Issuer have determined that a Realisation Agent Bankruptcy has occurred, send a Replacement Event Notice to the Trustee, the Swap Counterparty, the Noteholders and the Realisation Agent (the date of such notification being the “**Notification Date**”). For the avoidance of doubt, where more than one valid Replacement Event Notice in respect of the same Realisation Agent Bankruptcy has been issued, only the earliest of these will be valid for the purposes of this Condition 10(c). Unless the Realisation Agent delivers a certificate (a “**Realisation Agent Certificate**”) signed by two authorised representatives in good faith to the Issuer and the Trustee within 10 Business Days of the Notification Date certifying that the Realisation Agent Bankruptcy has not occurred:

(A) Noteholders representing at least 75 per cent. in outstanding Aggregate Nominal Amount of the Notes (subject to such Noteholders providing evidence of their holdings of the Notes to the satisfaction of the Issuer and the Trustee) may direct the Issuer in writing to: (1) designate an Early Termination Date (as defined in the Swap) in respect of the Swap; and/or (2) terminate the Securities Lending Agreement; and

(B) the Realisation Agent shall be replaced if the following conditions are met:

a. **Noteholder Replacement:** Noteholders representing at least 75 per cent. in outstanding Aggregate Nominal Amount of the Notes (subject to such Noteholders providing evidence of their holdings of the Notes to the satisfaction of the Issuer and the Trustee) may direct the Issuer in writing not earlier than 11 Business Days but not later than 20 Business Days after the Notification Date (the “**Nomination Period**”) to appoint a party chosen by the Noteholders as the replacement Realisation Agent (subject to such party



executing a Deed of Accession and such party being a financial institution authorised and regulated by the appropriate regulatory authority); or

- b. **Bid Process Replacement:** if the Issuer has not received any direction from Noteholders representing at least 75 per cent. in outstanding Aggregate Nominal Amount of the Notes within the Nomination Period, the Issuer will serve a Bid Request on all Approved Counterparties within five Business Days of the end of the Nomination Period. The Bid Request will specify that all bids must be received by the Issuer within 10 Business Days of the date of the Bid Request (the “**Bid Period**”). Following the expiry of the Bid Period, the Issuer will appoint the Approved Counterparty which provided the lowest fee quotation in response to the Bid Request as the replacement Realisation Agent within five Business Days of the end of the Bid Period (subject to such party executing a Deed of Accession).

**10(c)(iii) Replacement Event Failure:** If a:

- (A) Liquidation Confirmation has been delivered to the Realisation Agent;
- (B) Replacement Event Notice has been delivered and the Realisation Agent has not delivered a Realisation Agent Certificate pursuant to and in accordance with the terms of Condition 10(c)(ii) above; and
- (C) replacement Realisation Agent has not been appointed within 60 Business Days of the sending of such Replacement Event Notice,

the Security Interests shall become enforceable and the Trustee shall so enforce them (subject to it being secured and/or indemnified and/or pre-funded to its satisfaction and subject to its receiving a Holder Request, Extraordinary Resolution Direction or Creditor Direction in accordance with Condition 5(c) above).

**10(d) Termination and Replacement following a Liquidation Procedures Failure**

- 10(d)(i) Liquidation Procedures Failure:** If a Liquidation Procedures Failure occurs, the Issuer will serve a Bid Request on all Approved Counterparties within five Business Days of such occurrence. The Bid Request will specify that all bids must be received by the Issuer within 10 Business Days of the date of the Bid Request (the “**Liquidation Procedures Failure Bid Period**”). Following the expiry of the Liquidation Procedures Failure Bid Period, the Issuer will appoint the Approved Counterparty which provided the lowest fee quotation in response to the Bid Request as the replacement Realisation Agent within five Business Days of the end of the Liquidation Procedures Failure Bid Period (subject to such party executing a Deed of Accession).

- 10(d)(ii) Failure to appoint replacement Realisation Agent:** If, following a Liquidation Procedures Failure, a replacement Realisation Agent has not been appointed within 60 Business Days of such occurrence, the Security Interests shall become enforceable and the Trustee shall so enforce them (subject to it being secured and/or indemnified and/or pre-funded to its satisfaction and subject to its receiving a Holder Request, Extraordinary Resolution Direction or Creditor Direction in accordance with Condition 5(c) above).

**10(e) Automatic replacement of Calculation Agent and Calculation Agent under the Swap**

In the event that a replacement Realisation Agent is appointed, the appointment of the then Calculation Agent and calculation agent under the Swap shall automatically terminate and the entity which has been

appointed as replacement Realisation Agent shall be appointed as replacement Calculation Agent and the calculation agent under the Swap pursuant to and in accordance with the terms of the Agency Agreement and the Swap, respectively.

## **11 LIQUIDATION**

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### **11(a) Commencement of Liquidation Process**

The Realisation Agent shall commence a Liquidation upon receipt of (x) a Liquidation Confirmation from the Relevant Party (in respect of a Liquidation Event other than an Event of Default) or (y) a notice from the Trustee pursuant to Condition 8(d) (which notice shall be deemed to be the Liquidation Confirmation for the purposes of this Condition).

In the event that any Creditor has reasonable grounds to believe that a Liquidation Event has occurred, it may send a creditor liquidation event notice (a “**Creditor Liquidation Event Notice**”) to the Issuer, the Trustee and (if the Creditor is not the Relevant Party relating to the Liquidation Event) the Relevant Party. Upon receipt of a Creditor Liquidation Event Notice or, if the Creditor that sends the Creditor Liquidation Event Notice is the Relevant Party, following delivery thereof, the Relevant Party relating to the Liquidation Event set out in that Creditor Liquidation Event Notice, shall determine in good faith whether such Liquidation Event has occurred and whether the Notes are capable of early redemption in accordance with the Conditions. In respect of a Liquidation Event other than an Event of Default, if the Relevant Party is satisfied that a Liquidation Event has occurred, it shall send a Liquidation Confirmation to the Realisation Agent with a copy of such notice to all the Secured Parties as soon as reasonably practicable following receipt or delivery, as the case may be, of the Creditor Liquidation Event Notice.

In respect of a Liquidation Event that is an Event of Default, the Trustee may send a notice to the Issuer and the Realisation Agent in accordance with and subject to Condition 8(d). For the avoidance of doubt and for the purposes of these Conditions, the Trustee shall not be required to monitor whether any Liquidation Event has occurred or to calculate any Early Redemption Amount and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or the Calculation Agent. The Trustee shall be entitled to rely on any notice given by the Issuer or the Calculation Agent in respect thereof without further enquiry or investigation.

The Realisation Agent shall not be regarded as acting as the agent of the Trustee in any circumstances and the Trustee shall not incur any liability to any person in respect of any acts or omissions of the Realisation Agent.

The Realisation Agent need not investigate whether a Liquidation Event has occurred. Unless the Realisation Agent has received a Liquidation Confirmation from the Relevant Party that a Liquidation Event has occurred, the Realisation Agent may assume that no Liquidation Event has occurred.

### **11(b) Liquidation Process**

Notwithstanding the foregoing, pursuant to the Agency Agreement, upon receipt (or deemed receipt) of a Liquidation Confirmation confirming that a Liquidation Event has occurred, the Realisation Agent shall, on behalf of the Issuer but acting as principal, subject to the terms of the Securities Lending Agreement, arrange as soon as reasonably practicable an orderly Liquidation of some or all of the Assets (and any relevant rights of the Issuer in respect of the Transaction Agreements) in accordance with the Liquidation Procedures set out below. Subject to complying with the Liquidation Procedures, the Realisation Agent may take such steps as it considers appropriate in order to arrange such Liquidation, including but not limited to selecting the method of Liquidating any Assets.

In arranging any Liquidation, the Realisation Agent shall follow the procedures (the “**Liquidation Procedures**”) set out in Conditions 11(b)(i) to 11(b)(xi) below and:

- 11(b)(i) shall act at all times in good faith and in a commercially reasonable manner;
- 11(b)(ii) subject to Conditions 11(b)(iii), 11(b)(ix) and 11(e) below and following the occurrence of any Liquidation Event (taking into account the characteristics and total amount of Assets to be Liquidated and the time elapsed since occurrence of relevant Liquidation Event):
  - (A) shall use all reasonable endeavours to obtain firm bid quotations for the relevant Assets and/or (following Bankruptcy in relation to the Swap Counterparty or the Securities Borrower) rights under the Swap or Securities Lending Agreement from at least three leading independent dealers in the Assets or in assets equivalent or similar to the Assets and/or such rights, as the case may be;
  - (B) where two or more firm bid quotations are received by the Realisation Agent, shall recommend the higher bid to the Issuer for the Liquidation of the relevant Assets and/or such rights, as the case may be;
  - (C) where only one firm bid quotation is received by the Realisation Agent, may recommend that firm bid to the Issuer for the Liquidation of the relevant Assets and/or such rights, as the case may be; and
  - (D) notwithstanding the foregoing, where a third party has made an offer to purchase any Assets and/or such rights, as the case may be, for a price that is displayed on a Third Party External Pricing Source and that price is higher than any other firm bid quotation received by the Realisation Agent, shall arrange the Liquidation of the relevant Assets and/or such rights, as the case may be, to such third party;
- 11(b)(iii) the Realisation Agent shall be entitled to arrange any Liquidation by way of one or multiple transactions on one or more dates and the relevant Security Interests will automatically be released without further action on the part of the Trustee in order to arrange any settlement in relation to such Liquidation in accordance with Condition 5(e)(i) above;
- 11(b)(iv) shall not have any obligations towards or relationship of agency or trust with the Noteholders, Couponholders or the Trustee;
- 11(b)(v) may consult on any legal matter any reputable legal adviser of international standing selected by it, who may be an adviser to the Issuer, and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser’s opinion;
- 11(b)(vi) shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties;
- 11(b)(vii) may enter into any contracts or any other transactions or arrangements with the Issuer, or with the Noteholders, any obligor in respect of the Assets and/or such rights, as the case may be (or, respectively, any part of them) or any other Relevant Party or any affiliate thereof (whether in relation to the Notes or in any other manner whatsoever) or in relation to the Secured Property and may hold or deal in or be a party to the assets, obligations or agreements of which the

relevant Assets form a part and other assets, obligations or agreements of any obligor in respect of the Assets;

11(b)(viii) may arrange the Liquidation of some or all of the Assets (other than the Assets Liquidated in accordance with Condition 11(b)(ix) below) or such rights, as the case may be, to affiliates of itself or affiliates of the Swap Counterparty, provided that the Swap Counterparty is not a Defaulting Party (as defined in the Swap) under the Swap;

11(b)(ix) shall, notwithstanding any term to the contrary, carry out any Liquidation of the Posted Assets in accordance with the following procedures:

- (A) The Realisation Agent shall, subject to the terms of the Securities Lending Agreement, arrange for the Liquidation of the Posted Assets as soon as reasonably practicable from the date on which any Early Redemption Date is designated in accordance with Condition 8 or, where Noteholder Depackaging Option has been specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, as soon as reasonably practicable, following the occurrence of a Depackaging Redemption Event by sending a notice to Approved Counterparties and such other dealers that are involved in the buying and/or selling of securities of the same type as such Posted Assets (as selected by the Realisation Agent in its sole discretion) designating and specifying (as applicable):
  - a. the last time and date for receiving offers from any third party (the “**Credit Support Bid End Date**”);
  - b. the last look period available to the Swap Counterparty (provided that no Bankruptcy has occurred and is continuing in respect of the Swap Counterparty) to exercise its rights in respect of the Posted Assets under this Condition (the “**Last Look Period**”) which shall, for the avoidance of doubt, be determined by the Realisation Agent in a commercially reasonable manner, having regard to appropriate market practices in respect of the type or class of Posted Assets to be Liquidated;
  - c. the trade date for the Liquidation of the relevant Posted Assets (the “**Credit Support Trade Date**”); and
  - d. that the date for settlement shall be at the end of the market standard period for settlement of securities of the same type as the Posted Assets.
- (B) The Realisation Agent shall inform the Swap Counterparty of the highest price for the Posted Assets under any other offer by a third party received on or before the Credit Support Bid End Date and the related terms and conditions of the offer. Following such notification, the Swap Counterparty shall have a right to match the highest price, on the same terms and conditions and to purchase the Posted Assets, each as provided for under that offer, provided that the Swap Counterparty exercises this right before the expiry of the Last Look Period.
- (C) If the Swap Counterparty fails to either match the highest price or respond before the expiry of the Last Look Period, the Posted Assets shall be Liquidated to the third party which has proposed the highest price on the Credit Support Trade Date.
- (D) Upon determination of the purchaser of the Posted Assets, the Realisation Agent shall direct:

- a. the relevant buyer to pay the purchase price for the Posted Assets into an interest bearing cash account established with the Custodian or the Loan Service Agent (as applicable) pursuant to the Custody Agreement or the Loan Service Agent Agreement (as appropriate); and
  - b. the Custodian or the Loan Service Agent (as applicable) to deliver the Posted Assets to the order of the purchaser and confirm receipt of the cash proceeds from such Liquidation pending their distribution in accordance with Condition 5(d)(i).
- (E) For the avoidance of doubt, the proceeds of the Liquidation of the Posted Assets shall constitute Secured Property pursuant to Condition 5(a), subject to any automatic release of the corresponding Security Interests in accordance with Condition 5(e)(i) above.
- (F) If a No Fault Liquidation Failure has occurred with respect to the Liquidation of the Posted Assets, the Realisation Agent shall arrange for such Posted Assets to be Liquidated in accordance with Condition 11(c) below;
- 11(b)(x) shall effect any Liquidation of any rights under a Swap against the Swap Counterparty or under a Securities Lending Agreement against the Securities Borrower, by using its reasonable endeavours to transfer by assignment all such rights to the relevant purchaser; and
- 11(b)(xi) for the purposes of this Condition 11, the Realisation Agent shall not be liable to the Issuer, the Trustee, the Swap Counterparty, the Noteholders, the Couponholders, any other Secured Agent, any Creditor, holders of Receipts or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Realisation Agent selected a different method of Liquidating any such Assets or such rights.

Notwithstanding the obligations of the Realisation Agent pursuant to this Condition 11, the Realisation Agent shall not arrange a Liquidation of any Assets which are due to redeem or repay on or before the day which falls three Business Days prior to (i) the scheduled or optional Termination Date (as defined in the Securities Lending Agreement) or (ii) the day which falls 15 Business Days after the Maturity Date.

Any purchase price for the relevant Assets and/or the rights under the relevant Swap against the Swap Counterparty and/or under the relevant Securities Lending Agreement against the Securities Borrower, shall be paid by the relevant purchaser directly into an interest bearing cash account established with the Custodian or the Loan Service Agent (as applicable) pursuant to the Custody Agreement or the Loan Service Agent Agreement (as appropriate) pending distribution of such Net Proceeds in accordance with Condition 5(d)(i) above. The Custodian or the Loan Service Agent (as appropriate) shall promptly notify (in writing) the Issuer and the Realisation Agent of the receipt of such amounts that collectively constitute Net Proceeds of the Liquidation of such Assets and/or rights.

For the avoidance of doubt, as part of a Liquidation, the Realisation Agent may sell or deliver the relevant Assets or assign any rights arising upon termination of a Swap or the Securities Lending Agreement to a Noteholder.

### **11(c) No Fault Liquidation Failure**

If a No Fault Liquidation Failure occurs, the Realisation Agent shall, in accordance with the Liquidation Procedures and subject to the terms of the Securities Lending Agreement, attempt a further Liquidation of some or all of the Assets (and any relevant rights of the Issuer in respect of the Transaction Agreements) during a period of 30 Business Days beginning from the day after the occurrence of such No Fault Liquidation Failure and in accordance with Condition 11(b) above (the final day of such period being the “No Fault

**Liquidation Failure Cut-off Date**”). If the Realisation Agent fails to arrange such Liquidation prior to the No Fault Liquidation Failure Cut-off Date, then the Realisation Agent shall arrange for the Liquidation of some or all of the Assets (and any relevant rights of the Issuer in respect of the Transaction Agreements), as soon as reasonably practicable, following the No Fault Liquidation Failure Cut-off Date by sending a notice to the Trustee, the Noteholders, the Arranger, the Approved Counterparties and such other dealers who are involved in the buying and/or selling of securities of the same type as the relevant Assets specifying:

- 11(c)(i) that a No Fault Liquidation Failure has occurred and is continuing;
- 11(c)(ii) the minimum offer price for the relevant Assets (and any relevant rights of the Issuer in respect of the Transaction Agreements);
- 11(c)(iii) the aggregate amount of the claims of the Creditors;
- 11(c)(iv) the last date for any offers to be made (the “**No Fault Liquidation Failure Bid End Date**”);
- 11(c)(v) the last look period available to the Swap Counterparty (provided that no Bankruptcy has occurred and is continuing in respect of the Swap Counterparty) to exercise its rights in respect of the Assets under this Condition which shall, for the avoidance of doubt, be determined by the Realisation Agent in a commercially reasonable manner, having regard to appropriate market practices in respect of the type or class of Assets to be Liquidated (the “**Liquidation Last Look Period**”);
- 11(c)(vi) the trade date for the Liquidation of the relevant Assets (the “**Liquidation Trade Date**”); and
- 11(c)(vii) that the date of settlement shall be the last date of the market standard period for settlement of securities or loans of the same type as the relevant Assets.

The Realisation Agent shall inform the Swap Counterparty of the highest price for the relevant Assets under any other offer by a third party received on or before the No Fault Liquidation Failure Bid End Date and the related terms and conditions of the offer. Following such notification, the Swap Counterparty shall have a right to match the highest price, on the same terms and conditions and to purchase the relevant Assets, each as provided for under that offer, provided that the Swap Counterparty exercises this right before the expiry of the Liquidation Last Look Period.

If the Swap Counterparty fails to either match the highest price or respond before the expiry of the Liquidation Last Look Period, the Realisation Agent shall arrange the Liquidation of the relevant Assets to the third party which has proposed the highest price on the Liquidation Trade Date.

Following any Liquidation under this Condition 11(c), any purchase price for the relevant Assets and/or the rights under the relevant Swap against the Swap Counterparty and/or the rights under the relevant Securities Lending Agreement against the Securities Borrower, shall be paid by the relevant purchaser directly into an interest bearing cash account established with the Custodian or the Loan Service Agent (as applicable) pursuant to the Custody Agreement or the Loan Service Agent Agreement (as appropriate) pending distribution of such Net Proceeds in accordance with Condition 5(d)(i) above. The Custodian or the Loan Service Agent (as appropriate) shall promptly notify (in writing) the Issuer and the Realisation Agent of the receipt of such amounts that collectively constitute Net Proceeds of the Liquidation of such Assets and/or rights.

#### **11(d) Liquidation by Replacement Realisation Agent**

Where the Issuer has appointed a replacement Realisation Agent in accordance with Conditions 10(c) and 10(d) above, the replacement Realisation Agent shall arrange Liquidation of the relevant Assets and/or rights in accordance with Condition 11(b) or 11(c) above (as applicable).

### **11(e) Physical Settlement**

Following the issue of a Liquidation Confirmation where “Physical Settlement” is applicable or where the Noteholder Depackaging Option is applicable and is validly exercised in accordance with Condition 8(b)(iii), the Posted Assets shall be Liquidated in accordance with Condition 11(b)(ix) above and the relevant Principal Assets shall be delivered to the Noteholders as required pursuant to these Conditions.

### **11(f) Failure to liquidate Assets following No Fault Liquidation Failure Bid End Date**

If no bid is received by the Realisation Agent on or prior to the No Fault Liquidation Failure Bid End Date from any third party which is greater than zero, the Security Interests shall become enforceable and the Trustee shall so enforce them (subject to it being secured and/or indemnified and/or pre-funded to its satisfaction and subject to its receiving a Holder Request, Extraordinary Resolution Direction or Creditor Direction, in accordance with Condition 5(c) above).

## **12 ENFORCEMENT**

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Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Noteholders, Couponholders, holders of Receipts, the Agents or the Other Creditors and none of the Noteholders, Couponholders, holders of Receipts, Agents or the Other Creditors is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so.

## **13 LIMITED RECOURSE AND NON-PETITION**

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The Trustee, the Noteholders, the Couponholders, the Custodian, the Issuing and Paying Agent, the Loan Service Agent, the Creditors and the Other Creditors shall have recourse only to the Secured Property. If the Enforcement Proceeds or the Net Proceeds, as the case may be, are not sufficient to make all payments that, but for the effect of this provision, would then be due in respect of the Issuer Obligations, then the obligations of the Issuer in respect of such Issuer Obligations will be limited to (a) the net proceeds of realisation of the relevant Assets, plus (b) the Aggregate Termination Costs (if any) payable to the Issuer, in each case, plus any other Secured Property and the Issuer shall have no further obligation in respect of such Issuer Obligations, in each case, as applied in accordance with the order of priority set out herein, and the other assets of the Issuer will not be available for payment of any Shortfall arising therefrom. Any such Shortfall shall be borne by the Creditors, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent, and the other Secured Agents according to the priorities specified in the Trust Deed.

The Issuer will not be obliged to make any further payment in excess of the Enforcement Proceeds or the Net Proceeds, as the case may be, and accordingly no debt shall be owed by the Issuer or any of its officers in respect of any Shortfall remaining after realisation of the Security Interests under Condition 5(c) or Condition 11 above, as the case may be and application of the proceeds in accordance with the Trust Deed. None of the Trustee, any Noteholder, the Realisation Agent, any Creditor, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent nor any other Secured Agent (nor any person acting on behalf of any of them or any other party to the Issue Deed) shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer to recover such Shortfall. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Condition 8(d) above. This Condition 13 shall survive redemption of the relevant Series of Notes.

## 14 MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

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### 14(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in aggregate outstanding Nominal Amounts of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in aggregate outstanding Nominal Amounts of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the aggregate outstanding Nominal Amounts of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars to reduce any such Minimum and/or Maximum Rate of Interest, Instalment Amount or Redemption Amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify the provisions of the Trust Deed concerning this exception or (ix) to modify the Security Interests described in Condition 5 above, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in aggregate outstanding Nominal Amounts of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders and holders of Receipts.

These Conditions may be amended, modified or varied in relation to the Notes by the terms of the relevant Issue Deed in relation to such Notes.

### 14(b) Modification of the Trust Deed

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification to the Conditions or any Secured Agreement which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error. The Trustee may also so agree to any modification to the Conditions, the Trust Deed, the Issue Deed or any Secured Agreement that is, in its opinion, not materially prejudicial to the interests of the Noteholders and any waiver or authorisation of any breach or proposed breach of the Issue Deed, any of these Conditions or any of the provisions of the Issue Deed or any Secured Agreement that is in its opinion not materially prejudicial to the interests of the Noteholders, but such power does not extend to any such modification as is mentioned in Conditions 14(a)(i) to 14(a)(ix) above. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.



#### **14(c) Substitution**

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Noteholders or the Couponholders but subject to the consent of the Other Creditors, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes provided that such substitution shall not at the time of substitution result in any rating assigned to the Notes of the relevant Series of the Issuer being adversely affected, as confirmed in writing by Moody's and/or Standard & Poor's. In the case of such a substitution, the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Receipts, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders and that each rating agency that has assigned a rating to the Notes of the relevant Series shall have confirmed in writing that such change shall not at the time of such change result in any rating assigned to such Series of Notes being adversely affected. Under the Trust Deed, the Trustee may agree or require the Issuer to use all reasonable endeavours to procure the substitution as principal debtor under the Trust Deed and all of the Notes then outstanding of a company incorporated in some other jurisdiction upon the occurrence of any of the taxes referred to in Condition 8(c)(ii) above arising, subject to the approval of the Other Creditors of the Issuer and provided that such substitution shall not at the time of substitution result in any rating assigned to the Notes of the relevant Series of the Issuer being adversely affected, as confirmed in writing by each rating agency that has assigned any such rating.

Where the Issuer to be substituted is a Luxembourg Issuer, the new Issuer must have obtained all necessary authorisations, governmental and regulatory approvals and consents in the Grand Duchy of Luxembourg to assume liability as principal debtor, all such approvals and consents must be in full force and effect at the time of substitution and the new Issuer must be in a position to fulfil all its obligations in respect of the Notes and the other Transactions without discrimination against the Noteholders in their entirety.

#### **14(d) Entitlement of the Trustee**

In connection with the exercise of its functions (including, but not limited to, those referred to in this Condition), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences (in particular, any tax consequences) of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

#### **14(e) Modification of Conditions of the Notes**

Subject to Condition 14(b) above, if and for so long as a Series of Notes is assigned a rating by S&P, any amendments made to these Conditions of the Notes shall require prior Rating Agency Confirmation.

### **15 REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS**

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If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in Ireland (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice

of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (that may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Talons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **16 FURTHER ISSUES**

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### **16(a) Further Issues**

The Issuer may from time to time without the consent of the Noteholders, Couponholders or any Other Creditor but provided that the Trustee is satisfied that the restrictions set out in Condition 16(b) below will be complied with, and subject to such restrictions upon prior notice in writing to each rating agency, if any, that has assigned a rating to the Notes, create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue, provided that such further issue shall not at the time of issue result in any rating assigned to the Notes being adversely affected, as confirmed in writing by each rating agency, if any, that has assigned a rating to the Notes. Any such further notes shall only form a single issue with the Notes (unless otherwise approved by an Extraordinary Resolution) if the Issuer provides additional assets as security for such further notes that are fungible with, and have the same proportionate composition as, those forming part of the Secured Property for the Notes and in the same proportion that the nominal amount of such new notes bears to the Notes and the Issuer enters into, or has the benefit of, additional or supplemental Swaps and Securities Lending Agreements extending the terms of any existing Swaps and Securities Lending Agreements to the new notes on terms no less favourable than such existing documents and agreements. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Issue Deed, such further security shall be added to the Secured Property so that the new notes and the existing Notes shall be secured by the same Secured Property and references in these Conditions to “Notes”, “Collateral”, “Secured Property”, “Swaps”, the “Securities Lending Agreement”, “Asset Issuer Obligations”, “Other Obligations”, “Creditors” and “Other Creditors” shall be construed accordingly. The Trust Deed contains provisions for convening a single meeting of the holders of the Notes in certain circumstances where the Trustee so decides.

### **16(b) Restrictions**

The Issuer may only issue further notes and create or incur further obligations relating to such Notes as provided for in Condition 16(a) above, provided that such further notes and obligations are secured on assets of the Issuer other than the Issuer’s share capital and any fees paid to the Issuer in respect of the Notes; are issued or created on terms substantially in the form contained in Condition 13 above; are, in the case of such further notes forming a single series with the Notes, secured *pari passu* upon the Secured Property and such further assets of the Issuer upon which such further notes are secured, all in accordance with this Condition 16; shall not at the time of issue result in any rating assigned to the Notes being adversely affected as confirmed in writing by each rating agency, if any, that has assigned a rating to the Notes; and, where the Issuer wishes to issue Notes with a maturity of less than one year, it shall ensure that it is in full compliance with the notice BSD C 01/02 issued by the Central Bank of Ireland of exemptions granted under Section 8(2) of the Central Bank Act, 1971, as amended.

## 17 NOTICES

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Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (that is expected to be the Financial Times) and so long as the Notes are listed and admitted to trading on the Irish Stock Exchange and the rules of that exchange so require, in a daily newspaper with general circulation in Ireland (that is expected to be the Irish Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

If and while the Notes are listed and admitted to trading on the Irish Stock Exchange, copies of all notices given in accordance with this Condition shall be forwarded to the Companies Announcement Office of the Irish Stock Exchange.

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

To permit compliance with Rule 144A in connection with the sale of any Notes, the Issuer will pursuant to the Trust Deed be required for so long as any Note is a “restricted security” within the meaning of Rule 144(a)(3) under the Securities Act, and during any period in which it is neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”) nor exempt from reporting pursuant thereunder, to provide to any holder or beneficial owner of such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner in each case upon request by such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act. All information made available by the Issuer pursuant to the terms of this paragraph may also be obtained during usual business hours free of charge at the office of the Issuing and Paying Agent in London.

## 18 INDEMNIFICATION AND OBLIGATIONS OF THE TRUSTEE

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The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Assets and for the value, validity, sufficiency and enforceability (that the Trustee has not investigated) of the Security Interests created over the Secured Property. The Trustee is not obliged or required to take any action under the Trust Deed that may involve it incurring any personal liability or expense unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate are entitled to enter into business transactions with the Issuer, any Obligor, Swap Counterparty or Swap Guarantor, Securities Borrower, the Arranger, the Dealer or any of their respective subsidiaries, holding or associated companies without accounting to the Noteholders for any profit resulting therefrom.

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

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee shall not assume any duty or responsibility to the Other Creditors, the Custodian, the Loan Service Agent or the Issuing and Paying Agent or any other Secured Agent (other than to pay to any of such parties any moneys received and repayable to it and to act in accordance with the provisions of Condition 5 above) and shall have regard solely to the interests of the Noteholders.

## **19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## **20 GOVERNING LAW AND JURISDICTION**

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### **20(a) Governing Law**

The Trust Deed (save for Clauses 6.2, 6.6.2, 6.7.4, 6.12.2 and 6.18 thereof), the relevant Issue Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by English law. Clauses 6.2, 6.6.2, 6.7.4, 6.12.2 and 6.18 of the Trust Deed are governed by Luxembourg law. In relation to a Luxembourg Issuer, the provisions of Articles 86 to 97 of the Luxembourg law of 10 August 1915, as amended, on commercial companies are excluded.

### **20(b) Jurisdiction**

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer has in the Issue Deed irrevocably submitted to the jurisdiction of such courts.

### **20(c) Service of Process**

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

## Schedule to the Terms and Conditions

### Early Redemption Amount

No.	Relevant Condition	Other conditions (if any)	Method of Settlement specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars	Early Redemption Amount
1	Condition 8, other than Conditions 8(e) and (f)	If the Noteholder Depackaging Option Exercise Conditions are satisfied in accordance with Condition 8(b)(iii) above	Physical Settlement	Such Note's pari passu and rateable share of: ) the Principal Assets held by the Issuer on the Early Redemption Date; and ) the Cash Proceeds, provided that the maximum Early Redemption Amount in respect of each Rated Note will be its Claim Value.
2	Condition 8, other than Conditions 8(e) and (f)	If: (1) the Noteholder Depackaging Option is not applicable; (2) the Noteholder Depackaging Option is applicable and the Depackaging Option Exercise Conditions have not been satisfied; or (3) an Impossibility/Illegality Condition exists.	Cash Settlement	Such Note's pari passu and rateable share of: ) if the Security Interests have been enforced, the Enforcement Proceeds; or ) if the Security Interests have not been so enforced, the Net Proceeds (including, for the avoidance of doubt, any Cash Proceeds comprising such Net Proceeds), in the case of (a) or (b) above, after applying the Cash Proceeds according to the Priority of Claims set out in Condition 5(d)(iii) above, provided that the maximum Early Redemption Amount in respect of each Rated Note will be its Claim Value.
3	Condition 8, other than Conditions 8(e) and (f)	If: (1) the Noteholder Depackaging Option is not applicable; or (2) the Noteholder Depackaging Option is applicable and the Depackaging Option Exercise Conditions	Physical Settlement	Such Note's pari passu and rateable share of: the Principal Assets held by the Issuer on the Early Redemption Date; and the Cash Proceeds, in the case of (a) or (b) above, after applying the Cash Proceeds according to the Priority

No.	Relevant Condition	Other conditions (if any)	Method of Settlement specified as applicable in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars	Early Redemption Amount
		have not been satisfied.		of Claims set out in Condition 5(d)(iii), provided that the maximum Early Redemption Amount in respect of each Rated Note will be its Claim Value.
4	Conditions 8(e) and (f)		Cash or Physical Settlement	The amount specified as such in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars after applying the Cash Proceeds according to the Priority of Claims set out in Condition 5(d)(iii) above.

# CREDIT ANNEX

## Part A

### Description and Risk Factors

*The following is the text of the description and risk factors relating to Credit Linked Notes which, subject to amendment and as supplemented, varied and/or restated in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or in accordance with the provisions of the relevant Issue Deed, will apply to any Series or Tranche of Notes if this Credit Annex is specified to be applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.*

*The Base Prospectus, together with this Credit Annex does not describe all of the risks of an investment in Credit Linked Notes. The Issuer, the Arranger and the Dealer disclaim any responsibility to advise prospective investors of such risks as they exist at the date of the Base Prospectus and this Credit Annex or as they change from time to time. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in any Credit Linked Notes and the suitability of investing in such Notes in the light of their particular circumstances. Before making an investment decision, prospective investors should carefully consider, among other factors, all the information set forth in the Base Prospectus and, in particular, the matters described in the section headed “Risk Factors” above and the further risk factors set out below and in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.*

*Capitalised terms used but not defined in this section shall have the meanings given to them in the “Terms and Conditions of the Notes” or Parts B or C of this Credit Annex, as amended, supplemented, varied and/or restated in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or in the relevant Issue Deed.*

## **1 Brief Description of Credit Linked Notes**

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Credit Linked Notes are Notes in respect of which the payments of interest and/or repayment of principal and/or amount deliverable on redemption at maturity, or prior to maturity, will be calculated by reference to and/or contingent upon the occurrence of one or more Credit Events and an Event Determination Date with respect to one or more Reference Entities specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or certain obligations of such Reference Entity or Reference Entities.

## **2 Risk Factors Relating to Credit Linked Notes**

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### **The Notes are Credit Linked Notes**

The Notes have a different risk profile to ordinary unsecured debt securities. The return on the Notes is linked to the credit risk of each Reference Entity and certain obligations of each Reference Entity underlying the Notes. Investing in the Notes is not equivalent to investing directly in shares of each Reference Entity or in any obligation of each Reference Entity, nor is it equivalent to investing or hedging using over-the-counter derivatives.

This section describes additional factors to which prospective investors should have regard when considering an investment in the Notes. Prospective investors should also review the other risk factors set out in the Base Prospectus which relate generally to the Notes to be issued under the Programme.

### **Independent Review and Advice**

Each Noteholder is fully responsible for making its own investment decisions as to whether the Notes (i) are fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs,

objectives and conditions, (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (or its beneficiary) and (iii) are a fit, proper and suitable investment for it (or its beneficiary).

Noteholders are deemed to have sufficient knowledge, experience and professional advice to make their own investment decisions, including, without limitation, their own legal, financial, tax, accounting, credit, regulatory and other business evaluation of the risks and merits of investment in the Notes. Noteholders should ensure that they fully understand the risks associated with investments of this nature, which are intended to be sold only to sophisticated investors.

Noteholders should be aware that the Issuer has no duty to conduct or accepts any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of Reference Entities and their Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations (each as defined in the Credit Derivatives Definitions, as incorporated by reference into the CDS). Noteholders are solely responsible for making their own independent appraisal of and investigation into such matters. Purchasers of the Notes may not rely on the views or advice of the Issuer.

The Notes are complex financial instruments. A prospective investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the prospective investor's overall investment portfolio.

### **Risks related to the structure of a particular issue of Notes**

Notes may have features which contain particular risks for prospective investors. Set out below is a description of the most common such features:

#### *Notes Subject to Early Redemption by the Issuer After a Credit Event*

The Notes may be redeemed earlier than the stated Maturity Date if a Credit Event occurs and an Auction Settlement Date or Cash Settlement Date (as applicable) occurs. If the Credit Event relates to "M(M)R Restructuring" (as defined in the Credit Derivatives Definitions), the Notes may be redeemed in part rather than in whole in accordance with an election by the Swap Counterparty and such part redemption may occur multiple times in respect of the same Credit Event. If there is more than one Reference Entity specified for such Notes (or deemed to be applicable to such Notes following a Succession Date with respect to a specified Reference Entity to which multiple Successors are identified) and the terms of the Notes so provides, the Notes may be redeemed in part rather than in whole in accordance with the terms of the Notes. This early redemption feature of the Notes is likely to limit their market value. During any period when the Notes are subject to such early redemption, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

At the time of such early redemption, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed. Prospective Noteholders should consider such reinvestment risk in light of other investments available at the time.

### **Risk of Loss of Interest**

Save as otherwise provided in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, no interest will accrue on the Notes (or, if so provided in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, the portion of the applicable Calculation Amount of each Note affected thereby) for the Interest Accrual Period in which an Event Determination Date falls (and any subsequent Interest Accrual Period).



## **Risk of Loss of Principal**

Investors bear the risk of loss if any Credit Event occurs and an Auction Settlement Date or Cash Settlement Date (as applicable) occurs. Investors should note that such risk is borne from the Credit Event Backstop Date, which may occur prior to the Trade Date and the Issue Date of the Notes. The Credit Event Redemption Amount upon a Credit Event is likely to be less than par and may be zero.

The Credit Event Redemption Amount will reflect the market value of the proceeds of realisation of the Assets (or if there are (1) no Initial Securities or (2) Initial Securities and Fully Funded Swap or (3) Initial Securities, an Asset Swap and a Securities Lending Agreement, the outstanding Aggregate Nominal Amount), less an amount in respect of the difference between the reference price and the market value of the obligations of the Reference Entity in respect of which a Credit Event occurred, less a deduction for Costs as well as an adjustment for the termination of the Asset Swap or Fully Funded Swap (if any). Costs reflect the cost to the Swap Counterparty of terminating, liquidating, obtaining or re-establishing any hedges, trading positions, term deposits or funding arrangements entered into by it or on its behalf in respect of the Notes. Costs will be determined by the Calculation Agent in its sole and absolute discretion, taking into account, *inter alia*, the hedging strategy employed in respect of the Notes and prevailing funding rates, interest rates and credit spreads at the time of determination. The Swap Counterparty is not under any duty to hedge itself with respect to any Swap relating to the Notes, nor is it required to hedge itself in a manner that will result in the lowest unwind costs. Noteholders should be aware that the product of the Reference Price minus the Auction Final Price or Final Price (as the case may be) and the Floating Rate Payer Calculation Amount (each as defined in the CDS), Costs and any adjustment for the termination of the Asset Swap or Fully Funded Swap (if applicable) owed by the Issuer will each reduce the Credit Event Redemption Amount otherwise payable and may reduce the Credit Event Redemption Amount to zero.

## **Risks relating to the Credit Derivatives Determinations Committees**

### *Credit Derivatives Definitions*

Certain terms used in the Credit Linked Notes are defined by reference to the CDS, which in turn incorporates by reference (as modified in the CDS) the definitions and provisions of the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA") (the "**Credit Derivatives Definitions**"). However, the terms and conditions of the Credit Linked Notes do not directly incorporate by reference the provisions of the Credit Derivatives Definitions and there may be differences between the definitions used in the Credit Linked Notes and the Credit Derivatives Definitions. Further, the CDS contains modifications to the Credit Derivatives Definitions for use in the CDS. Consequently, investing in Credit Linked Notes is not exactly equivalent to investing in a credit default swap that incorporates the Credit Derivatives Definitions as published by ISDA.

While ISDA has published the Credit Derivatives Definitions in order to facilitate transactions and promote uniformity in the credit derivatives market, the credit derivatives market has evolved over time and is expected to continue to change. Consequently, the Credit Derivatives Definitions and the terms applied to credit derivatives, including Credit Linked Notes, are subject to interpretation and further evolution. Past events have shown that the views of market participants may differ as to how the Credit Derivatives Definitions operate or should operate. As a result of the continued evolution in the market, interpretation of the Credit Linked Notes may differ in the future because of future market standards. Such a result may have a negative impact on the Credit Linked Notes.

There can be no assurance that changes to the terms applicable to credit derivatives generally will be predictable or favourable to the Issuer or Noteholders. Future amendments or supplements to the terms applicable to credit derivatives generally will only apply to the Credit Linked Notes that have already been issued if the Issuer, the Swap Counterparty and the Trustee (with the consent of Noteholders, if applicable) agree to amend the Credit Linked Notes to incorporate such amendments or supplements and other conditions to amending the Credit Linked Notes have been met.

### *Credit Derivatives Determinations Committees*

Credit Derivatives Determinations Committees were originally established pursuant to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA (later incorporated in the 2009 ISDA Credit Derivatives Determinations Committee, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions) to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Credit Derivatives Determinations Committees are regional committees composed of significant participants in the credit default swap market in the applicable region. Credit Derivatives Determinations Committees are typically composed of both the largest dealers in credit default swaps as well as non-dealers, but dealers typically significantly outnumber non-dealers. The Credit Derivatives Determinations Committees continue to perform this role under the Credit Derivatives Definitions. As at the date of this Base Prospectus, Barclays Bank PLC is a member of each of the Credit Derivatives Determinations Committees. In such capacity, it need not have regard to the interests of any Noteholders when taking any action or casting any vote.

Whether or not a Credit Event has occurred or a succession event (or in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Successor Date has occurred, and certain decisions relating thereto, may be dependent on determinations made by the Credit Derivatives Determinations Committee.

The procedures of the Credit Derivatives Determinations Committees are set forth in the DC Rules. The DC Rules may be amended by a Credit Derivatives Determinations Committee in accordance with the DC Rules. None of ISDA, the institutions serving on the Credit Derivatives Determinations Committees or any external reviewers owes any duty to any investor in such capacity, and any investor may be prevented from pursuing claims with respect to actions taken by such persons under the DC Rules. Institutions serving on a Credit Derivatives Determinations Committee may base their votes on information that is not available to an investor, and have no duty to research, investigate, supplement or verify the accuracy of information on which a determination is based. In addition, a Credit Derivatives Determinations Committee is not obligated to follow previous determinations or to apply principles of interpretation such as those that might guide a court in interpreting contractual provisions. Therefore, a Credit Derivatives Determinations Committee could reach a different determination on a similar set of facts.

In making any determination in its capacity as Swap Counterparty or as the “Calculation Agent” under the CDS, the Swap Counterparty may have regard to (and, in certain circumstances, is bound by) decisions made by the Credit Derivatives Determinations Committee. Where the Swap Counterparty is a member of such committee, it need not have regard to the interests of Noteholders when taking any action or casting any vote.

Further information about the Credit Derivatives Determinations Committee may be found at [www.isda.org/credit](http://www.isda.org/credit).

### **Exposure to each Reference Entity, Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations**

Purchasers of Notes are exposed to the credit risks and other risks associated with each Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations, Deliverable Obligations (each as defined in the Credit Derivatives Definitions, as incorporated by reference into the CDS) and any relevant jurisdictional risks.

### *Synthetic Exposure*

The Notes do not represent a claim against each Reference Entity specified for the Notes and, in the event of any loss, purchasers of the Notes will not have recourse under the Notes to any Reference Entity. Neither the Issuer nor the Swap Counterparty is obliged to own or hold any Obligation or Reference Obligation (as defined in the Credit Derivatives Definitions, as incorporated by reference into the CDS), and no inference may be drawn that the Issuer or the Swap Counterparty holds any such Obligation or Reference Obligation or has any credit exposure to any

Reference Entity. Unless otherwise provided in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, amounts payable under the Notes are not, in any direct or indirect way, limited by or associated with, or linked or calculated by reference to, any loss of bargain, cost of funding or any other actual loss or cost suffered by the Issuer as a result of its holding or not holding any Obligation or Reference Obligation.

#### *Credit Events*

Potential purchasers should note that not all Credit Events have easily ascertainable triggers and disputes can and have arisen as to whether a specific event did or did not constitute a Credit Event. However, under the Credit Derivatives Definitions as incorporated (and modified) in the relevant CDS and subject to any subsequent determinations made by a Credit Derivatives Determinations Committee, the Swap Counterparty's determination of a Credit Event will, in the absence of manifest error, be conclusive and binding on all persons (including, without limitation, the Noteholders), notwithstanding the disagreement of such persons or other financial institutions, rating agencies or commentators. Examples of Credit Events that might apply to the relevant CDS include bankruptcy, failure to pay, restructuring, obligation acceleration, obligation default and repudiation/moratorium. In addition, for certain CDS, governmental intervention may apply. Prospective investors should carefully review the applicable CDS and their definitions under a Series of Credit Linked Notes and independently evaluate their appropriateness to such investors' objective for purchasing such Series of Credit Linked Notes.

#### *Succession Date and Substitute Reference Obligations*

Upon the occurrence of a Succession Date in respect of a Reference Entity specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, one or more Successor Reference Entities will be deemed to be a Reference Entity in replacement of (or in addition to, as applicable) such Reference Entity. Furthermore, upon a Non-Standard Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected under the relevant CDS.

As a result of the circumstances discussed in the preceding paragraph, the Notes may be linked to the credit of certain Reference Entities and its Obligations and Reference Obligations, notwithstanding that such Reference Entities, Obligations and Reference Obligations were not specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars upon issuance of such Notes.

#### *Successors*

The Reference Entity originally specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, may change or there may be additional Reference Entities following a determination of any Successor or Successors to the Reference Entity. Under the Credit Conditions (unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars), the relevant period for the purposes of any Successor determination begins on the Successor Backstop Date, which may be prior to the Trade Date or Issue Date (as the case may be). Prospective investors should be aware that it is therefore possible for a Series of Credit Linked Notes to be affected by a succession event that occurred prior to the Trade Date or Issue Date (as the case may be) specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

Prospective investors should also note that if, on or after 1 January 2014, an entity assumes all of the obligations (including at least one relevant obligation) of a Reference Entity which is not a sovereign, in circumstances where the Reference Entity has ceased to exist, or is in the process of being dissolved and has not issued or incurred any borrowed money obligation at any time since the legally effective date of the assumption, then Successor Backstop Date shall not apply.

Upon a Successor being determined, one or more entities will (unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) be deemed to be a Reference Entity in

replacement of (or in addition to, as applicable) the Reference Entity originally specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars. Furthermore, upon a Reference Obligation ceasing to exist in the manner specified in the definition thereof, a Substitute Reference Obligation may be selected.

The credit risks associated with such entity or entities could potentially be greater or lesser than the credit risk of the Reference Entity originally specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, which could adversely impact the value of such Series of Credit Linked Notes to prospective investors (if the credit risk increases).

#### *Standard Reference Obligation*

In respect of certain CDS where Standard Reference Obligation is specified as applicable, the Reference Obligation will be the obligation specified as the market standard reference obligation for the relevant Reference Entity for the relevant seniority level on the SRO List to be published by ISDA. For these Reference Entities, parties will no longer need to specify a Reference Obligation.

The Standard Reference Obligation will only be replaced by the Credit Derivatives Determinations Committee in certain circumstances (for example, if the Standard Reference Obligation matures, is redeemed, is no longer an obligation of the Reference Entity, or in the case of Financial Reference Entities where Mod R or Mod Mod R typically applies, if the Standard Reference Obligation has less than one year remaining maturity and a replacement Standard Reference Obligation is available in the first maturity bucket). After performing the necessary legal review, the Credit Derivatives Determinations Committee will select a replacement Standard Reference Obligation for the relevant Reference Entity and seniority level by a majority vote.

#### *Redemption After Scheduled Maturity Date*

If the Swap Counterparty has determined, in its sole and absolute discretion, that a Credit Event has or may have occurred but a Credit Event Notice has not yet been served on or prior to the Scheduled Maturity Date, the Swap Counterparty may elect to extend the maturity date of the Notes by service of an Extension Notice. During the period up to (and including) the Securities Extension Date, the Swap Counterparty may deliver a Credit Event Notice.

In addition, the Credit Event Redemption Date on which the Notes will be redeemed following delivery of a Credit Event Notice may occur after the Scheduled Maturity Date, even if the Credit Event Notice was delivered prior to the Scheduled Maturity Date.

#### *Swap Counterparty Discretion*

The decision as to when and whether to deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information and, in the case of an M(M)R Restructuring, the decision as to whether the Exercise Amount specified in such Credit Event Notice shall relate to the full or only part of the then outstanding notional amount of the CDS, is at the sole and absolute discretion of the Swap Counterparty. Such notices are effective when delivered by the Swap Counterparty to the Issuing and Paying Agent. The delivery of or failure by the Issuer (or an agent on its behalf) to deliver such notices to Noteholders will not affect the effectiveness of such notices.

#### **Auction Settlement**

If “Auction Settlement” is specified as applicable and the Credit Derivatives Determination Committee decides to conduct an auction with respect to the obligations of the relevant Reference Entity satisfying the relevant characteristics, then the amounts payable by and/or rights and obligations of the parties under the Notes in respect of the relevant Reference Entity or Reference Obligation will be determined in accordance with the Auction Final Price (as defined in the Credit Derivatives Definitions). This may result in a lower recovery value than a

Reference Entity or Reference Obligation would have if such Auction Final Price had not been used. Credit losses determined on the basis of a market auction may be greater than the losses which would have been determined in the absence of such auction. In particular, the auction process may, in theory, be affected by technical factors or operational errors or be the subject of actual or attempted manipulation. The Issuer, the Swap Counterparty, the Calculation Agent and each of their Affiliates do not have any responsibility for verifying that any auction price is reflective of current market values, for establishing any auction methodology or for verifying that any auction has been conducted in accordance with its rules. In its capacity as a Global Dealer Voting Member of each Credit Derivative Determinations Committee, Barclays Bank PLC will be involved in deciding the terms relating to each auction and is also required (subject to limited exceptions) to act as a participating bidder in each auction, and it will do so without regard to the interests of the Noteholders. Such participation may have a material adverse effect on the outcome of the relevant auction.

If “Auction Settlement” is specified as applicable with respect to any Credit Linked Notes but the Credit Derivatives Determinations Committee does not decide to conduct an auction with respect to obligations of the relevant Reference Entity satisfying the relevant characteristics as set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, then the Fallback Settlement Method shall apply. In such circumstances, the Final Price will be determined pursuant to the Valuation Method specified for Cash Settlement (or as otherwise specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars).

Investors should note that they will not be able to deliver a Customer Physical Settlement Request (as defined in the Credit Derivatives Auction Settlement Terms) to the Issuer, the Calculation Agent, the Swap Counterparty or each of their Affiliates in respect of their holding of Credit Linked Notes.

### **Cash Settlement**

If “Cash Settlement” is specified as applicable with respect to any Credit Linked Notes, or is deemed to apply pursuant to the Settlement Method or Fallback Settlement Method, the “Calculation Agent” under the CDS shall determine the value of the Reference Obligation or Reference Obligations by asking for quotations from Dealers (as defined in the CDS). The date, time and method of such dealer poll, and the selection of the Reference Obligation or Reference Obligations, will impact the Final Price. The Dealers selected by the Calculation Agent must be financial institutions, funds or other entities that purchase or deal in obligations similar to the Reference Obligation(s) and may include the Swap Counterparty; however the Dealers have no duty towards any investor and may not be aware that the purpose of the dealer poll is to determine a Final Price for the purposes of the Credit Linked Notes or any other securities. For the avoidance of doubt, the Calculation Agent shall not be obliged to trade following receipt of such quotations.

Following a Credit Event which is a Governmental Intervention or certain Restructuring Credit Events, an Asset Package Credit Event (as defined in the Credit Derivatives Definitions) may occur and the Final Price may be determined based on the value of a package of assets which a relevant obligation of the Reference Entity has been converted into or exchanged for (which may be worth significantly less than the principal amount of such original obligation of the Reference Entity or, where such original obligation has been expropriated for no compensation, may be zero). Further, where quotations are sought on an asset package, such asset package may contain assets which are hard to value and for which a valuation methodology may not be readily available or suitable, which may reduce the value of quotations or the availability of quotations that may otherwise have been obtained.

Investors should note that the Final Price determined pursuant to a dealer poll or the asset package provisions may be significantly different to the Auction Final Price.

### **Hedging**

In the ordinary course of their business, including without limitation in connection with their market making activities, the Swap Counterparty, the Arranger and/or the Dealer or any of their respective agents or Affiliates may effect transactions for their own account or for the accounts of their customers and hold long or short positions in

any applicable Reference Entity and its Obligations, Underlying Obligations, Underlying Obligors, Reference Obligations and Deliverable Obligations or related derivatives. In addition, in connection with the offering of the Credit Linked Notes, the Swap Counterparty may enter into one or more hedging transactions with respect to any applicable Reference Obligation or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Swap Counterparty, the Swap Counterparty may enter into transactions with respect to any applicable Reference Obligation or related derivatives which may affect the market price, liquidity or value of the Credit Linked Notes and the Swap, which could be deemed to be adverse to the interests of the relevant investors. The Swap Counterparty may pursue such hedging or related derivatives actions and take such steps as it deems necessary or appropriate to protect its interests without regard to the consequences for any investor.

### **No Guarantee of Performance**

The Credit Linked Notes constitute direct, unsubordinated, limited recourse and secured obligations of the Issuer that are linked to the credit risk of each Reference Entity, Obligations, and/or Reference Obligations specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars. No Transaction Counterparty guarantees the performance of or otherwise stands behind the performance of any Reference Entity, Obligation and/or Reference Obligation or is under any obligation to make good losses suffered as a result of Credit Events.

### **Provision of Information**

The Issuer or Transaction Counterparties, whether by virtue of the types of relationships described herein or otherwise, may possess information in relation to any Reference Entity, any Affiliate of a Reference Entity, any Reference Obligation or any guarantor that is or may be material in the context of the Credit Linked Notes and that may or may not be publicly available or known to the investors or any other person. The Credit Linked Notes will not create any obligation on the part of the Issuer or any of the Transaction Counterparties to disclose any such relation or information (whether or not confidential).

### **No Representations**

None of the Issuer or Transaction Counterparties makes any representation, express or implied, as to any Reference Entity or any Reference Obligation or the credit quality thereof, or any information contained in any documents provided by any Reference Entity or filed by a Reference Entity with any exchange or with any governmental or regulatory authority.

### **Market-Wide Change in Standard CDS Documentation**

Noteholders should be aware that the terms and conditions of the Notes and the CDS may be adjusted at the Calculation Agent's discretion in the event of an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation, and that (other than in the case of a Series of Notes assigned a rating by S&P ("S&P Rated Notes")), where the sanctioning of such modification by an Extraordinary Resolution of Noteholders is required) the consent of the Trustee or the Noteholders (or any party other than the Calculation Agent) is not required for the purposes of such adjustments. An Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation will occur where the Calculation Agent determines that, amongst other things, there has been an industry-wide agreed change to the documentation applicable to credit default swaps (which increases the hedging costs of the Swap Counterparty or its affiliates, or adversely impacts on the regulatory capital treatment of the Swap Counterparty or its affiliates), and Noteholders should be aware that, by subscribing for the Notes, they are agreeing that the terms and conditions of the Notes may be adjusted to reflect such industry-wide agreed changes.

If, in respect of Notes other than S&P Rated Notes, the Calculation Agent determines following the occurrence of an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation that it is not possible to adjust the terms and conditions of the Notes and the CDS in order to produce a commercially reasonable result

and to preserve substantially the economic effect to the Noteholders of a holding of the relevant Notes, it may determine that an Additional Redemption Event shall occur which will lead to the redemption of all of the Notes at their Early Redemption Amount.

In respect of S&P Rated Notes, the Swap Counterparty may elect in its sole and absolute discretion, following the occurrence of an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation, that an Additional Redemption Event be designated which will lead to the redemption of all of the Notes at their outstanding Nominal Amount, together with interest accrued to (but excluding) the Early Redemption Date (including any Interest Amounts (if any) for which the related Interest Payment Date has been postponed, to the extent that such Interest Amounts remain payable (subject to such postponement) on or prior to the Early Redemption Date).

## Part B

### Additional Terms and Conditions for Credit Linked Notes

*The terms and conditions applicable to Credit Linked Notes shall comprise the terms and conditions set out in the Base Prospectus under the heading “Terms and Conditions of the Notes” (the “Base Conditions”) and the additional terms and conditions set out below (the “Credit Conditions”), which are the “Additional Conditions” in respect of the Credit Annex, in each case subject to completion and amendment and as supplemented, varied and/or restated in accordance with the provisions of the relevant Issue Deed (which, for the avoidance of doubt, includes the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars). In the event of any inconsistency between the Base Conditions and the Credit Conditions set out below, the Credit Conditions shall prevail. In the event of any inconsistency between (i) the Base Conditions and/or the Credit Conditions and (ii) the Issue Deed, the Issue Deed shall prevail. This Credit Annex is a Product Annex for the purposes of the Base Conditions and any Notes if this Credit Annex is specified to be applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Base Conditions, the CDS (including as incorporated by reference therein) or the relevant Issue Deed. For the avoidance of doubt, unless the context does not permit, a reference to a numbered condition which specifies only that such condition is a “Condition” shall be a reference to the relevant numbered Base Condition.*

#### 1 No Swap Event

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Termination of the CDS, the Asset Swap or the Fully Funded Swap, in each case as a result of the occurrence of an Event Determination Date, will not be a Swap Event pursuant to Base Condition 8(c)(iii).

#### 2 Credit Event Redemption

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If the Issuer receives a valid Credit Event Notice (and, if applicable, a Notice of Publicly Available Information) on or prior to the Securities Extension Date in respect of a Credit Event with respect to a Reference Entity pursuant to the terms of the CDS, the Issuer shall procure delivery of a copy of such notice(s) to holders of the Notes in accordance with Credit Condition 8 (*Notice to Noteholders*) below and such delivery shall be deemed to be a notification to Noteholders that, subject to the Event Determination Date relating to such Credit Event Notice being reversed prior to the relevant Auction Final Price Determination Date, the Valuation Date or the Termination Date (as the case may be) under the CDS, the Issuer shall redeem all but not some only of the Notes on the Credit Event Redemption Date at the Credit Event Redemption Amount.

The designation of an Early Termination Date (as defined in the Swap) in respect of the Asset Swap (if any) in connection with an Event Determination Date under the CDS shall be deemed to be a “Liquidation Event” for the purposes of Base Condition 11, in respect of which the Relevant Party shall be the Issuer. To the extent that the relevant Event Determination Date under the CDS will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes, for the purposes of Base Condition 11, the Realisation Agent shall only arrange the Liquidation of such portion of the Assets as relates to such portion of the Notes being redeemed, such portion of the Assets to be reduced, as applicable, by any provisions of the Swap or the Securities Lending Agreement requiring Eligible Credit Support or Margin Securities to be transferred to the Swap Counterparty or Securities Borrower on or prior to the Credit Event Redemption Date.

Notwithstanding any provision to the contrary, if at any time prior to the redemption of the Notes pursuant to this Credit Condition 2, an Illegality Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Base Condition 8(c)(iv) then the notice of redemption deemed given pursuant to this Credit Condition 2 shall be deemed to be void and the Notes shall be redeemed pursuant to the provisions of Base Condition 8(c)(iv).

The Swap Counterparty’s determination of a Credit Event will, in the absence of manifest error and subject to the definition of “Event Determination Date” in the Credit Derivatives Definitions, be conclusive and binding on all persons (including without limitation, the Noteholders). Neither the Issuer nor any Transaction Counterparties will have any liability whatsoever for the determination by the Swap Counterparty as to whether or not a Credit Event has occurred, for the Swap Counterparty not making such determination or with respect to the Swap Counterparty’s timing as to when to deliver a Credit Event Notice or a Notice of Publicly Available Information to the Issuer, nor will they have any duty or responsibility to investigate or to check whether any Credit Event has, or may have, occurred or may be continuing.

## ***2a Increased Cost of Hedging***

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If an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation occurs, the Calculation Agent may (in its sole and absolute discretion) determine whether appropriate adjustments can be made to the terms of the CDS with corresponding amendments to the Conditions and any other provisions relating to the Notes to account for the effect of such event provided that such amendments shall be made with a view to preserving substantially the economic effect to the Noteholders of a holding of the relevant Notes.

If the Calculation Agent determines (in its sole and absolute discretion) that:

- (a) such adjustment(s) can be made, it shall determine the effective date and terms of such adjustments and notify the Issuer, the Swap Counterparty, the Custodian, the Issuing and Paying Agent and the Trustee (each a “**Party**”) of the same. No consent shall be required from any Party, and each Party shall promptly take such action and execute all documentation as the Calculation Agent may reasonably require to effect any such adjustments, provided that:
  - (i) the Calculation Agent may only require action to be taken or documentation to be executed with a view to preserving substantially the economic effect to the Noteholders of a holding of the relevant Notes;
  - (ii) the Trustee shall not be obliged to do anything which would impose more onerous obligations upon it or expose it to increased or additional liabilities or reduce its protections; and
  - (iii) in the case of S&P Rated Notes, that such adjustments have been sanctioned by an Extraordinary Resolution of Noteholders.



The Issuer shall notify Noteholders of any such adjustment(s) as soon as reasonably practicable after it has received notice of the nature and effective date of the adjustments (which may, in the case of S&P Rated Notes, be a date expressed by reference to the date on which the Extraordinary Resolution sanctioning such adjustments has been passed). Any adjustment made in accordance with this provision shall be conclusive and binding (in the absence of manifest error) on all parties, including the Noteholders, without the need for further action or requirement for consent (including from the Trustee or the Noteholders); or

- (b) in the case of Notes other than S&P Rated Notes, no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic effect to the Noteholders of a holding of the relevant Notes, it shall notify the Issuer and the Trustee of such determination and no adjustment(s) shall be made pursuant to Credit Condition 2a(a) and an Additional Redemption Event shall occur pursuant to Base Condition 8(c)(vi).

In the case of S&P Rated Notes, if an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation occurs, the Swap Counterparty may (in its sole and absolute discretion) elect to designate a Additional Redemption Event and upon such election being notified to the Issuer and the Trustee, an Additional Redemption Event shall occur pursuant to Base Condition 8(c)(vi), provided that notwithstanding anything to the contrary in the Base Conditions:

- (a) the Early Redemption Amount in respect of each Note shall be an amount equal to such Note's outstanding Nominal Amount, together with (i) interest accrued from (and including) the immediately preceding Interest Period End Date (or if none, the Interest Commencement Date) to (but excluding) the Early Redemption Date; and (ii) Interest Amounts (if any) for which the related Interest Payment Date was scheduled to occur prior to the Early Redemption Date but has been postponed, to the extent that such Interest Amounts remain payable (subject to such postponement) on or prior to the Early Redemption Date;
- (b) such Additional Redemption Event shall not be a Liquidation Event and instead, all Assets shall be delivered to the Swap Counterparty pursuant to the terms of the Swap and such delivery of Assets under the Swap shall be deemed specified in Base Condition 5(e)(ii) (Other Release) as an event for which the Trustee agrees, without incurring any liability therefor, to release the security created by the Trust Deed over the Assets; and
- (c) such Additional Redemption Event shall not be a Depackaging Redemption Event.

For the purposes of this Credit Condition 2a, **"Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation"** means that the Calculation Agent determines (in its sole and absolute discretion) that, as of the relevant time on the relevant date, not less than seven of the first eight "Eligible Global Dealers" on the "Global Dealer Trading Volume List" as determined for the most recent "List Review Date" (in each case, as defined in the DC Rules) as at the relevant time sign up to a credit default swap industry-wide protocol or similar agreement to document credit default swaps by way of documentation differing from the prevailing market standard credit default swap documentation existing as of the Trade Date in respect of the CDS, and as a consequence the Swap Counterparty and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) and/or materially increased (as compared with circumstances existing on the Trade Date) costs related to that CDS, including without limitation internal charges of the Swap Counterparty and/or any of its Affiliates in terms of increasing its risk asset weighting and/or worsening any other leverage ratio treatment to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the CDS, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

The Trustee shall be entitled to rely without liability and without further enquiry on any determination made by the Calculation Agent pursuant to this Credit Condition 2a which shall (in the absence of manifest error and, in the case of S&P Rated Notes, if the sanction by an Extraordinary Resolution of Noteholders is required by Credit Condition 2a, following such sanction) be conclusive and binding on all parties and the Trustee shall not be required to monitor, enquire or satisfy itself as to whether an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation has occurred or whether any adjustments can be made to the terms of the CDS (with corresponding amendments to the Conditions and any other provisions relating to the Notes) to preserve substantially the economic effect to the Noteholders of a holding of the relevant Notes. The Trustee shall have no liability or responsibility for any amendment or redemption that occurs pursuant to this Credit Condition 2a.

### **3 Credit Event Notice after Restructuring**

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Upon the occurrence of an Event Determination Date in respect of an M(M)R Restructuring:

- (i) the Swap Counterparty may deliver to the Issuer (or the Issuing and Paying Agent on its behalf) multiple Credit Event Notices with respect to such M(M)R Restructuring under the CDS, each such Credit Event Notice setting forth the portion of the Floating Rate Payer Calculation Amount (as defined in the CDS and which is equal to the Aggregate Nominal Amount of the Notes) to which such Credit Event Notice applies (such amount in respect of such Credit Event Notice, the “**Exercise Amount**”);
- (ii) if the Swap Counterparty has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the Aggregate Nominal Amount of Notes, the rights and obligations of the Issuer shall, with effect from the date such Credit Event Notice is effective, be, to the extent that the Calculation Agent in its sole and absolute discretion determines is necessary or appropriate in order to give effect to this Credit Condition 3, construed as if the Issuer had issued two Series of Notes, one of which has an Aggregate Nominal Amount equal to the Exercise Amount and, upon the occurrence of an Event Determination Date, will be redeemed in accordance with Credit Condition 2 (*Credit Event Redemption*), and the other of which will have an Aggregate Nominal Amount equal to the Aggregate Nominal Amount immediately prior to such Credit Event Notice minus the Exercise Amount, and will be construed as continuing in effect with such modifications as the Calculation Agent shall determine are required in order to preserve the economic effects of the two Series of Notes (considered in aggregate); and
- (iii) the Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be an amount that is at least 1,000,000 units of the Settlement Currency (as defined in the CDS) (or, if Japanese Yen, 100,000,000 units) and an integral multiple thereof or the entire Floating Rate Payer Calculation Amount of the CDS (which will be equal to the outstanding Aggregate Nominal Amount of the Notes) on or about the date of the relevant Credit Event Notice. If no Exercise Amount is specified by the Swap Counterparty, the Exercise Amount shall be deemed to be the full Floating Rate Payer Calculation Amount of the CDS on or about the date of the relevant Credit Event Notice.

For the avoidance of doubt, the Notes and the Series are only construed as being divided into two new Series for the purposes of determinations under the Base Conditions and the Credit Conditions to preserve the economic effect of the Notes and the CDS prior to the relevant M(M)R Restructuring and no actual division of the Series will occur and the number of Notes held by each Noteholder will not be modified.

## **4 Extension of Maturity Date**

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The Maturity Date of the Notes shall be the Scheduled Maturity Date, provided that,

- (i) if an Extension Notice is delivered by the Swap Counterparty, then, subject to sub-paragraphs (ii) and (iv) below, the Maturity Date shall be the Deferred Maturity Date;
- (ii) if notice of an Early Redemption Date in respect of all Notes is given pursuant to Base Condition 8, the Notes shall be redeemed on the Early Redemption Date;
- (iii) if the Notes are due to be redeemed pursuant to Credit Condition 2 (Credit Event Redemption) above, the Maturity Date shall be the Credit Event Redemption Date; and
- (iv) if an Event Determination Date in respect of the CDS has occurred prior to the Maturity Date (without taking into account this sub-paragraph (iv)) and the relevant notice has been given pursuant to Credit Condition 2 (Credit Event Redemption) but, before the Auction Final Price Determination Date, the Valuation Date or the Termination Date (as the case may be) under the CDS, a DC Resolution reverses the determination of such Event Determination Date, the Maturity Date shall be, subject to (ii) above, the later of (a) the Maturity Date determined without taking into account this sub-paragraph (iv); and (b) three Business Days after the date of such DC Resolution.

## **5 Postponement and cessation of Interest**

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- (i) If a notice has been delivered to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to resolve whether a Credit Event has occurred under the CDS on or prior to an Interest Payment Date, then such Interest Payment Date shall be deferred to the date falling on the earlier to occur of (a) 20 Business Days after the earlier of (i) the date that a DC Resolution with respect to the notice is published or (ii) the date that the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to answer the question; and (b) the Maturity Date.
- (ii) If an Event Determination Date occurs or exists under the CDS, notwithstanding Base Condition 7(f), interest will no longer accrue from (and including) the Interest Expiration Date.
- (iii) If an Extension Notice has been given but there is no Event Determination Date under the CDS on or prior to the Securities Extension Date, if “Extension Interest” is specified to be applicable in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, interest will accrue in respect of the calculation period from and including the Scheduled Maturity Date to but excluding the Maturity Date at Barclays Bank PLC’s overnight deposit rate or such other rate as specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars in respect of the Specified Currency for the actual number of days in such period and shall be payable on the Maturity Date.

## **6 Interest Adjustment**

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If, in accordance with the terms of the CDS, (i) following the determination of an Event Determination Date thereunder such Event Determination Date is deemed (A) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or (B) not to have occurred or (ii) an Event Determination Date is deemed to have occurred prior to a preceding Interest Period End Date, the Calculation Agent will determine (I) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amounts previously calculated and/or paid in respect of the Notes and (II) the date on

which such adjustment payment is payable, if any. If any adjustment payment is payable to the Issuer, then such adjustment payment shall be made by deduction from future payments of Interest Amounts or from the amount payable on the Maturity Date, as determined by the Calculation Agent in its sole and absolute discretion. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

## 7 Succession Date

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If a Succession Date under the CDS has occurred and more than one Successor has been identified, if the CDS in accordance with its terms is deemed to be divided, with effect from the Succession Date, into the same number of new credit default swap transactions (each, a “**New CDS**”) as there are Successors, Credit Condition 2 (*Credit Event Redemption*) and other relevant provisions of the Notes shall be, to the extent that the Calculation Agent in its sole and absolute discretion determines is necessary or appropriate in order to give effect to this Credit Condition 7, construed as if the Series of Notes had been divided into the same number of Series as there are Successors (each, a “**New Series**”) with the following terms:

- (i) each New CDS shall be the “CDS” for the purposes of one of the New Series;
- (ii) in respect of each New Series, the Aggregate Nominal Amount (determined on or about the applicable Succession Date), as applicable, shall be the Aggregate Nominal Amount of the original Series (before the occurrence of the relevant Succession Date), divided by the number of Successors;
- (iii) all other terms and conditions of the original Series shall be replicated in each of the New Series, with such modifications as the Calculation Agent determines are required in order to preserve the economic effect of the original Series in the New Series (considered in aggregate); and
- (iv) the Calculation Agent shall make such other conforming and consequential changes as it shall deem appropriate to give effect to this Credit Condition 7, including, without limitation, the amendment of Credit Condition 2 to allow, *inter alia*, for redemption of an Aggregate Nominal Amount of the Notes (determined on or about the applicable Succession Date) equal to the nominal amount of one (or more) Notes of a New Series in respect of which an Event Determination Date has occurred, with the remainder of such Aggregate Nominal Amount of the Notes remaining outstanding and accruing interest on such reduced Aggregate Nominal Amount (until such time as a further Event Determination Date in respect of a different New Series may occur or a redemption of the remaining Aggregate Nominal Amount of the Notes may otherwise occur pursuant to the terms hereof).

For the avoidance of doubt, the Notes and the Series are only construed as being divided into multiple New Series for the purposes of determinations under the Base Conditions and the Credit Conditions to preserve the economic effect of the Notes and the CDS prior to the relevant Succession Date and no actual division of the Series will occur and the number of Notes held by each Noteholder will not be modified.

Any determinations and calculations, adjustment to the Base Conditions or the Credit Conditions and the CDS relating to, connected with, or as a result of a Succession Date shall be made by the Calculation Agent (to the extent not made by the Credit Derivatives Determinations Committee) in its sole and absolute discretion to preserve the economic effect of the Conditions and the CDS prior to such Succession Date and, in the absence of manifest error, shall be conclusive and binding on all parties.

Any modification to the Trust Deed, the Issue Deed, the Base Conditions, the Credit Conditions or any Secured Agreement which is necessary to reflect the effect of a Succession Date may be made without the consent of the Noteholders and such amendments will automatically be deemed not to be materially prejudicial to the interests of the Noteholders.

## **8 Notice to Noteholders**

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Following receipt of a Credit Event Notice, Notice of Publicly Available Information, Extension Notice in respect of the CDS, notification of the occurrence of a Succession Date, notification of identification of a Substitute Reference Obligation or Successor Notice, the Issuing and Paying Agent shall deliver such notice through the relevant settlement system to holders of Notes, provided that the failure of the Issuing and Paying Agent to deliver any such notice shall not affect the effectiveness of any notice delivered by the Swap Counterparty against the Issuer pursuant to the terms of the CDS and accordingly shall not affect any determination of the Credit Event Redemption Amount or Credit Event Redemption Date.

## **9 Credit Default Swap (CDS)**

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- 9.1 References in these Credit Conditions to the “CDS” shall be to the Credit Derivatives Transaction made between the Issuer and the Swap Counterparty, documented under the Master CDS Confirmation (as set out in Part D to this Credit Annex), which supplements, forms part of and is subject to the International Swaps and Derivatives Association, Inc. 1992 form of Master Agreement (Multicurrency-Cross Border), for which the schedule thereto is in the form of the Master Credit Default Swap Terms (as set out in Part C to this Credit Annex), each as incorporated into and amended by the relevant Issue Deed and further supplemented and/or amended by the terms specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.
- 9.2 The CDS shall be a “Swap” for the purpose of Base Condition 4(b) and the terms of the CDS and any other Swap entered into in connection with the Notes pursuant to the terms of Part C of this Credit Annex (as amended, supplemented, varied and/or restated in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars and/or in the relevant Issue Deed) shall supersede, to the extent of any inconsistency, Base Condition 5(h) (Swap).
- 9.3 Unless otherwise specified in the relevant Issue Deed, references in the Base Prospectus to the “Master Swap Terms” shall be deemed to refer instead to the Master Credit Default Swap Terms as set out in Part C to this Credit Annex and as amended or supplemented by the Issue Deed, the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

## **10 Representations**

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- 10.1 By its holding of a Credit Linked Note, each Noteholder is deemed to acknowledge and agree that:
- (i) none of the Issuer, the Arranger, the Dealer, the Swap Counterparty or any of their Affiliates have made any representation whatsoever with respect to any Reference Entity, any Reference Obligation, any Obligation, any Deliverable Obligation, any Underlying Obligor or any Underlying Obligation on which it is relying or is entitled to rely;
  - (ii) the Issuer and the Swap Counterparty will be obliged to perform their respective obligations under the CDS in accordance with the terms of the CDS, irrespective of the existence or amount of the Issuer’s or the Swap Counterparty’s credit exposure to a Reference Entity, and the Issuer’s or the Swap Counterparty need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event;
  - (iii) the Credit Linked Notes do not create any rights or impose any obligations in respect of any entity that is not the Issuer;

- (iv) the Issuer, the Arranger, the Dealer, the Swap Counterparty, the Calculation Agent and each of their Affiliates may deal in each Reference Obligation, Obligation, Deliverable Obligation and Underlying Obligation and may, where permitted, accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, a Reference Entity, any Underlying Obligor, any Affiliate of a Reference Entity or of the Underlying Obligor, or any other person or entity having obligations relating to a Reference Entity, any Underlying Obligor, or any Affiliate of a Reference Entity or of the Underlying Obligor, and may act (but is not obliged to act) with respect to such business in the same manner as each of them would if the Credit Linked Notes did not exist, regardless of whether any such action might have an adverse effect on a Reference Entity, any Underlying Obligor, any Affiliate of a Reference Entity or of the Underlying Obligor, or the position of the Noteholders or otherwise (including, without limitation, any action which might constitute or give rise to a Credit Event);
- (v) the Issuer, the Arranger, the Dealer, the Swap Counterparty, the Calculation Agent and each of their Affiliates may, whether by virtue of the types of relationships described herein or otherwise, on the Trade Date or at any time thereafter, be in possession of information in relation to a Reference Entity, any Underlying Obligor or any Affiliate of a Reference Entity or of the Underlying Obligor, that is or may be material in the context of such Credit Linked Notes or the CDS and that may or may not be publicly available or known to the Noteholders, and neither the Credit Linked Notes nor the CDS create any obligation on the part of such entity to disclose to the Noteholders any such relationship or information (whether or not confidential);
- (vi) the Swap Counterparty is not a fiduciary for or an advisor to any person in respect of the Notes, and acts in all respects as an arm's length contractual counterparty; and
- (vii) calculations or determinations required to be made by the Calculation Agent under the CDS will be made in good faith in its sole and absolute discretion, are effective as of such determination, and shall be conclusive absent manifest error.

**10.2** With respect to each Credit Derivatives Determinations Committee, each Noteholder is deemed to agree:

- (i) that no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, shall be liable, whether for negligence or otherwise, to the Issuer, Swap Counterparty or any Noteholder for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DC Party's performance of its duties, or any advice given by legal counsel or any other third-party professional hired by such DC Party in connection with such DC Party's performance of its respective duties, under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may still be liable to such DC Party; and

- (ii) to waive any claim, whether for negligence or otherwise, that may arise against a DC Party and any legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the DC Rules, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the DC Rules and/or any Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party;

**10.3** Each Noteholder shall be deemed to acknowledge the Disclaimer by the DC Parties provision contained in the DC Rules on the Trade Date. A copy of the DC Rules is available at [www.isda.org/credit](http://www.isda.org/credit).

**10.4** Noteholders will treat as confidential any information about a Reference Entity which is designated by the Issuer as confidential information and conveyed to the Noteholders for the purposes of identifying a Credit Event or giving rise to the determination of a Credit Event.

## **11 Definitions**

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The following terms have the following meanings, provided that references to terms having the meaning given to them in the CDS shall be deemed to include terms which are incorporated by reference into the CDS, as amended and/or supplemented in the CDS:

**"Affiliate"** has the meaning given to it in the CDS.

**"Asset Swap"** means, if applicable, the swap constituted by Part 5(b) of the Master Credit Default Swap Terms (as set out in Part C to this Credit Annex), as incorporated into and amended by the relevant Issue Deed and further supplemented and/or amended by the terms specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

**"Auction Final Price"** has the meaning given to it in the CDS.

**"Auction Final Price Determination Date"** has the meaning given to it in the CDS.

**"Auction Settlement Date"** has the meaning given to it in the CDS.

**"Cash Settlement Date"** has the meaning given to it in the CDS.

**"CDS"** has the meaning given to it in Credit Condition 9.

**"Costs"** has the meaning given to it in the CDS.

**"Credit Derivatives Determinations Committee"** means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.

**"Credit Event"** has the meaning given to it in the CDS.

**"Credit Event Notice"** has the meaning given to it in the CDS.

**"Credit Event Backstop Date"** has the meaning given to it in the CDS.

**"Credit Event Redemption Amount"** means, in respect of each Note, subject to a minimum of zero, such Note's pari passu and rateable share of:

- (i) if there are Initial Securities and an Asset Swap, but no Securities Lending Agreement:

- (a) the proceeds of realisation of any Assets (for the avoidance of doubt, excluding any Assets comprising Eligible Credit Support or Margin Securities which are, in accordance with the terms of the Swap and/or Securities Lending Agreement (as applicable), to be transferred to the Swap Counterparty or Securities Borrower on or prior to the Credit Event Redemption Date) received on the Issuer's behalf from a Liquidation relating to the relevant Event Determination Date or, to the extent such Assets comprise cash, such cash; minus
  - (b) the Auction Settlement Amount or Cash Settlement Amount (as the case may be) in accordance with the terms of the CDS; minus
  - (c) the Related Swap Termination Costs.
- (ii) if there are (1) no Initial Securities or (2) Initial Securities and a Fully Funded Swap or (3) Initial Securities, an Asset Swap and a Securities Lending Agreement:
  - (a) the outstanding Aggregate Nominal Amount of Notes which is subject to redemption on the relevant Credit Event Redemption Date; minus
  - (b) the Auction Settlement Amount or Cash Settlement Amount (as the case may be) in accordance with the terms of the CDS; minus
  - (c) the Related Swap Termination Costs.

**"Credit Event Redemption Date"** means the Auction Settlement Date or Cash Settlement Date (as applicable) of the CDS.

**"Credit Event Resolution Request Date"** has the meaning given to it in the CDS.

**"Credit Linked Notes"** means Notes in respect of which the payments of interest and/or repayment of principal and/or amount deliverable on redemption at maturity, or prior to maturity, will be calculated by reference to and/or contingent upon the occurrence of a Credit Event and an Event Determination Date with respect to one or more Reference Entities and/or certain obligations of such Reference Entity or Reference Entities.

**"DC Credit Event Announcement"** has the meaning given to it in the CDS.

**"DC Credit Event Question"** has the meaning given to it in the CDS.

**"DC No Credit Event Announcement"** has the meaning given to it in the CDS.

**"DC Resolution"** has the meaning given to it in the CDS.

**"DC Rules"** means the Credit Derivatives Determinations Committees Rules, as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

**"DC Secretary"** has the meaning given to it in the CDS.

**"Deferred Maturity Date"** means

- (i) subject to (ii) below, if an Extension Notice is effective and no Event Determination Date occurs on or prior to the Securities Extension Date, three Business Days after the Securities Extension Date or, if an Extension Notice is effective and an Event Determination Date occurs on or prior to the Securities Extension Date, the Credit Event Redemption Date.
- (ii) If a DC Credit Event Question was delivered to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to determine the matter described in such DC Credit Event Question but, as of the last applicable day specified in the definition of Notice Delivery Period, no



announcement had yet been made by the DC Secretary with respect to the date on which the DC Credit Event Question was effective, the later of (1) the date determined pursuant to (i) above; and (2) the date falling three Business Days after the DC Secretary makes such announcement or such earlier date as the Calculation Agent may determine in its sole and absolute discretion.

**“Event Determination Date”** has the meaning given to it in the CDS.

**“Extension Date”** has the meaning given to it in the CDS.

**“Extension Notice”** means an irrevocable notice (which may be oral including by telephone) from the Swap Counterparty to the Issuer, the Calculation Agent and the Issuing and Paying Agent which is effective on or prior to the Scheduled Maturity Date specifying that the Swap Counterparty has determined, in its sole and absolute discretion, that a Reference Entity is or may be subject to a Credit Event, a Potential Failure to Pay or a Potential Repudiation/Moratorium. An Extension Notice is effective when given and if given after 4:00 p.m. London time on a Business Day will be deemed given on the next Business Day.

**“Final Price”** has the meaning given to it in the CDS.

**“Fully Funded Swap”** means, if applicable, the swap constituted by Part 5(c) of the Master Credit Default Swap Terms (as set out in Part C to this Credit Annex), as incorporated into and amended by the relevant Issue Deed and further supplemented and/or amended by the terms specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Governmental Intervention”** has the meaning given to it in the CDS.

**“Hedging Notice”** has the meaning given in Credit Condition 2a.

**“Interest Expiration Date”** means, in respect of an Event Determination Date, the earlier to occur of (i) the final Interest Period End Date; and (ii) the Interest Period End Date falling immediately prior to such Event Determination Date or, if none, the Interest Commencement Date, unless otherwise specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars in relation to Notes.

**“M(M)R Restructuring”** has the meaning given to it in the CDS.

**“Non-Standard Reference Obligation”** has the meaning given to it in the CDS.

**“Notice Delivery Period”** means the period from and including the Trade Date to and including a day that is 3 Business Days following the date that is fourteen calendar days after the Extension Date.

**“Notice of Publicly Available Information”** has the meaning given to it in the CDS.

**“Post Dismissal Additional Period”** means the period from and including the date of the DC Credit Event Question Dismissal to and including a day that is 3 Business Days following the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**“Reference Entity”** has the meaning given to it in the CDS.

**“Reference Obligation”** has the meaning given to it in the CDS.

**“Reference Price”** has the meaning given to it in the CDS.

**“Related Swap Termination Costs”** means the net amount payable in relation to the termination of the Asset Swap or Fully Funded Swap (as applicable) (or, in the case of a partial redemption of the Notes, the relevant hypothetical swap relating to the Asset Swap or Fully Funded Swap, as provided in the Master Credit Default Swap Terms (as set out in Part C to this Credit Annex)) entered into in connection with the Notes (that shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable to the Issuer),

determined by the Calculation Agent in its sole discretion on or as soon as reasonably practicable after the date designated for termination of such Asset Swap or Fully Funded Swap (as applicable) (or, in the case of a partial redemption of the Notes, the relevant hypothetical swap relating to the Asset Swap or Fully Funded Swap) by the Swap Counterparty (which shall be, for the avoidance of doubt, a date determined by the Swap Counterparty not earlier than the relevant Event Determination Date and with regard to the likelihood of the possibility of a reversal of such Event Determination Date and not later than the relevant Credit Event Redemption Date).

**“Resolved”** has the meaning given to it in the CDS.

**“S&P Rated Notes”** means a Series of Notes assigned a rating by S&P.

**“Securities Extension Date”** means the later to occur of (a) the last applicable day specified in the definition of Notice Delivery Period, (b) the last applicable day specified in the definition of Post Dismissal Additional Period, if any, and (c) 14 calendar days after the date of a DC Credit Event Announcement or DC No Credit Event Announcement, in the case of (b) and (c) relating to a Credit Event Resolution Request Date that occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date).

**“Succession Date”** has the meaning given to it in the CDS.

**“Successor”** has the meaning given to it in the CDS.

**“Successor Notice”** has the meaning given to it in the CDS.

**“Termination Date”** has the meaning given to it in the CDS.

**“Underlying Obligor”** has the meaning given to it in the CDS.

**“Valuation Date”** has the meaning given to it in the CDS.

## Part C

### Master Credit Default Swap Terms

#### Background

These Master Credit Default Swap Terms set out certain provisions of the swap agreement relating to the Notes issued by the Issuer under the Issue Deed in which it is specified that the Credit Annex is incorporated by reference. Subject to obtaining prior Rating Agency Confirmation if the Notes are rated by Standard & Poor's or other rating agencies other than Moody's, the terms of these Master Credit Default Swap Terms may be amended or supplemented by the Issue Deed, the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars. Upon the execution of the Issue Deed by the parties thereto described as the parties to the Swap, such parties will be deemed to have entered into the Swap on the terms set out below and in Part D of the Credit Annex, as amended or supplemented by such Issue Deed, Pricing Supplement, Series Prospectus or Series Listing Particulars.

These Master Credit Default Swap Terms shall take effect as a Schedule to the International Swaps and Derivatives Association, Inc. 1992 form of Master Agreement (Multicurrency-Cross Border) (the "**Master Agreement**"), which shall be deemed incorporated into these Master Credit Default Swap Terms as amended herein or in Part D of the Credit Annex or by any provision of the Issue Deed, Pricing Supplement, Series Prospectus or Series Listing Particulars. For such purpose, "Party A" or "Swap Counterparty" shall be the Swap Counterparty specified in the Issue Deed and "Party B" or "Issuer" shall be the Issuer. References herein to a "Section" are to a section of the Master Agreement, unless otherwise specified.

**Part 1**  
**Termination Provisions**

- (a) **“Specified Entity”** means in relation to the Swap Counterparty and the Issuer, not applicable.
- (b) **“Specified Transaction”** will have the meaning specified in Section 14 of the Master Agreement.
- (c) The **“Breach of Agreement”** provisions of Section 5(a)(ii) will apply to the Swap Counterparty but will not apply to the Issuer.
- (d) The **“Credit Support Default”** provisions of Section 5(a)(iii) will not apply to the Swap Counterparty or the Issuer.
- (e) The **“Misrepresentation”** provisions of Section 5(a)(iv) will apply to the Swap Counterparty but will not apply to the Issuer.
- (f) The **“Default under Specified Transaction”** provisions of Section 5(a)(v) will not apply to either the Swap Counterparty or the Issuer.
- (g) The **“Cross Default”** provisions of Section 5(a)(vi) will not apply to either the Swap Counterparty or the Issuer.
- (h) The **“Credit Event upon Merger”** provisions of Section 5(b)(iv) will not apply to either the Swap Counterparty or the Issuer.
- (i) **“Specified Indebtedness”** shall not be applicable.
- (j) **“Threshold Amount”** shall not be applicable.
- (k) The **“Automatic Early Termination”** provision of Section 6(a) will not apply to either the Swap Counterparty or the Issuer.
- (l) **“Payments on Early Termination”** for the purpose of Section 6(e):
  - (i) Loss will apply, provided that the **“Loss”**, as defined in Section 14 shall, in any calculation relating to a termination of a Transaction (or deemed transaction) in relation to the occurrence of an Event Determination Date under the relevant CDS, be deemed to include, without duplication of the **“Costs”** determined in accordance with the CDS (a) any loss, cost or expense (including, but not limited to, the loss of bargain, cost of funding and any related interest rate and basis swaps, or any loss, costs or expenses in terminating or, unwinding any hedging, liquidating, obtaining or re-establishing any hedge or related trading position) incurred as a result of terminating the relevant Transaction (or deemed transaction) early and (b) any costs, fees and expenses incurred in connection with the early redemption of the Notes and/or the delivery of the Assets to the Issuer (if applicable), including, without limitation, any brokers’ commissions, fees and expenses, any taxes of any nature and stamp duties, any funding costs and any legal or other ancillary costs incurred by the Swap Counterparty or the Issuer as a consequence of such early termination, provided that the Calculation Agent may in its sole and absolute discretion make such adjustments to **“Loss”** as it determines is required in order to eliminate the effect of credit spreads which are applied by market counterparties to transactions with the Swap Counterparty which the Calculation Agent has determined in its sole and absolute discretion would not be applied to transactions between market counterparties and the Issuer directly.

- (ii) The Second Method will apply.

Where “Initial Securities/Initial Loan(s)” is specified as applicable, for the avoidance of doubt and for the purposes of this Part 1(l), the determination of the Settlement Amount shall include, with respect to a party’s payment obligations under such Transaction, the interest and principal amounts that would, but for the relevant Early Termination Date (assuming satisfaction of all applicable conditions precedent), have become due and payable by the Issuer to the Noteholders or by the relevant issuer (or relevant borrower, as the case may be) of the Principal Assets to the Issuer (as applicable), in each case, after that Early Termination Date and until the Maturity Date of the Notes or the scheduled maturity date of the Principal Assets (as applicable).

- (m) **“Termination Currency”** means one of the currencies in which payments are required to be made pursuant to the Issue Deed in respect of the Transaction, selected by agreement between the parties or, failing such agreement as aforesaid, or if the currency so selected is not freely available, Euro.
- (n) **“Additional Termination Event”**: Each of the following shall constitute an **“Additional Termination Event”** in respect of which all Transactions entered into in connection with the relevant Series of Notes shall be Affected Transactions and (x) the Issuer shall, in all circumstances other than in the case of a redemption of the Notes in circumstances where an Arranger Bankruptcy Event has occurred, be the sole Affected Party for the purposes of Section 6, or (y) the Swap Counterparty shall, in the case of a redemption of the Notes in circumstances where an Arranger Bankruptcy Event has occurred be the sole Affected Party for the purposes of Section 6, provided that this Part 1(n) shall not apply if an Event Determination Date (as defined in the CDS) has occurred unless an Illegality Event occurs and the Issuer gives notice of an Early Redemption Date pursuant to Base Condition 8(c)(iv):
  - (i) notwithstanding (ii) below, the occurrence of an Asset Event or a Pass-through Notes Event, in which case the Asset Trigger Event Determination Date relating to such an Asset Event or the date of occurrence of such Pass-through Notes Event shall be deemed to have been designated by the Swap Counterparty as the Early Termination Date without need for any further notice or action;
  - (ii) subject to (i) above, the occurrence of the date on which the Issuer gives a notice of redemption pursuant to Base Condition 8(c) (other than pursuant to Base Condition 8(c)(iii) in circumstances where this Agreement has been terminated in whole for any reason), in which case the date on which such notice is given shall be deemed to have been designated as the Early Termination Date by the Swap Counterparty without need for any further notice or action;
  - (iii) the occurrence of the date on which the Trustee gives a notice to the Issuer that the Notes are due and payable pursuant to Base Condition 8(d), in which case the date on which such notice is given shall be deemed to have been designated by the Swap Counterparty as the Early Termination Date without need for any further notice or action;
  - (iv) in circumstances other than as set out in (i) to (iii) above, the Notes become due for redemption in accordance with their Conditions at any time prior to their Maturity Date, in which case the date of occurrence of the relevant event that causes the Notes to become due for redemption in accordance with their Conditions at any time prior to the Maturity Date, shall be deemed to have been designated by the Swap Counterparty as the Early Termination Date without need for any further notice or action;
  - (v) the Calculation Agent determines that the Issuer has failed to give a notice of redemption in respect of the Notes when required to do so pursuant to the Conditions, in which case the Swap

Counterparty may send a notice of termination to the Issuer (copied to the Realisation Agent in respect of the relevant Series of Notes) and notwithstanding anything to the contrary in Section 6(b) of this Agreement, an Early Termination Date shall be deemed to have been designated by the Swap Counterparty on the second Business Day following the day on which delivery of such notice to the Issuer is effective;

- (vi) the occurrence of an Inconvertibility Event as described in Part 5(q) of this Schedule; or
- (vii) a party will, or there is a substantial likelihood that it will, in respect of any payment due from it to the other party under this Agreement, be required to make a deduction or withholding on account of FATCA (as defined in Part 2).

Without prejudice to the generality of the foregoing, for the purposes of this Additional Termination Event, if on the date falling 60 days prior to the earliest date on which withholding on account of FATCA could (in the Swap Counterparty's determination) apply to payments due from the Swap Counterparty to the Issuer under this Agreement (other than interest under Section 2(e), 6(d)(ii) or 6(e) of this Agreement) (such 60th day prior being the "**FATCA Test Date**") the Issuer is a "nonparticipating foreign financial institution" (as such term is used under section 1471 of the U.S. Internal Revenue Code or in any regulations or guidance thereunder), there will on the FATCA Test Date be deemed to be a substantial likelihood that the Swap Counterparty will be required to make deduction or withholding on account of FATCA and, therefore, this Additional Termination Event will have occurred on the FATCA Test Date.

Subject to the immediately following provision, if an Additional Termination Event under this Part 1(n) would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to the first to occur of such other Termination Event or Event of Default.

Notwithstanding the immediately preceding provision, if (i) the Additional Termination Event which gives rise to an Early Termination Date under this Part 1(n) is the occurrence of the date on which the Issuer gives a notice of redemption pursuant to Base Condition 8(c)(v) and (ii) such Additional Termination Event would also constitute or give rise to an Event of Default pursuant to Section 5(a)(vii), it will be treated as giving rise to such Additional Termination Event pursuant to this Part 1(n).

The Issuer shall procure that notice is given to the Swap Counterparty of any notice of early redemption given pursuant to the Conditions of the Notes or the terms and conditions of the Principal Assets (upon the Issuer giving such notice in the former case or upon the Issuer becoming aware of such event in the latter case).

The designation of an Early Termination Date pursuant to this Part 1(n) shall be deemed to be made pursuant to Section 6(b) and Section 6(c) and this Agreement shall be construed accordingly.

For the purposes of this Part 1(n), Section 6(c)(i) shall be amended as follows: the words "or deemed to be given" shall be inserted after the words "is given" and the words "or deemed designated" shall be inserted after the words "so designated".

## Part 2

### Tax Representations

(a) **Payer Tax Representations:** For the purpose of Section 3(e):

- (i) the Swap Counterparty and the Issuer each make the following representation:

“It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax, other than any tax imposed under Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended and the United States Treasury regulations and other guidance issued or any agreements entered into thereunder as well as any successor or similar legislation (“FATCA”), from any payment (other than interest under Section 2(e), 6(d)(ii) or 6(e)) to be made by it to the other party under the Transaction. In making this representation, it may rely on (i) the accuracy of any representations made by the other party pursuant to Section 3(f), (ii) the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) and (iii) the satisfaction of the agreement of the other party contained in Section 4(d), PROVIDED that it shall not be a breach of this representation where reliance is placed on Clause (ii) above and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.”

(b) **Payee Tax Representations:** For the purpose of Section 3(f):

- (i) the Issuer makes the following representation:

“It is a non-US branch of a foreign person for US federal income tax purposes.”

- (ii) the Swap Counterparty makes the following representation:

“It is a non-US branch of a foreign person as those terms are used in Section 1.1441-4(a)(3)(ii) of the United States Treasury Regulations (as in effect from January 2001).”

- (iii) where the Issuer is an Irish Issuer, in addition to the representation in (ii) above, the Swap Counterparty makes the following representation:

“It is resident for the purposes of corporate income tax in the UK and any payment received under the Transaction is not connected with a trade or business carried on by the Swap Counterparty through a branch or agency in Ireland.”

### Part 3 Documents to be delivered

For the purpose of Section 4(a):

**(1) Tax forms, documents or certificates to be delivered are:**

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
the Swap Counterparty and the Issuer	Any form or document required or reasonably requested in order to allow a party to make payments under the Transaction without deduction or withholding for or on account of any Tax or with such deduction or withholding at the reduced rate	Upon reasonable request	Yes

**(2) Other documents to be delivered are:**

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
(a) the Swap Counterparty	A certificate or power of attorney (or, if applicable, the current authorised signature book of the Swap Counterparty) specifying the names of the persons authorised to execute each Issue Deed on behalf of the Swap Counterparty	Before or upon execution and delivery	Yes
(b) the Issuer	A certificate or power of attorney specifying the names, titles and authority of the persons authorised to execute each Issue Deed on its behalf	Before or upon execution and delivery	Yes
(c) the Swap Counterparty	A copy of the annual report of the Swap Counterparty containing audited or	Promptly upon reasonable demand provided such annual report is generally available to the public	Yes



	certified financial statements for the most recently ended financial year		
(d) the Issuer	A certified copy of the Issuer's Memorandum (except in the case of a Luxembourg Issuer) and Articles of Association, a resolution adopted by the Board of Directors of the Issuer authorising the execution and delivery of the Issue Deed and the performance of its obligations thereunder	Upon execution and delivery	Yes
(e) the Issuer	A copy of the Issuer's Certificate of Incorporation (except in the case of a Luxembourg Issuer) and (in the case of a Luxembourg Issuer) a copy of an up-to-date and complete excerpt from the Luxembourg Register of Commerce and Companies relating to the Issuer	Upon execution and delivery	Yes
(f) the Issuer	A copy of a letter from the relevant Process Agent confirming acceptance of its appointment to accept service of process on behalf of the Issuer	Upon execution	No

**Part 4**  
**Miscellaneous**

- (a) **Addresses for Notices:** For the purpose of Section 12(a) the addresses of the parties for notices or communications shall be as specified in the Issue Deed.
- (b) **Process Agent:** For the purpose of Section 13(c):  
the Issuer appoints as its Process Agent the agent specified as such in the Issue Deed.
- (c) **Offices:** The provisions of Section 10(a) will not apply to the Transaction.
- (d) **Multibranch Party:** For the purpose of Section 10(c):  
The Swap Counterparty is a Multibranch Party and may act out of the following Offices:  
London, Tokyo, Hong Kong and Singapore  
the Issuer is not a Multibranch Party.
- (e) **Governing Law:** This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by English law.
- (f) **Netting:** The provisions of Section 2(c) will apply only to the Transactions relating to the Notes.
- (g) **Affiliate:** will, with respect to the Swap Counterparty, have the meaning specified in Section 14; with respect to the Issuer references to “Affiliate” shall not be applicable.
- (h) **Credit Support Provider:** for the purposes of the Master Agreement this will not be applicable to either the Swap Counterparty or the Issuer.
- (i) **Credit Support Document:** for the purposes of the Master Agreement this will not be applicable.

## Part 5

### Other Provisions: Variations/Additions to the Master Agreement

#### (a) Sale and Purchase of Principal Assets:

- (i) Where each of “Swap” and “Principal Assets Purchase under Swap” are specified as applicable, provided that “Fully Funded Swap” is not specified as applicable, in each case in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Series of Notes, the Swap Counterparty and the Issuer will be deemed to have agreed that:
  - (C) the Swap Counterparty will (1) sell, with full title guarantee in a manner consistent with true sale or (2) where the Principal Assets comprise an Initial Loan, Transfer, the Principal Assets in respect of the Notes to the Issuer on the Issue Date of such Notes; and
  - (D) the Issuer will, in consideration for the sale or Transfer of the Principal Assets, pay to the Swap Counterparty an amount equal to the net proceeds of the issue of the Notes or such other amount as may be agreed between the Swap Counterparty and the Issuer (the “**Payment Price**”),

and such agreement shall be deemed to form part of the Transaction deemed to have been entered into by the Swap Counterparty and the Issuer pursuant to Part 5(b) below.

For the purposes of this Part 5(a), a “**Transfer**” of any Principal Assets that comprise an Initial Loan means a transfer of such Initial Loan by way of assignment, sub-participation or by way of a total return swap.

Completion of such sale and purchase or Transfer of the Principal Assets (as applicable) shall take place, subject to the Notes being issued and the Issuer being in receipt of sufficient funds on the Issue Date, by, subject as provided below: (1) delivery of the relevant Principal Assets to the custody account of the Issuer; or (2) where the Principal Assets comprise an Initial Loan, by way of any specific assignment, novation, participation agreement, total return swap or other document or any other action that may be necessary, customary or desirable and reasonably requested by either party in order to effect the Transfer, in each case, against the payment of the Payment Price by or on behalf of the Issuer to or to the order of the Swap Counterparty.

- (ii) Where “Principal Assets Borrowing on Issue Date” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes:
  - (E) if “All Principal Assets” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars, the Swap Counterparty and the Issuer will be deemed to have agreed that the Swap Counterparty’s obligation to deliver or Transfer (as applicable) all of the Principal Assets under this Part 5(a) shall be set off against the Issuer’s obligation to deliver or Transfer (as applicable) such Principal Assets to the Securities Borrower under the Securities Lending Agreement; or
  - (F) if “Some Principal Assets” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars and, accordingly, that the Issuer’s obligation to deliver or Transfer (as applicable) Principal Assets to the Securities Borrower under the

Securities Lending Agreement is in an amount less than all of the Principal Assets (such lesser amount, the “**Lesser Amount**”), the Swap Counterparty and the Issuer will be deemed to have agreed that the Swap Counterparty’s obligation to deliver or Transfer (as applicable) a number of the Principal Assets equal to the Lesser Amount under this Part 5(a) shall be set off against the Issuer’s obligation to deliver or Transfer (as applicable) such Lesser Amount of Principal Assets to the Securities Borrower under the Securities Lending Agreement.

- (iii) Where “Pass-through Notes” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Series of Notes, the Transaction shall automatically terminate, with no amount payable by either party, immediately upon the completion of the sale and purchase or Transfer (as applicable) of the Principal Assets under this Part 5(a).
- (b) **Asset Swap:** Where “Swap” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Series of Notes, if “Initial Securities/Initial Loan(s)” is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, unless “Fully Funded Swap” is also specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, the Swap Counterparty and the Issuer will be deemed to have entered into a Transaction pursuant to which:
  - (i) the Issuer shall pay to the Swap Counterparty on each scheduled date for payment thereof as set out under the Principal Asset Conditions, an amount equal to and in the same currency as the aggregate principal and/or interest (if any) due and payable under the Principal Asset Conditions on such date in respect of the Principal Assets in respect of the Notes (including, for the avoidance of doubt, any such Principal Assets that have been lent pursuant to the Securities Lending Agreement) (such amount being determined in accordance with the Principal Asset Conditions as at the Trade Date, without regard to any subsequent amendment thereto and without regard to any Asset Trigger Event in respect of the Principal Assets); and
  - (ii) unless the CDS (as defined in the Conditions of the Notes) provides for the Swap Counterparty to make payments of Buyer Fixed Rate Payer Payment Amounts (as defined in the CDS), the Swap Counterparty shall pay to the Issuer on each day that payment falls due in accordance with the terms of the Notes, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) (including any adjustment amount determined to be payable by the Issuer in respect of any Event Determination Date (as defined in the CDS) which is subsequently deemed (x) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date; (y) not to have occurred or (z) to have occurred prior to a preceding Interest Period End Date) payable by the Issuer to the Noteholders under the Notes on such date, but excluding any Early Redemption Amount or Credit Event Redemption Amount.

The occurrence of an Event Determination Date under the CDS (if any) shall, for so long as such event is not subsequently determined not to have occurred, be an Additional Termination Event for the purposes of the Transaction constituted by this Part 5(b) for which the Issuer shall be the sole Affected Party and the Transaction constituted by this Part 5(b) shall be the sole Affected Transaction.

The Swap Counterparty agrees to designate as the Early Termination Date in respect of such Additional Termination Event a date not earlier than the Event Determination Date and not later than the Credit Event Redemption Date (as defined in the Credit Conditions). For the avoidance of doubt, the Swap Counterparty

shall, when determining the date for designation of such Early Termination Date, have regard to the likelihood (as determined in the Swap Counterparty's sole and absolute discretion) of the Event Determination Date being subsequently determined to not be an Event Determination Date.

Notwithstanding the foregoing, if the relevant Event Determination Date will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes, the Additional Termination Event shall be deemed to have occurred in respect of a hypothetical swap transaction (rather than the Transaction constituted by this Part 5(b)) deemed to consist of the portion of the payments under the Transaction constituted by this Part 5(b) which relate to the Principal Assets to be Liquidated in connection with such Event Determination Date and the portion of the Aggregate Nominal Amount of the Notes which is to be redeemed in connection with such Event Determination Date, and the above provisions shall be construed to apply to such hypothetical swap transaction accordingly.

Notwithstanding Section 6(d) of the Agreement, the amount payable on termination of the Transaction constituted by this Part 5(b) (or the deemed hypothetical swap transaction in the case of an Event Determination Date which will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes) shall be payable on the relevant Credit Event Redemption Date.

To the extent not previously terminated in accordance with the Master Agreement, such Transaction shall be deemed to terminate on the Maturity Date of the relevant Series of Notes.

For the purposes of these Master Credit Default Swap Terms, "**Principal Asset Conditions**" means the terms and conditions of the Principal Assets in effect as of the later of the Issue Date of the Notes to which the Principal Assets relate and the date on which the Principal Assets were first acquired by the Issuer in connection with the relevant Series of Notes.

- (c) **Fully Funded Swap:** Where "Swap" is specified as applicable and "Pass-through Notes" is specified as not applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Series of Notes, if "Initial Securities/Initial Loan(s)" is specified as not applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars (or if "Initial Securities/Initial Loan(s)" is specified as applicable and "Fully Funded Swap" is also specified as applicable), the Swap Counterparty and the Issuer will be deemed to have entered into a Transaction pursuant to which:
- (i) on the Issue Date of the Notes, the Issuer shall pay to the Swap Counterparty an amount equal to the net proceeds of the issue of the Notes or such other amount as may be agreed between the Swap Counterparty and the Issuer;
  - (ii) unless the CDS (as defined in the Conditions of the Notes) provides for the Swap Counterparty to make payments of Buyer Fixed Rate Payer Payment Amounts (as defined in the CDS), the Swap Counterparty shall pay to the Issuer on each day that payment falls due in accordance with the terms of the Notes, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) (including any adjustment amount determined to be payable by the Issuer in respect of any Event Determination Date (as defined in the CDS) which is subsequently deemed (x) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date; (y) not to have occurred or (z) to have occurred prior to a preceding Interest Period End Date) payable by the Issuer to the Noteholders under the Notes on such date, but excluding any Early Redemption Amount or Credit Event Redemption Amount; and
  - (iii) on the Auction Settlement Date or Cash Settlement Date under the CDS (if any), the Swap Counterparty shall pay to the Issuer an amount equal to the outstanding Aggregate Nominal

Amount of the Notes which is subject to redemption on the relevant Credit Event Redemption Date.

The occurrence of an Event Determination Date under the CDS (if any) shall, for so long as such event is not subsequently determined not to have occurred, be an Additional Termination Event for the purposes of the Transaction constituted by this Part 5(c) for which the Issuer shall be the sole Affected Party and the Transaction constituted by this Part 5(c) shall be the sole Affected Transaction, provided that any calculation of the Early Termination Amount in respect of such Additional Termination Event shall ignore paragraph (iii) above and the payment obligation under paragraph (iii) above shall survive designation of the Early Termination Date in accordance with this paragraph.

The Swap Counterparty agrees to designate as the Early Termination Date in respect of such Additional Termination Event a date not earlier than the Event Determination Date and not later than the Credit Event Redemption Date (as defined in the Credit Conditions). For the avoidance of doubt, the Swap Counterparty shall, when determining the date for designation of such Early Termination Date, have regard to the likelihood (as determined in the Swap Counterparty's sole and absolute discretion) of the Event Determination Date being subsequently determined to not be an Event Determination Date.

Notwithstanding the foregoing, if the relevant Event Determination Date will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes, the Additional Termination Event shall be deemed to have occurred in respect of a hypothetical swap transaction (rather than the Transaction constituted by this Part 5(c)) deemed to consist of the portion of the payments under the Transaction constituted by this Part 5(c) (but excluding paragraph (iii) above) which relate to the portion of the Aggregate Nominal Amount of the Notes which is to be redeemed in connection with such Event Determination Date, and the above provisions shall be construed to apply to such hypothetical swap transaction accordingly.

Notwithstanding Section 6(d) of the Agreement, the amount payable on termination of the Transaction constituted by this Part 5(c) (or the deemed hypothetical swap transaction in the case of an Event Determination Date which will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes) shall be payable on the relevant Credit Event Redemption Date.

To the extent not previously terminated in accordance with the Master Agreement, such Transaction shall be deemed to terminate on the Maturity Date of the relevant Series of Notes.

- (d) **Posted Assets Last Look:** In connection with the sale of any Posted Assets, provided that no Event of Default has occurred and is then continuing in respect of the Swap Counterparty under Section 5(a)(vii), the Realisation Agent shall inform the Swap Counterparty of the highest price for the Posted Assets under any other offer by a third party received on or before the Credit Support Bid End Date and the related terms and conditions of the offer. Following such notification, the Swap Counterparty shall have a right to match the highest price, on the same terms and conditions and to purchase the Posted Assets, each as provided for under that offer, provided that the Swap Counterparty exercises this right before the expiry of the Last Look Period. If the Swap Counterparty fails to either match the highest price or respond before the expiry of the Last Look Period, the Posted Assets shall be Liquidated to the third party which has proposed the highest price on the Credit Support Trade Date.

For the avoidance of doubt, for the purposes of calculation of the Early Termination Amount (if any), no account shall be taken of the economic equivalent of any such right that may be exercised by the Swap Counterparty in accordance with the relevant Conditions.

- (e) **Asset Replacement:** Where "Asset Replacement" is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars in respect of the relevant Series of Notes, the Swap Counterparty may (subject to, in respect of Notes that are rated by Standard & Poor's or other rating

agencies other than Moody's, confirmation from Standard & Poor's or such other rating agencies that there will be no adverse change to the rating of such Notes and, in respect of Notes that are rated by Moody's, notification to Moody's from the Swap Counterparty of the Asset Replacement Notice), from time to time from and including the Issue Date of the Notes to but excluding the day falling five Business Days prior to the Maturity Date of the Notes, deliver a notice in writing substantially in the form set out in Schedule 2 to the Master Agency Terms (an "**Asset Replacement Notice**") to the Issuer requesting that the Issuer delivers or transfers to the Swap Counterparty any Principal Assets then held by or on behalf of the Issuer, in exchange for the delivery or transfer by the Swap Counterparty to the Issuer of Eligible Replacement Assets. The Asset Replacement Notice must specify (i) the name of the issuer or, where such Principal Assets comprise a loan, borrower of the Principal Assets to be replaced and the outstanding principal amount or, where such Principal Assets comprise a loan, outstanding principal balance of the Principal Assets to be replaced (the "**Replaced Securities**" or the "**Replaced Loan**", as the case may be) or, where such Principal Assets comprise any other assets, such information as may be specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, and (ii) the name of the issuer and the ISIN (or such other identification code as may be relevant) of the securities delivered or transferred to the Issuer (the "**Replacement Securities**") or, where such Eligible Replacement Assets comprise a loan, borrower of the loan delivered or transferred to the Issuer (the "**Replacement Loan**") or, where such Eligible Replacement Assets comprise any other assets, such information as may be specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, as the case may be. A copy of the Asset Replacement Notice shall be delivered by the Swap Counterparty to the Custodian or Loan Service Agent, as appropriate. Both the Replaced Loan and the Replacement Loan must be fully drawn as at the date of the proposed replacement. The criteria that apply to such Eligible Replacement Assets shall be set out in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

If "Notional Amount Replacement" is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, such Eligible Replacement Assets must have, where such Principal Assets that are to be replaced comprise securities, an aggregate nominal amount at least equal to the nominal amount of those Principal Assets being replaced or, where such Principal Assets that are to be replaced comprise a loan, an outstanding principal balance at least equal to the outstanding principal balance of the Principal Assets being replaced, or where such Principal Assets comprise any other assets, such requirement as may be specified in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars.

If "Market Value Replacement" is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Notes, such Eligible Replacement Assets (the "**Replacement Assets**") must have an aggregate Market Value at least equal to the aggregate Market Value of those Principal Assets being replaced (the "**Replaced Assets**"), as of the date on which the Asset Replacement Notice is delivered. If the Market Value of the Eligible Replacement Assets and/or the Replaced Assets is deemed to be zero, the Issuer shall be deemed to have automatically declined such asset replacement request.

If "Present Value Replacement" is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the relevant Notes, the present value of the scheduled but unpaid cash flows of such Eligible Replacement Assets must be equal to or greater than the present value of the scheduled but unpaid cash flows of the Principal Assets that are the subject of the replacement. Such present values shall be determined by the Calculation Agent in a commercially reasonable manner using discount factors as implied by the mid-swap curve as at the date of such replacement.

On the Business Day immediately following the receipt by the Swap Counterparty from the Issuer of a countersigned copy of a valid Asset Replacement Notice, the Issuer will cause the delivery or transfer of the

relevant Principal Assets to the Swap Counterparty and the Swap Counterparty will deliver or transfer the relevant Eligible Replacement Assets to or to the order of the Issuer within the customary period for the settlement or delivery of such securities or loan or other assets, as the case may be. Notwithstanding any provision to the contrary, the Issuer shall not be under any obligation to agree to an asset replacement request and shall evidence any agreement by countersigning and returning to the Swap Counterparty (copied to the Custodian and/or the Loan Service Agent, as the case may be) a copy of the relevant Asset Replacement Notice.

Any Principal Assets so delivered or transferred by the Issuer shall be deemed automatically released from the security interests over the Secured Property and shall no longer comprise “Assets” for the purposes of the Conditions of the Notes and any Replacement Assets or cash so delivered or transferred or paid shall form part of the Secured Property. References to Replacement Securities shall include cash in a relevant currency to the extent that cash in such a currency comprises Eligible Replacement Assets provided that, in such circumstances, references to the “issuer” of the Replacement Securities shall then be construed as references to the relevant currency.

For the avoidance of doubt, more than one Asset Replacement Notice may be delivered by the Swap Counterparty prior to the Maturity Date.

As used above in this paragraph:

**“Market Value”** means:

- (i) in relation to Replaced Loans and/or Replacement Loans and/or any assets other than securities or such loans, the market value of such loans or assets as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; and
- (iii) in relation to Replaced Securities and/or Replacement Securities, an amount determined by the Calculation Agent as follows:
  - (A) if a price is displayed on the same Third Party External Pricing Source as that used in relation to the Replaced Securities or Replacement Securities, the market value shall be the price so displayed in respect of such Replacement Securities or Replaced Securities, as applicable; or
  - (B) if sub-paragraph (A) above does not apply, the Calculation Agent shall seek a quotation from at least three dealers in such securities (as selected by the Calculation Agent) and
    - (a) if the Calculation Agent obtains two or more quotations from such dealers, the market value shall be deemed to be an amount equal to the average of the mid-market quotations provided by such dealers or
    - (b) otherwise, the market value shall be deemed to be zero.

**“Third Party External Pricing Source”** means an electronic pricing source published by anyone other than Barclays Bank PLC, which source displays a price in respect of Assets to be Liquidated or the Replacement Assets and the Replaced Assets on the date on which the Asset Replacement Notice is delivered.

- (f) **Reserved:** *This provision is intentionally left blank.*
- (g) **Gross Up:** Neither the Swap Counterparty nor the Issuer will in any circumstances be required to pay additional amounts in respect of any Indemnifiable Tax or be under any obligation to pay to the other any amount in respect of any liability of such other for or on account of any Tax and accordingly Section 2(d)(i)(4) and Section 2(d)(ii) of the Master Agreement shall not apply to the Transaction.



- (h) **Termination on Tax Event:** There shall be inserted after the word “will” where that word appears for the second and third time on the fourth line of Section 5(b)(ii) the words “(or would, but for the effect of Part 5(g) of the Schedule)”.
- (i) **Termination on Tax Event upon Merger:** The “Tax Event upon Merger” provisions of Section 5(b)(iii) will not apply to the Issuer and, only if so specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, will not apply to the Swap Counterparty (for the avoidance of doubt, if the Pricing Supplement, Series Prospectus or Series Listing Particulars do not specify that Tax Event upon Merger will not apply to the Swap Counterparty, the provisions of Section 5(b)(iii) will apply to the Swap Counterparty) and there shall be inserted after the word “will” on the second line of Section 5(b)(iii) the words “(or would, but for the effect of Part 5(g) of the Schedule)”.
- (j) **Separate Agreements:** Section 1(c) shall be deleted and replaced with the following:
- “Each Transaction entered into in connection with the relevant Series of Notes is entered into on the basis that this document is incorporated by reference into the Issue Deed relating to such Transactions so that this document and the relevant Issue Deed shall form a single agreement with respect to such Transactions.
- This document shall not be construed to form a single agreement with two or more Issue Deeds together unless a specified provision to that effect is made in the relevant Issue Deeds. It is understood that the parties would not enter into any Transaction except on the foregoing terms. Reference to this “Agreement” means, with respect to each Transaction entered into in connection with the relevant Series of Notes, this document together with the Issue Deed relating to such Transactions.”
- Section 6(a) shall be amended by inserting the words “entered into in connection with the relevant Series of Notes” after the words “all outstanding Transactions” in the fifth and sixth lines thereof.
- (k) **Netting within Transactions:** Section 6(e) shall be amended to include the following new Section 6(e)(v):
- “Notwithstanding any other provision of this Section 6(e), and in light of Section 1(c), Section 6(e) shall be read and construed so that it only applies in respect of each Issue Deed separately.”
- (l) **Set-off and Cap on Termination Payment:**
- (i) Section 6(e) shall be amended:
- (A) to delete the third sentence of the initial paragraph and include the following new Section 6(e)(vi):
- “Subject as provided below, notwithstanding any Set-off right between the Swap Counterparty on the one hand, and the Issuer on the other, whether now or hereafter in existence, each party agrees that all payments required to be made by it under any Transaction shall be made without Set-off, and that it shall not withhold payment or delivery under any Transaction in respect of any default by the other party under any agreement or any amount relating to any agreement between the other party on the one hand and it on the other provided that, if (a) “Net Collateralisation” is specified as applicable under the Securities Lending Agreement; (b) the Swap Counterparty owes a payment to the Issuer as Early Termination Amount; and (c) the Issuer is still holding Margin Securities after the close out of the Securities Lending Agreement, then the value of such outstanding Margin Securities may be applied by the Issuer in satisfaction of the Swap Counterparty’s obligation to pay such Early Termination Amount and to the extent that such outstanding Margin Securities are so applied, Set-off will occur.”; and

- (B) to include the following new Section 6(e)(vii):

“Any Early Termination Amount that may become payable by the Swap Counterparty in accordance with the provisions of Section 6(e) shall not exceed a sum which, when taken together with the net proceeds (applicable to satisfy the claims of holders of the Notes and the Other Creditors (if any)) of realising the Security Interests over the Secured Property (whether pursuant to a Liquidation by the Realisation Agent or an enforcement of such Security Interests by the Trustee), is sufficient to discharge the full amount of principal and interest due under the Notes and the Secured Agreements and all claims which rank higher than the claims of the holders of the Notes and Other Creditors pursuant to the Issue Deed.”

- (ii) Section 14 shall be amended by inserting the following in alphabetical order:

**“Early Termination Amount”** means, an amount calculated as being due in respect of any Early Termination Date (that shall be expressed as a positive amount if payable by the Swap Counterparty or a negative amount if payable to the Swap Counterparty), determined in accordance with the relevant Swap Termination Method (if any) as specified in the relevant Issue Deed or, if no such Swap Termination Method is specified in the relevant Issue Deed, the provisions of Section 6(e);”

- (m) **Swap Termination Method:** Notwithstanding Section 6(e) of the Master Agreement, the Parties may specify in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes that payments upon early termination of the Swap (**“Early Termination”**) are to be made on the basis of one of “Standard 6(e) Payment”, “No Payment”, “One Way Payment” or “Claims Settlement” (each being a **“Swap Termination Method”**), as set out below.

Where “Standard 6(e) Payment” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes, payments in respect of Early Termination shall be due in accordance with the provisions of Section 6(e).

Where “One Way Payment” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes, then payments in respect of Early Termination shall be due in accordance with Section 6(e), but notwithstanding the provisions of Section 6(e), if the amount otherwise payable would be an amount payable by the Swap Counterparty to the Issuer, such amount shall be deemed to be zero, save that any Unpaid Amounts or any Equivalent Credit Support shall remain payable or deliverable by the relevant party.

Where “No Payment” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes, then, notwithstanding the provisions of Section 6(e), no payments in respect of Early Termination shall be due from either the Swap Counterparty or the Issuer, other than in respect of any Unpaid Amounts or any Equivalent Credit Support, which shall continue to be payable or deliverable by one party to the other as appropriate.

Where “Claims Settlement” is specified as applicable in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes, then payments in respect of Early Termination shall be due in accordance with Section 6(e), but notwithstanding the provisions of Section 6(e), if the amount otherwise payable would be an amount payable by the Swap Counterparty to the Issuer then, in lieu of paying such amount to the Issuer, the Swap Counterparty may assign and/or deliver to the Issuer due but unpaid claims against the Asset Issuer in respect of the Principal Assets having, as at the Early Termination Date, an outstanding principal balance (as determined by the Calculation Agent) equal to the amount otherwise due and payable by the Swap Counterparty.

Where no such Swap Termination Method is specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) in respect of the Notes, the provisions of Section 6(e) shall automatically apply.

(n) **Events of Default:**

- (i) With respect to both parties, Section 5(a)(vii) is deleted in its entirety and replaced by the following:

"(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party: -

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) (other than in the case of the Issuer) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (3) makes a general assignment (for the avoidance of doubt, in the case of the Issuer, excluding any assignment effected under the Issue Deed), arrangement or composition with or for the benefit of, in the case of the Issuer, the Noteholders, or in any other case, its creditors; (4) institutes or has instituted against it a proceeding (other than, in the case of the Issuer, a proceeding instituted by the Swap Counterparty or an Affiliate of the Swap Counterparty) seeking a judgment of insolvency, examinership, bankruptcy or forced liquidation or any other relief under any bankruptcy, examinership or insolvency law or other similar law affecting creditors' rights, or a petition (other than, in the case of the Issuer, a petition presented by the Swap Counterparty or an Affiliate of the Swap Counterparty) is presented for its winding-up, examinership or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency, examinership or bankruptcy or the entry of an order for relief or the making of an order for its winding-up, examinership or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, examinership, official management or forced or voluntary liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) becomes subject to or, other than in the case of the Issuer, seeks, the appointment of an administrator, liquidator, provisional liquidator, conservator, receiver, examiner, trustee, custodian or other similar official for it (other than, in the case of the Issuer, the Trustee in relation to a Series of Notes) or for, in the case of the Issuer, the assets on which the liabilities of the Issuer under the relevant Transaction are secured pursuant to the Issue Deed, or in any other case, all or substantially all its assets; (7) has a secured party (other than, in the case of the Issuer, the Trustee, the Custodian and any person appointed by the Trustee) take possession of, in the case of the Issuer, the assets on which the liabilities of the Issuer under the relevant Transaction are secured pursuant to the Issue Deed, or in any other case, all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against, in the case of the Issuer, the assets on which the liabilities of the Issuer under the relevant Transaction are secured pursuant to the Issue Deed, or in any other case, 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 calendar days thereafter; (8) in the case of a Luxembourg Issuer, is withdrawn from the list of regulated securitisation companies (*sociétés de titrisation agréées*) by the CSSF; or (9) 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 Section 5(a)(vii) (1) to (7) (inclusive); or"

- (ii) The first sentence of Section 6(d)(ii) shall be deleted and replaced with the following:

"An Early Termination Amount will be payable on the day that notice of the amount payable is effective or, if later, the Early Redemption Date in respect of the relevant Series of Notes to which the Issue Deed relates".

(o) **Transfer in certain events**

- (i) With respect only to transfers by the Swap Counterparty, Section 7 is hereby amended by adding in the third line thereof after the word "party," the words "and the Trustee" and adding in the second line of subparagraph (a) thereof after the words "assets to," the words "or reorganisation, incorporation, reincorporation, reconstitution, or reformation into or as".

- (ii) With respect only to transfers by the Issuer, Section 7 shall be deleted and replaced with the following:

"Subject to Section 6(b)(ii), neither the Issuer's rights under the Agreement nor any of the Issuer's interest(s) or obligation(s) in or under the Agreement may be transferred (whether by way of security or otherwise) by the Issuer, except as otherwise contemplated in the Issue Deed.

Any purported transfer that is not in compliance with this Section will be void."

- (iii) There shall be added to the end of the first paragraph of Section 6(b)(ii) the following sentence:

"If the Issuer is the Affected Party it may procure the substitution as principal obligor under the Transaction of a company incorporated in another jurisdiction approved by the Swap Counterparty and the Trustee so that such Termination Event ceases to exist."

- (p) **Consent to Recording:** Each party hereto (i) consents to the electronic recording of its conversations involving its trading or marketing personnel with the other party hereto in connection with the Transaction or any actual or potential Transaction and (ii) agrees to obtain any necessary consent for and give notice of such recording to such personnel.

- (q) **Inconvertibility Event:** the Swap Counterparty and the Issuer have agreed that, in the event that the Issuer is notified by the Calculation Agent, the Custodian or the Loan Service Agent that any amount due to the Issuer from the Asset Issuer in respect of the Principal Assets will not be paid in the manner and at the times contemplated in the Principal Asset Conditions as a result of an Inconvertibility Event, an Additional Termination Event shall be deemed to have occurred in respect of which the Issuer shall be the sole Affected Party.

If, after three Business Days from the occurrence of the Additional Termination Event, the Swap Counterparty has not designated an Early Termination Date in respect of all Affected Transactions, then the Issuer shall (a) as soon as reasonably practicable, cause to be opened a Blocked Account and procure that all amounts that would (but for the Inconvertibility Event) have been paid by the Asset Issuer to the Issuer (or to the Custodian or the Loan Service Agent on its behalf) in respect of the Principal Assets be credited to the Blocked Account, (b) upon any direction of the Swap Counterparty (and to the extent permitted by applicable law), pay amounts standing to the credit of the Blocked Account to the Swap Counterparty or to such party as the Swap Counterparty may direct, and (c) at any time after which an Inconvertibility Event is no longer continuing, use all reasonable endeavours to procure that payments in respect of the Principal Assets be made in accordance with the transaction

documents relating to such Principal Assets. Payments of amounts from the Blocked Account to the Swap Counterparty or to such party as the Swap Counterparty may direct shall discharge the Issuer's obligation to pay such amounts to the Swap Counterparty.

Notwithstanding Section 5(c), if an event or circumstance which would otherwise constitute or give rise to an Event of Default under Section 5(a)(i) also constitutes an Inconvertibility Event, it will be treated as an Inconvertibility Event and will not constitute an Event of Default.

(r) **Additional Definitions**

(i)

- (A) **"Affected Country"** means the country or state or collection of states in respect of which the Affected Currency is the lawful currency for the time being.
- (B) **"Affected Currency"** means any of the currencies (other than the currency in which amounts are payable in respect of the Notes (the **"Relevant Currency"**)) in which interest and/or principal are from time to time payable pursuant to and in accordance with the Principal Asset Conditions.
- (C) **"Blocked Account"** means an interest bearing account in the currency of the Principal Assets described as such, or any such interest bearing account, in the name of the Issuer which may be an existing account or an account that is opened following the occurrence of an Inconvertibility Event with a licensed, deposit-taking bank or financial institution nominated by the Swap Counterparty and satisfying any requirements as to rating as may be necessary to ensure no downgrading of the credit rating (if any) of the related Notes, to which the Issuer shall procure that amounts received in respect of the Principal Assets shall be paid, for so long as an Inconvertibility Event has occurred and is continuing.
- (D) **"Eligible Replacement Assets"** has the meaning given to it in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars (as the case may be) for the relevant Series of Notes.
- (E) **"Replacement Assets"** means any Eligible Replacement Assets that are transferred by the Swap Counterparty to the Issuer (or to the Custodian on behalf of the Issuer) hereunder in the event that "Asset Replacement" is specified as applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, provided that such Eligible Replacement Assets shall only comprise Replacement Assets (and, accordingly, shall only comprise a part of the Assets) for so long as such Eligible Replacement Assets are held by or on behalf of the Issuer.
- (F) **"Inconvertibility Event"** means the occurrence of any of the following events: (a) the failure of the central bank and/or monetary authority of the Affected Country to exchange, or to approve or permit the exchange of the Affected Currency for the Relevant Currency or any other action of any governmental authority of such Affected Country (including the promulgation, operation or enforcement of any law, act, decree, regulation, ordinance, order, policy or determination or modification of, or change in the interpretation of any of the foregoing) or any event in such Affected Country (including a decree by the parliament or equivalent governing body or authority of such Affected Country or the president, prime minister or equivalent officeholder of such Affected

Country) that has the effect of restricting such exchange or the transfer of funds outside of such Affected Country, or the transfer of the Affected Currency within such Affected Country, or which causes the Relevant Currency to be unavailable in any legal exchange market thereof in such Affected Country in accordance with normal practice; (b) a declaration by a governmental authority of such Affected Country of a moratorium on the payment of external indebtedness payable in the Relevant Currency, or the imposition by any governmental authority of such Affected Country of any moratorium on, the required scheduling of, or required approval of, the payment of any indebtedness, or any similar actions; or (c) any expropriation, confiscation, requisition, nationalisation or other action by any governmental authority of such Affected Country which deprives the Issuer of all or a substantial portion of its assets in such Affected Country.

- (ii) Terms defined in the Issue Deed shall have the same meanings in these Master Credit Default Swap Terms unless otherwise defined herein.
- (iii) The definitions and provisions contained in the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into each Issue Deed. In the event of any inconsistency between those definitions and provisions and any Issue Deed, the Issue Deed will govern.

(s) **Relationship Between Parties**

Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

- (i) *Non-Reliance.* It is acting for its own account and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgement and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.
  - (ii) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice) and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.
  - (iii) *Status of Parties.* The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
- (t) **Limited Recourse:** The Swap Counterparty shall have recourse only to the Secured Property. If the Enforcement Proceeds or the Net Proceeds, as the case may be, are not sufficient to make all payments that, but for the effect of this provision, would then be due in respect of the Issuer Obligations, then the obligations of the Issuer in respect of such Issuer Obligations will be limited to (a) the net proceeds of realisation of the relevant Assets, plus (b) the absolute value of the Aggregate Termination Costs (if any) payable to the Issuer, in each case, plus any other Secured Property, and the Issuer shall have no further obligation in respect of such Issuer Obligations, in each case, as applied in accordance with the order of

priority set out in the Trust Deed, and the other assets of the Issuer will not be available for payment of any Shortfall arising therefrom. Any such Shortfall shall be borne by the Creditors, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent and the other Secured Agents according to the priorities specified in the Trust Deed.

The Issuer will not be obliged to make any further payment in excess of the Enforcement Proceeds or the Net Proceeds, as the case may be, and accordingly no debt shall be owed by the Issuer or any of its officers in respect of any Shortfall remaining after realisation of the Security Interests under Base Condition 5(c) or Base Condition 11, as the case may be, and application of the proceeds in accordance with the Trust Deed. None of the Trustee, any Noteholder, the Realisation Agent, any Creditor, the Dealer, the Custodian, the Loan Service Agent, the Issuing and Paying Agent or any other Secured Agent (or any person acting on behalf of any of them or any other party to the Issue Deed) shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer to recover such Shortfall. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Base Condition 8(d). This paragraph shall survive redemption of the relevant Series of Notes and the termination or expiry of this Master Agreement.

- (u) **Notices:** Section 12(a) shall be amended by deleting from the second and third lines thereof the words “(except that a notice or other communication under Section 5 or 6 may not be given by facsimile or electronic messaging system)”.
- (v) **Issuing and Paying Agent Payment:** the Swap Counterparty hereby undertakes with the Issuer that, unless otherwise provided in the Issue Deed, and until duly requested otherwise, it will make payment of all sums payable to the Issuer in respect of the Transaction directly to the Issuing and Paying Agent in respect of the Series of Notes to which such Issue Deed relates.
- (w) **Confidentiality:** If any forms, documents or certificates required to be delivered by a party pursuant to Section 4(a) of the Master Agreement contain any information or material which the party providing the form determines in its sole discretion to be confidential, such party may, in lieu of delivering such form, document or certificate to the other party, arrange for its delivery directly to the relevant governmental taxing authority, under such terms and conditions as are reasonably satisfactory to the other party, in order to protect the confidentiality of the material contained therein.
- (x) **Section 2:** Section 2(b) is hereby amended by adding the following at the end thereof:

“If such new account shall not be in the same tax jurisdiction as the original account, the prior written consent of the other party is required for such change.”
- (y) **Section 12:** Section 12(a)(iv) is hereby replaced with the following:

“(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted provided, however, that a party shall first attempt to send notice by overnight courier or telex as specified in subparagraphs (i) and (ii) above; or”
- (z) **Additional Representation:** Each party agrees that each Transaction is not intended to be, and does not constitute, a contract of surety, insurance, guarantee or indemnity. The parties acknowledge that no payment to the Swap Counterparty under any Transaction will be conditional upon the Swap Counterparty sustaining or being exposed to risk or loss and that the rights and obligations of the parties under each transaction are not dependent upon either party owning or having any legal, equitable or other interest in direct or indirect exposure to a specific reference obligation. The Swap Counterparty is not required to purchase or hold any notional reference obligation, to the extent that it does so hold any

notional reference obligation, it is free to dispose of it and the Swap Counterparty is free to trade with any notional reference entity.

- (aa) **Replacement of Calculation Agent and determination of Swap Termination Costs:** In the event that a replacement Realisation Agent is appointed, the appointment of the then Calculation Agent shall automatically terminate and the entity which has been appointed as replacement Realisation Agent shall be deemed to be appointed as replacement Calculation Agent under this Master Agreement. Such replacement Realisation Agent shall also determine the Swap Termination Costs which shall be equal to the Early Termination Amount.
- (bb) **Depackaging Option Early Termination Amount:** Where the Noteholder Depackaging Option has been validly exercised pursuant to Base Condition 8(b), notwithstanding the foregoing, the Early Termination Amount shall not be subject to any adjustment resulting from any movements in such calculated value between the date on which such value was calculated and the Early Termination Date.
- (cc) **Reinstatement of Conditional Obligations:** If a party does not perform any obligation that, but for Section 2(a)(iii), would have been due to be performed by such party, the obligation of such party to perform such obligation shall be deemed only to be suspended (and shall not be extinguished), and such obligation shall become due at such time, if ever, as all applicable conditions precedent to such obligation under Section 2(a)(iii) are satisfied.
- (dd) **Suspension of Payments:** Where a party has not performed any obligation which, but for the application of Section 2(a)(iii), would have been due in accordance with Section 2(a)(i), and has been entitled either to designate an Early Termination Date with respect to such Transaction or to deliver a notice in order to commence any grace period, in each case for a period of 30 calendar days but has not done so, an Early Termination Date shall be deemed automatically designated or such notice deemed automatically delivered in accordance with the terms of the Master Agreement on the Local Business Day falling on or immediately following such 30th calendar day and, in the case of any notice commencing any grace period, an Early Termination Date shall be deemed automatically designated upon the entitlement to designate an Early Termination Date arising on expiration of such grace period.
- (ee) **Jurisdiction:** Section 13(b) shall be deleted in its entirety and replaced by the following:

“With respect to any suit, action or proceedings relating to this Master Agreement (“**Proceedings**”), the Issuer irrevocably submits to the exclusive jurisdiction of the English courts.”
- (ff) **Third Party Rights:** A person (other than the Realisation Agent when acting in its capacity as the Issuer’s agent) who is not a party to this Master Agreement shall not have any right by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise to enforce any term (express or implied) of this Master Agreement.
- (gg) **Determinations on behalf of the Issuer:** To the extent that the Issuer would otherwise be required to make any determination under the Master Agreement, the parties agree and acknowledge that the Calculation Agent (which term shall, for the avoidance of doubt, include any replacement Calculation Agent) under the Notes shall be entitled to make any such determination for and on behalf of the Issuer.
- (hh) **Trade Date definition:** Notwithstanding the definition of “Trade Date” set out in Section 3.7 of the ISDA Definitions and in Section 1.13 of the Credit Derivatives Definitions, the Parties agree that they have entered into the Transactions under this Agreement (including, for the avoidance of doubt, any Transaction constituted by Part 5 hereto (if any) and the CDS) on the first day on which all parties to the Issue Deed have signed the Issue Deed.



- (ii) **Trade Reporting:** The Issuer agrees that the Swap Counterparty may report the details of the Transactions entered into under this Agreement (including any modification or termination of such Transactions) to a trade repository that collects and maintains the records of derivatives.
- (jj) **Increased Cost of Hedging.** If an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation occurs, the Calculation Agent may (in its sole and absolute discretion) determine whether appropriate adjustments can be made to the terms of the CDS with corresponding amendments to the Conditions and any other provisions relating to the Notes, to account for the effect of such event provided that such amendments shall be made with a view to preserving substantially the economic effect to the Noteholders of a holding of the relevant Notes.

If the Calculation Agent determines (in its sole and absolute discretion) that:

- (a) such adjustment(s) can be made, it shall determine the effective date and terms of such adjustments and notify the Issuer, the Swap Counterparty, the Custodian, the Issuing and Paying Agent and the Trustee (each a “**Party**”) of the same. No consent shall be required from any Party, and each Party shall promptly take such action and execute all documentation as the Calculation Agent may reasonably require to effect any such adjustments, provided that:
  - (i) the Calculation Agent may only require action to be taken or documentation to be executed with a view to preserving substantially the economic effect to the Noteholders of a holding of the relevant Notes;
  - (ii) the Trustee shall not be obliged to do anything which would impose more onerous obligations upon it or expose it to increased or additional liabilities or reduce its protections; and
  - (iii) in the case of S&P Rated Notes, that such adjustments have been sanctioned by an Extraordinary Resolution of Noteholders.

The Issuer shall notify Noteholders of any such adjustment(s) as soon as reasonably practicable after it has received notice of the nature and effective date of the adjustments (which may, in the case of S&P Rated Notes, be a date expressed by reference to the date on which the Extraordinary Resolution sanctioning such adjustments has been passed). Any adjustment made in accordance with this provision shall be conclusive and binding (in the absence of manifest error) on all parties, including the Noteholders, without the need for further action or requirement for consent (including from the Trustee or the Noteholders); or

- (b) in the case of Notes other than S&P Rated Notes, no adjustment that could be made would produce a commercially reasonable result and preserve substantially the economic effect to the Noteholders of a holding of the relevant Notes, it shall notify the Issuer and the Trustee of such determination, and an Additional Termination Event shall occur under Part 1(n) of the Master Swap Terms pursuant to the deemed occurrence of an Additional Redemption Event under the Notes.

In the case of S&P Rated Notes, if an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation occurs, the Swap Counterparty may (in its sole and absolute discretion) elect to designate an Additional Redemption Event and upon such election being notified to the Issuer and the Trustee, an Additional Termination Event shall occur under Part 1(n) of the Master Swap Terms pursuant to the deemed occurrence of an Additional Redemption Event under the Notes, provided that:

- (a) the notice from the Swap Counterparty electing the designation of the Additional Redemption Event must also specify the Final Exchange Date for the purposes of paragraph (b) below, which must be a Business Day;

- (b) upon the election by the Swap Counterparty to designate an Additional Redemption Event, the CDS shall be deemed to include an obligation for the Issuer to deliver all Assets (if any) to the Swap Counterparty as a Final Exchange Amount for which the Final Exchange Date is the day specified in the notice from the Swap Counterparty designating the Additional Redemption Event;
- (c) notwithstanding anything to the contrary in Part 1(n) of the Master Swap Terms, the Early Termination Date shall not be deemed to have occurred until the delivery of all Assets (if any) has been made pursuant to (a) above, upon which the Early Termination Date shall be deemed to have occurred; and
- (d) the Swap Counterparty's "Loss" for the purposes of determining the amount payable under Section 6(e) shall be deemed to be a negative amount equal to the aggregate of the Early Redemption Amounts for all outstanding Notes in respect of such Additional Redemption Event.

For the purposes of this Part 5(jj), "Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation" means that the Calculation Agent determines (in its sole and absolute discretion) that, as of the relevant time on the relevant date, not less than seven of the first eight "Eligible Global Dealers" on the "Global Dealer Trading Volume List" as determined for the most recent "List Review Date" (in each case, as defined in the DC Rules) as at the relevant time sign up to a credit default swap industry-wide protocol or similar agreement to document credit default swaps by way of documentation differing from the prevailing market standard credit default swap documentation existing as of the Trade Date in respect of the CDS, and as a consequence the Swap Counterparty and/or any of their Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) and/or materially increased (as compared with circumstances existing on the Trade Date) costs related to that CDS, including without limitation internal charges of the Swap Counterparty and/or any of their Affiliates in terms of increasing its risk asset weighting and/or worsening any other leverage ratio treatment to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of issuing and performing its obligations with respect to the CDS, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

The Trustee shall be entitled to rely without liability and without further enquiry on any determination made by the Calculation Agent pursuant to this Part 5(jj) which shall (in the absence of manifest error and, in the case of S&P Rated Notes, if the sanction by an Extraordinary Resolution of Noteholders is required by Credit Condition 2a, following such sanction) be conclusive and binding on all parties and the Trustee shall not be required to monitor, enquire or satisfy itself as to whether an Increased Cost of Hedging Due to Market-Wide Change in Standard CDS Documentation has occurred or whether any adjustments can be made to the terms of the CDS (with corresponding amendments to the Conditions and any other provisions relating to the Notes) to preserve substantially the economic effect to the Noteholders of a holding of the relevant Notes. The Trustee shall have no liability or responsibility for any amendment or redemption that occurs pursuant to this Part 5(jj).

## Part D

### Master CDS Confirmation

The Credit Derivative Transaction the terms of which are set out in this Confirmation (the “CDS”) is subject to the terms and conditions in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) (the “Credit Derivatives Definitions”), subject to the amendments and provisions below. In the event of an inconsistency between the terms set out below and the Credit Derivatives Definitions, the terms set out below shall govern. All references to Section numbers below are to such Sections in the Credit Derivatives Definitions.

- (i) Terms used and not defined in this Part D or the Credit Derivatives Definitions have their meanings as provided in the Conditions of the Notes to which this Part D relates.
- (ii) A Credit Event Notice, Notice of Publicly Available Information, notification of the occurrence of a Succession Date, notification of identification of a Substitute Reference Obligation and Successor Notice are effective under this CDS when delivered by the Swap Counterparty to the Issuing and Paying Agent and any references in the Credit Derivatives Definitions to a Notifying Party or a party to the Transaction delivering such notifications to the other party to the Transaction and/or the Calculation Agent, or the Calculation Agent delivering such notifications to the parties to the Transaction, shall be construed accordingly.
- (iii) The phrases “after consultation with the parties” and “in consultation with the parties” are deleted wherever they appear in the Credit Derivatives Definitions.
- (iv) The definition of “Notice Delivery Period” shall have the meaning given to it in the Credit Conditions.
- (v) The definition of Public Sources in Section 1.36 (*Public Source*) of the Credit Derivatives Definitions is amended to include, in addition to those other public sources identified in such Section, such other published or electronically displayed news or other information sources referenced in any Notice of Publicly Available Information.
- (vi) Section 11.4 (*Merger of Reference Entity and Seller*) of the Credit Derivatives Definitions shall be deemed to have been deleted.
- (vii) Notwithstanding Section 13.1 (*Application of the Credit Derivatives Physical Settlement Matrix*), the only terms set out in the Credit Derivatives Physical Settlement Matrix with respect to the relevant “Transaction Type” which shall be deemed to apply to the CDS are those terms identified in the Pricing Supplement, Series Prospectus or Series Listing Particulars as so applying.
- (viii) If a Specified Reference Obligation is specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, such Specified Reference Obligation shall be treated as an “obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as the Reference Obligation in the related Confirmation” for the purpose of Section 2.8 (*Original Non-Standard Reference Obligation*) of the Credit Derivatives Definitions.

#### 1 General Terms

Trade Date:	As per the Notes
Effective Date:	Issue Date of the Notes.

Scheduled Termination Date:	Scheduled Maturity Date of the Notes
Floating Rate Payer:	Issuer (“ <b>Seller</b> ”)
Fixed Rate Payer:	Swap Counterparty (“ <b>Buyer</b> ”)
Calculation Agent:	Swap Counterparty. Barclays is not a fiduciary for or an advisor to any person in respect of the Notes, and acts in all respects as an arm’s length contractual counterparty. Calculations or determinations required to be made by the Calculation Agent shall be made in good faith in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.
Transaction Type:	As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars
Calculation Agent City:	<p>Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars:</p> <ul style="list-style-type: none"> <li>(i) in relation to a Reference Entity for which the Transaction Type is North American Corporate, Standard North American Corporate, Latin America Corporate B, Standard Latin America Corporate B, Latin America Corporate BL, Standard Latin America Corporate BL, Latin America Sovereign, Standard Latin America Sovereign, U.S. Municipal Full Faith and Credit, Standard U.S. Municipal Full Faith and Credit, U.S. Municipal General Fund, Standard U.S. Municipal General Fund, U.S. Municipal Revenue or Standard U.S. Municipal Revenue, New York;</li> <li>(ii) in relation to a Reference Entity for which the Transaction Type is Japan Corporate, Standard Japan Corporate, Japan Financial Corporate, Standard Japan Financial Corporate, Japan Sovereign or Standard Japan Sovereign, Tokyo; or</li> <li>(iii) otherwise, London.</li> </ul>
Business Days:	Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, London and the financial centre for the Settlement Currency (or, in the case of EUR, TARGET)
Business Day Convention:	Following (which, subject to Section 1.53 ( <i>Business Day Convention</i> ) of the Credit Derivatives Definitions, shall apply to any date other than the Trade Date and the Scheduled Termination Date)
Reference Entity:	Each Reference Entity specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, and any Successors

Standard Reference Obligation:	As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars
Seniority Level:	As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars
Reference Obligation:	In respect of a Reference Entity, (i) for the purposes of “Settlement Terms” in paragraph 4 hereof and Article VII of the Credit Derivatives Definitions, (a) an obligation of such Reference Entity chosen by the Calculation Agent satisfying the definition of Deliverable Obligation in accordance with Section 3.2 ( <i>Deliverable Obligation</i> ) of the Credit Derivatives Definitions, for which purpose (x) the Deliverable Obligation Category and the Deliverable Obligation Characteristics specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars shall apply and (y) if Asset Package Delivery is applicable, the Reference Obligation may be an Asset Package, in lieu of the Prior Deliverable Obligation or Package Observable Bond; or (b) an obligation of the Reference Entity determined in accordance with Section 2.5 of the Credit Derivatives Definitions; and (ii) for all other purposes (including for the purposes of Section 3.2 ( <i>Deliverable Obligation</i> ) of the Credit Derivatives Definitions), as per Section 2.5 ( <i>Reference Obligation</i> ) of the Credit Derivatives Definitions, with any Original Non-Standard Reference Obligation being the “Specified Reference Obligation” with the “Issuer” name, “Maturity”, “Coupon”, “Ranking” and “CUSIP/ISIN” and/or any other identifying features as may be specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, if any.
All Guarantees:	As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars
Fixed and Floating Rate Payer Calculation Amount:	An amount equal to and in the same currency as the Aggregate Nominal Amount of the Notes, unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars

## 2 Fixed Payments

	Fixed Amounts, as specified under Article XII of the Credit Derivatives Definitions, shall not be payable under the CDS.
	Instead, unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, on each Buyer Fixed Rate Payer Payment Date, the Buyer shall pay to the Seller the Buyer Fixed Rate Payer Payment Amount relating to such Buyer Fixed Rate Payer Payment Date.
Buyer Fixed Rate Payer Payment Amounts:	Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, an amount equal to and

in the same currency as the aggregate principal and/or interest amount (if any) (including any adjustment amount determined to be payable by the Issuer in respect of any Event Determination Date which is subsequently deemed (x) to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date; (y) not to have occurred or (z) to have occurred prior to a preceding Interest Period End Date) payable by the Issuer to the Noteholders under the Notes, excluding any Early Redemption Amount or Credit Event Redemption Amount.

**Buyer Fixed Rate Payer Payment Dates:** Interest Payment Dates under the Notes and any day on which an adjustment payment is determined to be payable in accordance with Credit Condition 6 (*Interest Adjustment*), provided, however, if an Event Determination Date occurs or exists as provided below, all Buyer Fixed Rate Payer Payment Amounts no longer accrue as of the Interest Expiration Date (as defined in the Credit Conditions). If a request has been raised for a Credit Derivatives Determinations Committee to Resolve whether a Credit Event has occurred, on or prior to a Buyer Fixed Rate Payer Payment Date, then the Buyer Fixed Rate Payer Payment Date shall be deferred to the date falling on the earlier to occur of (a) 20 Business Days after the earlier of (i) the date that a DC Resolution with respect to the request is published or (ii) the date that ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to answer the question; and (b) the Scheduled Termination Date.

3 Floating Payments:			
Notifying Party:			Swap Counterparty
Notice of Publicly Available Information:			Applicable, unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars.
Specified Number:			Two, unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars.
Credit Events:			The Credit Events specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars.
Grace Period Extension:			Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, Not Applicable
Obligations:			<p>Obligation Category: As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars</p> <p>Obligation Characteristics: As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars</p> <p>Excluded Obligations: For the purposes of Section 3.6(a)</p>

(*Excluded Obligation*) of the Credit Derivatives Definitions, as specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars (if any)

Deliverable Obligations:

Deliverable Obligation Category: As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars

Deliverable Obligation Characteristics: As specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars

Excluded Deliverable Obligations: For the purposes of Section 3.7(a) (*Excluded Deliverable Obligation*) of the Credit Derivatives Definitions, as specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars (if any)

#### 4 Settlement Terms:

Settlement Method:

Auction Settlement.

For the avoidance of doubt, if more than one set of Deliverable Obligation Terms are published by ISDA in respect of the Credit Derivatives Auction Settlement Terms relating to the relevant Reference Entity, the relevant Auction for the purposes of determining the Auction Final Price shall be an Auction (if any) in respect of which the Deliverable Obligation Terms require that the relevant obligations be Not Subordinated to obligations which are of the same seniority as the Reference Obligation; such auction, as selected and determined by the Calculation Agent in its sole and absolute discretion.

Fallback Settlement Method:

Cash Settlement.

Reference Price:

Unless otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars, 100%

Costs:

An amount in the Settlement Currency determined by the Calculation Agent, in its sole and absolute discretion, applying such commercially reasonable procedures as it deems appropriate, equal to the sum of, without duplication of the costs included in the Related Swap Termination Costs (as defined in the Credit Conditions) (a) any loss, cost or expense (including, but not limited to, the loss of bargain, cost of funding and any related interest rate and basis swaps, or any loss, costs or expenses in terminating or, unwinding any hedging, liquidating, obtaining or re-establishing any hedge or related trading position) incurred as a result of terminating this Transaction early (including upon settlement following a Credit Event) (which shall be a positive amount if payable to the Buyer, and a negative amount if payable to the Seller) and (b) any costs, fees and expenses incurred in connection with the early redemption of the Notes and/or the delivery of the Assets to the Buyer (if applicable), including,

without limitation, any brokers' commissions, fees and expenses, any taxes of any nature and stamp duties, any funding costs and any legal or other ancillary costs incurred by the Seller or the Buyer as a consequence of such early termination, provided that the Calculation Agent may in its sole and absolute discretion make such adjustments to "Costs" as it determines is required in order to eliminate the effect of credit spreads which are applied by market counterparties to transactions with the Swap Counterparty which the Calculation Agent has determined in its sole and absolute discretion would not be applied to transactions between market counterparties and the Seller directly.

#### Terms Relating to Auction Settlement:

Auction Settlement Amount	In respect of the relevant Reference Entity, an amount, subject to a minimum of zero, equal to (A)(i) the Floating Rate Payer Calculation Amount multiplied by (ii) the Reference Price minus the Auction Final Price, plus (B) Costs
Auction Settlement Date	5 Business Days following the Auction Final Price Determination Date, or such other date specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars.
Auction Final Price:	Auction Final Price has the meaning set forth in the Transaction Auction Settlement Terms in respect of the relevant Reference Entity.

Where:

**"Credit Derivatives Auction Settlement Terms"** means any Credit Derivatives Auction Settlement Terms published by ISDA, a copy of which will be published by ISDA on its website from time to time and may be amended from time to time. A form of the Credit Derivatives Auction Settlement Terms is available at [www.isda.org](http://www.isda.org).

**"Transaction Auction Settlement Terms"** means the Credit Derivatives Auction Settlement Terms applicable to the relevant Reference Entity and obligations of the relevant Reference Entity that are Not Subordinated to obligations which are of the same seniority as the Reference Obligation and for which this Transaction would be an Auction Covered Transaction.

#### Terms Relating to Cash Settlement:

Cash Settlement Amount:	In respect of the relevant Reference Entity, an amount, subject to a minimum of zero, equal to (A)(i) the Floating Rate Payer Calculation Amount multiplied by (ii) the Reference Price minus the Final Price, plus (B) Costs.
Final Price:	In respect of the Reference Obligation, the price of such



Reference Obligation (expressed as a percentage of its Outstanding Principal Balance or Due and Payable Amount, as applicable) which shall be determined by the Calculation Agent in its sole and absolute discretion in accordance with the Valuation Method. All references in Section 7.7(b) (*Quotation*) of the Credit Derivatives Definitions to a party that is not the Calculation Agent seeking Quotations shall be deleted.

Cash Settlement Date:	In respect of the relevant Reference Entity, the date which is 5 Business Days following the date upon which the Cash Settlement Amount in respect of such Reference Entity is determined, or such other date specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars.
Valuation Date:	Single Valuation Date. The Valuation Date shall be a Business Day selected by Buyer that is not less than 5 Business Days after the Auction Cancellation Date, No Auction Announcement Date or other date pursuant to Section 6.1 ( <i>Auction Settlement</i> ) of the Credit Derivatives Definitions on which it is determined that the Fallback Settlement Method shall apply, as the case may be.
Valuation Time:	A time specified by the Calculation Agent as close as reasonably practicable to 11:00 a.m. in the relevant Calculation Agent City unless the Calculation Agent determines the principal market for transactions in the relevant Reference Obligation is closed at such time, in which case the Valuation Time shall be such other time selected by the Calculation Agent.
Quotation Method:	Bid
Quotation Amount:	In respect of a Reference Obligation, an amount specified by the Calculation Agent that is an integral multiple of 1,000,000 units in the Obligation Currency and not in excess of the Floating Rate Payer Calculation Amount, or as otherwise specified in the Pricing Supplement, Series Prospectus or Series Listing Particulars
Asset Package Quotations:	If an Asset Package Credit Event has occurred and the Reference Obligation chosen by the Calculation Agent is an Asset Package, (i) valuation of the relevant Reference Obligation will be satisfied by valuation of the related Asset Package, and such Asset Package shall be treated as having the same currency and Outstanding Principal Balance as the Prior Deliverable Obligation or Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if the Asset Package is zero, the Final Price shall be equal to zero, and (iii) for any other Asset Package, the Calculation Agent shall determine the value of the Asset Package in its sole and absolute discretion and a Full Quotation shall be deemed to have been obtained (for such valuation, the Calculation Agent may obtain

quotations for some or all of the components of the Asset Package and/or take account of any method for determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument).

Dealers: Dealers, financial institutions or funds that deal or invest in obligations of the type for which Quotations are to be obtained, as selected by and inclusive of Buyer.

Settlement Currency: The currency in which the Floating Rate Payer Calculation Amount is denominated.

Valuation Method: Highest

## **5 Settlement following Credit Event:**

If the Auction Final Price Determination Date, Valuation Date or Termination Date (as applicable) has occurred following the occurrence of an Event Determination Date with respect to the relevant Reference Entity, unless otherwise provided in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, the following additional provisions shall apply.

- (i) If “Credit Support Annex” is specified to be applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, notwithstanding the terms of such Credit Support Annex, the Swap Counterparty and the Issuer agree that on or prior to the Auction Settlement Date or Cash Settlement Date (as applicable), the Transferee shall transfer to the Transferor Equivalent Credit Support equivalent to the Transferor’s Credit Support Balance (or, if the occurrence of the Event Determination Date will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes, a portion of the Transferor’s Credit Support Balance determined by the Valuation Agent to be attributable to such portion of the Notes being redeemed) and, provided that the occurrence of the Event Determination Date will cause a redemption of the outstanding Aggregate Nominal Amount of the Notes, upon delivery of all such Equivalent Credit Support, the Credit Support Annex shall terminate with no payment or delivery due to either the Swap Counterparty or the Issuer.

All capitalised terms used in this paragraph but not defined herein shall have the meanings given to them in the Credit Support Annex constituted by the Issue Deed in respect of the Notes:

- (ii) If “Securities Lending Agreement” is specified to be applicable in the relevant Pricing Supplement, Series Prospectus or Series Listing Particulars, notwithstanding the terms of such Securities Lending Agreement:
  - (a) the occurrence of the Auction Final Price Determination Date, Valuation Date or Termination Date (as applicable) following the occurrence of an Event Determination Date shall be deemed to be an “Event of Default” for the purposes of the Securities Lending Agreement and the “Termination Date” pursuant to paragraph 11.2 of the Securities Lending Agreement (as inserted by section 14(g) of the Master Securities Lending Terms) shall be deemed to be the Auction Settlement Date or the Cash Settlement Date (as applicable);
  - (b) on the Auction Settlement Date or the Cash Settlement Date (as applicable), in addition to the payments and/or deliveries to be made in accordance with paragraph 11 of the Securities Lending Agreement (as inserted by section 14(g) of the Master Securities

Lending Terms), (x) if the Additional Termination Payment (as defined below) is a positive amount, the Swap Counterparty shall pay to the Issuer an amount equal to the Additional Termination Payment; or (y) if the Additional Termination Payment is a negative amount, the Issuer shall pay to the Swap Counterparty an amount equal to the absolute value of the Additional Termination Payment (such Additional Termination Payment to be subject to netting, if applicable, with any other payments to be made on the Auction Settlement Date or Cash Settlement Date under the Swap or the Securities Lending Agreement); and

- (c) paragraph 11.4 of the Securities Lending Agreement (as inserted by section 14(g) of the Master Securities Lending Terms) shall be deemed deleted in its entirety and references to payment of a “Close Out Value” shall accordingly be deemed deleted.

For the purposes of this paragraph 5(ii), “**Additional Termination Payment**” means an amount determined by the Calculation Agent equal to the outstanding Aggregate Nominal Amount of the Notes subject to redemption, less the Borrower Termination Payment Amount (as defined in the Securities Lending Agreement).

For the purposes of this paragraph 5(ii), if the occurrence of the Event Determination Date will cause a redemption of less than the outstanding Aggregate Nominal Amount of the Notes, the Loan constituted by the Securities Lending Agreement will be construed as if the Issuer and the Securities Borrower had entered into two Loans, one of which is in respect of a borrowing of such amount of Principal Assets as relates to the Aggregate Nominal Amount of the Notes being redeemed (as determined by the Calculation Agent) and, upon occurrence of the Auction Final Price Determination Date, Valuation Date or Termination Date (as applicable) following the occurrence of an Event Determination Date, will be subject to an “Event of Default” under such Loan and the consequences set out in paragraph 11 of the Securities Lending Agreement and in this paragraph 5(ii), and the other of which is in respect of a borrowing of such amount of Principal Assets as relates to the Aggregate Nominal Amount of the Notes not being redeemed (as determined by the Calculation Agent), and will be construed as continuing in effect with such modifications required as determined by the Calculation Agent to preserve the economic effects of the two Loans considered in the aggregate.

# FUND LINKED ANNEX

## Part A

### Description

#### 1 *Brief description of Fund Linked Securities*

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Fund Linked Notes are Notes where the repayment of principal and/or amount deliverable on redemption and/or the exercise of any option or any other amounts payable or deliverable in respect of such Notes, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, will be calculated by reference to and/or contingent upon the performance of the shares, interests or units in one or more funds. Unless otherwise specified, the term 'fund' as used in this Fund Linked Annex refers to any form of open-or-close-ended investment company, including mutual funds, exchange traded funds and hedge funds. Unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, Fund Linked Notes are not interest bearing.

Amongst other things, the Fund Annex sets out certain Fund Events the occurrence of which will result in the Fund Linked Notes being redeemed early, and certain Potential Adjustment of Payment Events the occurrence of which may result in an adjustment to the amount of interest, principal or other amounts payable in respect of the Fund Linked Notes. The Fund Events and the Potential Adjustment of Payment Events are not intended to protect any performance of the Fund Linked Notes and the Calculation Agent has no obligation to actively monitor whether or not any of the Fund Events or Potential Adjustment of Payment Events has occurred or is likely to occur and accepts no liability therefor.

## Part B

### Additional Terms and Conditions for Fund Linked Securities

*The terms and conditions applicable to Fund Linked Notes shall comprise the Master Conditions and the additional terms and conditions set out below (the “Fund Conditions”), in each case subject to completion and/or amendment in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars. In the event of any inconsistency between the Master Conditions and the Fund Conditions set out below, the Fund Conditions shall prevail. In the event of any inconsistency between (i) the Master Conditions and/or the Fund Conditions and (ii) the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars shall prevail. Capitalised terms used herein but not otherwise defined shall have the meanings given to them in the Master Conditions or the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.*

These Fund Conditions apply to Fund Linked Notes linked to a single Fund or a Fund Basket. References in these Fund Conditions to “the Fund” shall, in the case of Fund Linked Notes linked to a Fund Basket, be construed as references to, as applicable, any of the Funds comprised in such Fund Basket or the relevant Fund forming part of the Fund Basket.

#### 2 *Fund Events*

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The occurrence of a Fund Event shall constitute an Additional Redemption Event (as set out in Master Condition 8(c)(vi)) in respect of the Fund Linked Notes.

The occurrence, in the determination of the Calculation Agent, of any one or more of the events listed below (unless specified not to be applicable in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) or any applicable Additional Fund Event in respect of the Fund (or, in the case of a Fund Basket, in respect of one or more Funds), at any time after the Trade Date, shall constitute a “Fund Event”.

If an event or factual circumstance is capable of constituting a Fund Event or a Potential Adjustment of Payment Event, the Calculation Agent will determine whether such event or circumstance shall constitute a Fund Event or a Potential Adjustment of Payment Event.

## **2.1 Events concerning the Fund Services Providers/Corporate governance**

- 2.1.1 The Fund or any Fund Services Provider ceases to exist or is subject to an Insolvency Event.
- 2.1.2 There is any variation to, or breach of, the terms of any Fund Documents and, in the case of a breach, such breach is not cured within ten Business Days of the occurrence of such breach.
- 2.1.3 There is any change in the operation, organisation or management of the Fund or the Fund Manager.
- 2.1.4 The Fund Manager ceases to act in such capacity in relation to the Fund.
- 2.1.5 The Fund Administrator or the Fund Custodian ceases to act in such capacity in relation to the Fund and no replacement is appointed on the occurrence of such event.
- 2.1.6 The long-term unsecured, unsubordinated and unguaranteed debt rating assigned to the Fund Custodian or any prime broker of the Fund by Moody's and/or Standard & Poor's is downgraded below A (in the case of Standard & Poor's) or A2 (in the case of Moody's) and/or the short-term unsecured, unsubordinated and unguaranteed debt rating assigned to the Fund Custodian or any prime broker of the Fund by Moody's or Standard & Poor's is downgraded below A-1 (in the case of Standard & Poor's) or P-2 (in the case of Moody's).]

## **2.2 Risk profile/hedging implementation/valuation/information**

### **2.2.1 Risk profile**

- (a) There is any change to the: (A) type of assets in which the Fund invests or is invested, (B) risk profile of the Fund, notwithstanding that such change is not a breach of or deviation from the Investment Guidelines (including, without limitation, the manner by which the Fund gains exposure to reference asset(s)), or (C) leverage of the Fund.
- (b) There is any variation to, or deviation from, the Investment Guidelines of the Fund.
- (c) A breach of the Investment Guidelines occurs and such breach is not cured within ten Business Days of the occurrence of such breach.
- (d) Any security, financing arrangement, derivative, collateral, credit support arrangement or other trading, dealing or comparable arrangement entered into by or on behalf of the Fund is, as applicable, (A) created, (B) changed, or (C) enforced or terminated early or becomes capable of being enforced or terminated early by reason of any event of default (howsoever described).
- (e) Any new arrangement is entered into or established which may have an adverse effect on the existing segregation of assets within the Fund.

### **2.2.2 Dealing terms**

- (a) There is any change to the dealing or investment terms of the Fund or the Fund Shares.
- (b) The ability of an investor to subscribe for, redeem or transfer Fund Shares is suspended, restricted or made subject to limitations.
- (c) The Fund settles or attempts to settle any redemption of Fund Shares by effecting an in specie transfer of assets.
- (d) The subscription, redemption or transfer of Fund Shares is subject to any form of charge, fee or levy, howsoever described.
- (e) There is a delay of five Business Days or longer (as calculated from the expected settlement date for any redemption proceeds as of the redemption date) in the payment of the proceeds of any redemption of Fund Shares.
- (f) The Fund exercises any right to hold back any part, or the whole, of the proceeds of any redemption of Fund Shares.
- (g) The Fund Shares are the subject of a compulsory redemption.
- (h) The Fund exercises or seeks to exercise any right to require the return of redemption proceeds.
- (i) The realisable value at which any subscription, redemption or transfer order is executed by the Fund on any Dealing Date differs from the relevant Net Asset Value of the Fund or, in the case of a Fund Basket, the relevant Fund comprised in the Fund Basket, published by the Fund Administrator in respect of such Dealing Date.

### 2.2.3 Valuation

- (a) A Market Disruption Event has occurred and is ongoing for more than five Business Days.
- (b) There is a modification of the method of calculating the Net Asset Value of the Fund, or in the case of a Fund Basket, a Fund Comprised in the Fund Basket, including, but not limited to, a change in the base currency of the Fund, the denomination or currency of the Fund Shares, or the implementation of 'series accounting' or 'equalisation', howsoever described.
- (c) There occurs any suspension of, or limitation on, the trading of the relevant currencies in which the Fund Shares are denominated.
- (d) The calculation or publication of the Net Asset Value of the Fund, or in the case of a Fund Basket, a Fund Comprised in the Fund Basket is suspended.
- (e) There is a change in the frequency or timing of the calculation or publication of the Net Asset Value of the Fund, or in the case of a Fund Basket, a Fund Comprised in the Fund Basket.
- (f) The Fund establishes a Side Pocket. “**Side Pocket**” means any procedure whereby certain assets of the Fund, being assets that were previously accounted for in the same manner as the remaining reference asset(s) of the Fund (or a portion thereof) (the

“**Remaining Fund Assets**”), are identified as being assets to be accounted for separately from, or in a different manner to, the Remaining Fund Assets.

- (g) The time delay between (A) the Dealing Date and (B) the publication date of the Net Asset Value of the Fund, or in the case of a Fund Basket, a Fund Comprised in the Fund Basket (or any estimate thereof) is extended by more than five Business Days from any previously observed schedule.
- (h) Any information relating to the Fund that was specified to be published in accordance with the Fund Documents as they prevailed on the Trade Date is not published in accordance with the timetable set out therein.
- (i) The Fund Administrator uses asset prices provided by the Fund Manager to calculate the Net Asset Value of the Fund when such asset prices could have been obtained from independent sources and the asset prices from independent sources are not the same as the asset prices provided by the Fund Manager.
- (j) The audited Net Asset Value of the Fund is different from the Net Asset Value communicated by the Fund Administrator in respect of the same date, or the most recently published audit of the Fund is qualified in any material respect.

#### 2.2.4 Information on the reference asset(s) of the Fund/Fund Manager

- (a) The Calculation Agent does not obtain within five Business Days (or a longer period as may be set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) of request any information from the Fund Manager, the Fund Administrator or the Fund Custodian which the Calculation Agent (acting reasonably) deems necessary for its determinations (including, without limitation, whether a Fund Event has occurred) and in the execution of its duties and obligations with respect to the Fund Linked Notes.
- (b) The Issuer does not receive such information relating to the underlying investments of the Fund (and/or any investments of such underlying investments) from the relevant Fund Services Provider as the Issuer requires to ensure the compliance by it or by the Dealer with any applicable reporting obligations pursuant to the United States Bank Holding Company Act of 1956 (as amended), the United States Federal Reserve Act or any analogous State or Federal laws or regulations of the United States of America or any other laws or regulations generally.

### 2.3 Events relating to Performance/AUM Stability

- 2.3.1 The total Net Asset Value of the Fund falls below either EUR 50,000,000 (or the equivalent amount in the relevant currency) or 50 per cent of its total Net Asset Value in the immediately preceding 12-month period.
- 2.3.2 If, on any day, the total value of the assets managed by the Fund Manager (including the assets comprised in the Fund) has decreased by 50 per cent or more from its highest total value during the immediately preceding 12-month period.

### 2.4 Events relating to the legal/tax/regulatory risks on the overall transaction

- 2.4.1 There is any change in the legal, tax, accounting or regulatory treatment of the Fund or any Fund Services Provider that is reasonably likely to have an adverse impact on the value of the Fund Shares or on the rights or remedies of any investor therein.
- 2.4.2 There is an introduction or change of law, regulation or accounting practice or the application or interpretation of any law, regulation or accounting practice, to such extent that the continued performance of the Issuer and/or the Calculation Agent's obligations in respect of the Fund Linked Notes would have an adverse effect on the Issuer and/or the Calculation Agent and/or the Fund Linked Notes.
- 2.4.3 The Issuer would have to put for redemption all or a portion of the Fund Shares which may be held by it in order to comply with or remain within any applicable internal, legal and/or regulatory limits.
- 2.4.4 The Fund or any Fund Services Provider becomes party to any litigation, dispute or legal proceedings which may have an adverse impact on the value of the Fund Shares or on the rights or remedies of any holder of Fund Shares.
- 2.4.5 It becomes unlawful in any applicable jurisdiction for the Issuer or the Calculation Agent to perform any of its obligations in respect of the Fund Linked Notes.

## **2.5 Reputational risk**

- 2.5.1 The activities of the Fund, the Fund Manager, any key person (as may be specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars), the Fund Administrator or the Fund Custodian becomes subject to any investigation, review, proceeding or litigation by any governmental, legal, administrative or regulatory authority for reasons of any alleged wrongdoing, breach of any rule or regulation or other similar reason.
- 2.5.2 The Fund, the Fund Manager, the Fund Administrator or the Fund Custodian has any relevant regulatory licence, authorisation, registration or approval cancelled, suspended, revoked, removed or made subject to new conditions.
- 2.5.3 Any representation or statement made or deemed to be made by the Fund Manager or the Fund (and/or any of its directors) within the Fund Documents is or proves to have been incorrect or misleading in any respect when made or deemed to have been made.
- 2.5.4 The directors of the Fund or any Fund Service Provider are adjudged to have been guilty of fraud, wilful default or gross negligence by any governmental, legal, administrative or regulatory authority to whose rules they are subject.

## **2.6 Miscellaneous**

- 2.6.1 Any key person (as may be specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) for any reason ceases to be significantly and regularly involved in the investment decisions of the Fund Manager in principally the same capacity as that held as of the Trade Date.
- 2.6.2 Either the Fund or the Fund Manager (A) fails to comply with any terms set out in any liquidity side letter agreement or fee rebate agreement (as the case may be) which may be entered into by the Issuer in connection with its holding of Fund Shares, or (B) terminates such liquidity side letter agreement or fee rebate agreement referred to in A.



- 2.6.3 Either the Fund or the Fund Manager ceases to comply with the Calculation Agent's ongoing due diligence process or is deemed not acceptable as an underlying of structured products by the Calculation Agent for internal policy reasons, including, without limitation, operational, credit, legal, reputational, accounting, tax, regulatory or regulatory capital reasons.

### **3 Consequences of a Fund Event**

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- 3.1 Notwithstanding the first paragraph of Master Condition 8(c)(vi), following the occurrence of any Fund Event applicable to the Fund Linked Notes, the Calculation Agent shall notify the Issuer, each Transaction Counterparty and the Noteholders of the occurrence of such Fund Event (giving details of the Fund Event and the action to be taken in respect thereof) and the Issuer shall, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars:
- 3.1.1 redeem the Fund Linked Notes, in whole but not in part, on the Early Cash Redemption Date at their Early Cash Settlement Amount, determined by the Calculation Agent and taking into account any fees, premiums and charges as may be specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars; or
  - 3.1.2 substitute the Fund Shares for the shares of another Fund or another reference asset(s), the details of which, including the terms and procedure, will be set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars; or
  - 3.1.3 take such other action as is specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

### **4 Potential Adjustment of Payment Events**

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The occurrence, in the determination of the Calculation Agent, of any one or more of the events listed below (unless specified not to be applicable in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) in respect of the Fund (or, in the case of a Basket of Funds, in respect of one or more Funds), at any time after the Trade Date, shall constitute a “**Potential Adjustment of Payment Event**”.

- (a) there is a change to the terms of any arrangements relating to rebates receivable by the Issuer in respect of any physical or synthetic holdings of Fund Shares held (or to which a synthetic exposure has been obtained) in connection with the Fund Linked Notes; and/or
- (b) any Additional Adjustment Event.

If an event or factual circumstance is capable of constituting a Fund Event or a Potential Adjustment of Payment Event, the Calculation Agent will determine whether such event or circumstance shall constitute a Fund Event or a Potential Adjustment of Payment Event.

### **5 Consequences of a Potential Adjustment of Payment Event**

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Following the occurrence of a Potential Adjustment of Payment Event, notwithstanding Master Condition 14(b), the Calculation Agent may determine such adjustments as are necessary or desirable to the amount or timing of payments of interest, principal or other amounts in respect of the Fund Linked Notes in order to reflect such Potential Adjustment of Payment Event and upon such determination, shall notify the Issuer and each Transaction Counterparty of the same. Such adjustments shall, for the purposes of the Master Conditions, be deemed to be of a formal, minor or technical nature and the Issuer, the Trustee and each other Transaction

Counterparty shall thereafter use their reasonable endeavours to effect a modification of the Trust Deed (including the Conditions) to reflect such adjustments and, for the avoidance of doubt, such modifications shall not require the consent of Noteholders. Any such adjustments shall be determined on any Basket Calculation Date or Calculation Date (as the case may be) by the Calculation Agent to reflect the economic impact of such event on the Fund Linked Notes.

## **6 *Consequences of an FX Disruption Event***

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If 'FX Disruption Event' is specified as applying in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, upon the occurrence of an FX Disruption Event, the Issuer may take any one or more of the actions described below, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars:

- (a) make payment of any amount payable by the Issuer pursuant to the Conditions in the Alternate Currency instead of the Initial Currency, the amount payable in the Alternate Currency being determined by the Calculation Agent; or
- (b) deduct an amount calculated by the Calculation Agent as representing the applicable charge or deduction arising in connection with the FX Disruption Event from the relevant amount payable by the Issuer under the Conditions; or
- (c) postpone the relevant date for payment of the relevant amount until, in the determination of the Calculation Agent, an FX Disruption Event is no longer subsisting.

## **7 *Physical Settlement***

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Unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, the Fund Linked Notes will be redeemed in cash and the Noteholder will have no right to receive delivery of the Fund Shares. Where it is specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars that Physical Settlement shall apply to the Fund Linked Notes, the provisions relating to Physical Settlement of the Fund Linked Notes shall be as set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

## **8 *Adjustment of Maturity Date***

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In the case of Fund Linked Notes, notwithstanding any provision of the Conditions to the contrary, the Maturity Date shall be the later of (i) the Expected Maturity Date and (ii) the Adjusted Maturity Date and the Master Conditions and the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars shall be construed accordingly.

## Part C

### Definitions Applicable to Fund Linked Securities

#### 9 *Definitions relating to Fund Linked Securities*

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**“Additional Adjustment Event”** has the meaning given to it in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Additional Fund Event”** has the meaning given to it in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Adjusted Maturity Date”** means the Business Day falling three Business Days (unless the number of Business Days is otherwise set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) after the Proceeds Receipt Date.

**“Alternate Currency”** has the meaning given to it in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Basket Calculation Date”** means, in respect of a Fund Basket, each Business Day that is also a Basket Component Calculation Date in respect of any of the Funds in the Fund Basket from, and including, the Basket Component Calculation Date in respect of the Basket Strike Date to, and including, the Proceeds Receipt Date, and any other date the Calculation Agent determines to be a Basket Calculation Date.

**“Basket Component Calculation Date”** means:

- (d) in respect of each Fund in the Fund Basket and each Dealing Date on and after the First Dealing Date other than the Final Fund Redemption Dealing Date, the earlier of (i) the Business Day on which the relevant Fund Administrator has published the Net Asset Value of such Fund in respect of such Dealing Date; and (ii) the Business Day on which an estimate of the Net Asset Value of such Fund in respect of such Dealing Date is determined by the Calculation Agent in accordance with the definition of Net Asset Value below;
- (e) the Proceeds Receipt Date; and
- (f) any other date the Calculation Agent determines to be a Basket Component Calculation Date.

For the purpose of determining the Basket Component Calculation Date in respect of any Dealing Date for the relevant Fund, the Net Asset Value of such Fund shall be deemed to have been 'published' on a Business Day if such Net Asset Value has been received by the Calculation Agent from the relevant Fund Administrator by 4:00 p.m., London time, on such Business Day. If, for any reason, such Net Asset Value is received by the Calculation Agent from the relevant Fund Administrator after 4:00 p.m., London time, or on a day that is not a Business Day, it will be deemed to have been 'published' on the following Business Day. The Term 'publication' shall be construed accordingly.

**“Basket Final Redemption Dealing Date”** means, unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, the latest of the Final Fund Redemption Dealing Dates.

**“Basket Strike Date”** means, unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, in respect of the Fund Basket, the latest of the First Dealing Dates.

**“Calculation Date”** means:

- (g) in respect of each Dealing Date on and after the Strike Date other than the Final Redemption Dealing Date, the earlier of (i) the Business Day on which the Fund Administrator has published the Net Asset Value (each as defined below) in respect of such Dealing Date; and (ii) the Business Day on which an estimate of the Net Asset Value in respect of such Dealing Date is determined by the Calculation Agent in accordance with the definition of Net Asset Value below;
- (h) the Proceeds Receipt Date; and
- (i) any other date the Calculation Agent determines to be a Calculation Date.

For the purpose of determining the Calculation Date in respect of any Dealing Date, the Net Asset Value shall be deemed to have been 'published' on a Business Day if such Net Asset Value has been received by the Calculation Agent from the Fund Administrator by 4:00 p.m., London time, on such Business Day. If, for any reason, such Net Asset Value is received by the Calculation Agent from the Fund Administrator after 4:00 p.m., London time, or on a day that is not a Business Day, it will be deemed to have been 'published' on the following Business Day. The term 'publication' shall be construed accordingly.

**“Dealing Date”** means, in respect of a Fund, any date on which subscriptions and/or redemptions in the Fund Shares of the relevant Fund can be effected in accordance with the provisions of the Fund Documents.

**“Early Cash Redemption Date”** means, unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, the Business Day falling three Business Days (unless the number of Business Days is otherwise set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars) after the Proceeds Receipt Date. The Early Cash Redemption Date shall be the Early Redemption Date for the purposes of the Conditions.

**“Early Cash Settlement Amount”** means, unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, an amount per Fund Linked Note payable on the Early Cash Redemption Date, equal to such Fund Linked Note’s *pro rata* share of:

- (j) the proceeds of sale of the Fund Shares held by or on behalf of the Issuer in connection with the Fund Linked Notes effected as soon as reasonably practicable after the relevant Fund Event; and  
less
- (k) any Early Redemption Costs.

**“Early Redemption Costs”** means an amount per Note equal to the *pro rata* share of the total amount of any and all costs associated or incurred (or expected to be incurred) by (or on behalf of) the Issuer in connection with such early redemption, including, without limitation, any costs associated with liquidating the Fund Shares, together with costs, expenses, fees or taxes incurred by the Issuer in respect of the Fund Shares or any transactions and costs associated with any Market Disruption Event.

**“Expected Maturity Date”** means the date specified as such in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, subject to adjustment in accordance with the Business Day Convention.

**“Final Fund Redemption Dealing Date”** means, in the case of a Fund Basket and in respect of each Fund, the date as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, provided that if such date is not a Dealing Date with respect to the relevant Fund Shares then the Final Fund Redemption Dealing Date shall be deemed to be the immediately following Dealing Date.

**“Final Redemption Dealing Date”** shall be the date specified as such in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, provided that if such date is not a Dealing Date with respect to the Fund Shares then the Final Redemption Dealing Date shall be deemed to be the immediately following Dealing Date.

**“First Dealing Date”** shall be the date specified as such in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund”** means the fund(s), as set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Administrator”** means the administrator of the Fund, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Basket”** means a basket comprised of each of the funds specified as a Fund as set out in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Custodian”** means the custodian of the Fund, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Documents”** means, in relation to a Fund and any class, series or compartment within such Fund, the by-laws and/or memorandum and articles of association and any trust deed, segregated account documentation or other constitutive, governing or documents of or relating to the Fund and all other agreements (whether of general application or otherwise), rules or applicable laws governing and relating to the Fund or any class, series or compartment within the Fund, including, without limitation, the version of the Fund's offering memorandum, investment management agreement, custody agreement or administration agreement and any agreements relating to subscriptions for or redemptions of any Fund Shares or proceeds of redemption thereof and any terms relating to a secondary market in the Fund Shares, all as in force at the Trade Date.

**“Fund Linked Note”** means a Note where the repayment of principal and/or amount deliverable on redemption and/or the exercise of any option or any other amounts payable or deliverable in respect of such Notes, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, will be calculated by reference to and/or contingent upon the performance of the shares, interests or units in one or more funds.

**“Fund Manager”** means the investment manager of the Fund, as specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Services Provider”** means, in respect of a Fund, any person who is appointed to provide services, directly or indirectly, to such Fund, whether or not specified in the Fund Documents, including the Fund Manager, Fund Administrator, Fund Custodian, any operator, management company, depository, sub-custodian, prime or other broker, trustee, director, registrar and transfer agent, domiciliary agent and any other person specified as such in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Fund Share”** means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest specified as such in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, including, but not limited to, units and shares and, in respect of Fund Linked Notes referencing a Fund Basket, includes the Fund Shares in respect of all Funds in the Fund Basket.

**“FX Disruption Event”** means:

- (l) the determination by the Calculation Agent of the occurrence of any event on or prior to the relevant redemption date, Early Redemption Date or any other relevant date that has or would have the effect of preventing or delaying the Issuer directly or indirectly from:
  - (ii) converting any applicable currency into the Specified Currency through customary legal channels;
  - (iii) converting any applicable currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Specified Jurisdiction;
  - (iv) delivering the Specified Currency from accounts inside the Specified Jurisdiction to accounts outside the Specified Jurisdiction; or
  - (v) delivering the Specified Currency between accounts inside the Specified Jurisdiction or to a party that is a non-resident of the Specified Jurisdiction; or
- (m) the Calculation Agent determines that an event impacting one or more of the applicable currencies has occurred, or for which there has been an official declaration, which is likely to materially disrupt or impair its ability to meet its obligations in the Specified Currency.

**“Initial Currency”** has the meaning given to it in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Insolvency Event”**, with respect to an entity, means that such entity (i) is dissolved or has a resolution passed for its dissolution, winding-up or official liquidation; (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (iii) makes a general assignment or arrangement with or for the benefit of its creditors; (iv) institutes, or has instituted against it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief, or a petition is presented for its winding-up or liquidation; (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all of its assets; (vi) has a secured party take possession of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against its assets and such secured party maintains possession; or (vii) 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 (i) to (vi) above.

**“Investment Guidelines”** means the investment objectives, investment guidelines, investment policy or investment process set out in the Fund Documents, or which are otherwise in effect on the Trade Date, in respect of a Fund.

**“Market Disruption Event”** means the relevant Fund Administrator fails to calculate and publish the Net Asset Value in respect of any Dealing Date and in respect of each Fund, prior to the corresponding NAV Deadline Date. Such Market Disruption Event shall be ongoing until the relevant Fund Administrator calculates and publishes a Net Asset Value in respect of such Dealing Date or any subsequent Dealing Date.

**“NAV Deadline Date”** means the expected date of publication of the Net Asset Value by the Fund Administrator and, unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars, such NAV Deadline Date shall be no later than the first Business Day following the relevant Dealing Date.

**“Net Asset Value”** or **“NAV”** means (i) in the case of a single Fund, in respect of each Dealing Date, the net asset value per Fund Share in respect of such Dealing Date as calculated and published by the relevant Fund Administrator in accordance with the provisions of the Fund Documents and (ii) in the case of a Fund Basket, in respect of any Basket Calculation Date and each Fund comprised in such Fund Basket, the net asset value per share in respect of such Fund as most recently calculated and published by the relevant Fund Administrator in respect of a Dealing Date in accordance with the provisions of the Fund Documents.

**“Proceeds Receipt Date”** means the date on which the Issuer receives in full the proceeds of a redemption of Fund Shares (or, in the case of a Fund Basket, all Fund Shares in respect of each Fund) following either (i) a Fund Event, the Final Redemption Dealing Date (or, in the case of a Fund Basket, the Basket Final Redemption Dealing Date); or (ii) following receipt of a notice from the Fund or the relevant Fund Services Provider or, in the case of a Fund Basket, from one or more Fund(s) or relevant Fund Service Provider(s) that such Fund(s) or relevant Fund Services Provider(s), as the case may be, will be paying redemption amounts in respect of Fund Shares.

**“Settlement Method”** shall be cash settlement unless otherwise specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Specified Jurisdiction”** has the meaning given to it in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

**“Strike Date”** shall be as is specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Particulars.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

### *INITIAL ISSUE OF NOTES*

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If the Global Notes are stated in the relevant Final Terms, Pricing Supplement or, as the case may be, the Series Prospectus to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Each Global Note in bearer form without coupons, which is stated in the relevant Final Terms, Pricing Supplement or, as the case may be, Series Prospectus to be issued in CGN form, will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg with a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, Luxembourg or (b) in the case of a Tranche intended to be cleared through an alternative clearing system, as otherwise agreed between the Issuer and the Dealer, on or about the issue date of the relevant Notes. No interest will be payable in respect of a temporary Global Note except as provided below. Each Tranche of Notes in registered form will be represented by Certificates and may be represented by a Global Certificate. Upon the initial deposit of a Global Note that is a CGN with a Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear, Clearstream, Luxembourg and DTC, and delivery of the relative Global Certificate to the Common Depositary, Euroclear, Clearstream, Luxembourg or DTC will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear, Clearstream, Luxembourg or DTC. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars) other clearing systems through direct or indirect accounts with Euroclear, Clearstream, Luxembourg or DTC held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg, DTC or other clearing systems.

Any payment due in respect of a Global Note or a Global Certificate will be made to Euroclear, Clearstream, Luxembourg, in respect of the portion of the Global Note or a Global Certificate held for its account. An accountholder with Euroclear, or any other clearing system with an interest in a temporary Global Note will be required, in order to have credited to its account any portion of any payment, to present a certificate in the form set out in the Master Agency Terms substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person as such terms are defined by the U.S. Internal Revenue Code and the regulations thereunder.



## ***RELATIONSHIP OF ACCOUNTHOLDERS WITH CLEARING SYSTEMS***

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Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, DTC or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of such Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid. Bearer Notes will not be cleared through DTC. See “Clearing and Settlement — Restricted Series”.

## ***EXCHANGE — UNRESTRICTED SERIES***

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### **Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- if the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme — Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Master Agency Terms and Master Custody Terms for interests in a permanent Global Note or, if provided in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, for Definitive Notes.

### **Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a Note with a Nominal Amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### **Partial Exchange of Permanent Global Notes**

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

### **Delivery of Notes**

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate Nominal Amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange, or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate Nominal Amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. If the Global Note is an NGN, the Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the relevant Issue Deed. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### **Exchange Date**

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 calendar days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 calendar days, or in the case of failure to pay principal in respect of any Notes when due 30 calendar days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## ***EXCHANGE — RESTRICTED SERIES***

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### **Unrestricted Global Certificates**

Each Unrestricted Global Certificate will be exchangeable on or after its Exchange Date in whole but not in part for Unrestricted Definitive Certificates:

- (i) by the Issuer giving notice to the Noteholders, the Registrar and the Trustee of its intention to effect such exchange; and
- (ii) otherwise, if the Unrestricted Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

**“Unrestricted Definitive Certificate”** means any Certificate issued in exchange for a beneficial interest in the Unrestricted Global Certificate in accordance with Clauses (i) and (ii) above, and shall comprise Registered Notes only and bear the legends applicable to such Notes as set out under “Transfer Restrictions — Restricted Series”.

### **Restricted Global Certificates**

Each Restricted Global Certificate will be exchangeable on or after its Exchange Date in whole but not in part for Restricted Definitive Certificates:

- (i) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the relevant Restricted Global Certificate or DTC ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”) or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 calendar days of receiving notice of such ineligibility on the part of DTC; or
- (ii) by the Issuer giving notice to Noteholders, the Registrar and the Trustee of its intention to effect such exchange.

**“Restricted Definitive Certificate”** means any Certificate issued in exchange for a beneficial interest in the Restricted Global Certificate in accordance with Clauses (i) and (ii) above, and shall comprise Registered Notes only and bear the legends applicable to such Notes as set out under “Transfer Restrictions — Restricted Series”.

In such circumstances, the relevant Global Certificate referred to above shall be exchanged for the relevant Certificates referred to above and the Issuer will, at the cost of the relevant Noteholder and against such indemnity as the Issuing and Paying Agent, or the Registrar may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange, cause sufficient Certificates to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant Noteholders. The relevant Noteholder must provide the Registrar with (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Certificates and (ii) in the case of the Restricted Global Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange.

Upon the transfer, exchange or replacement of a Restricted Definitive Certificate issued in exchange for an interest in a Restricted Global Certificate bearing the legend referred to under “Transfer Restrictions — Restricted Series”, or upon specific request for removal of the legend on a Restricted Definitive Certificate, the Issuer will cause the delivery of only Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar a certificate in the form set out in the Trust Deed, duly executed by the transferor.

With respect to the registration or transfer of any Restricted Definitive Certificates or Unrestricted Definitive Certificates which bear such legend as aforesaid, the Registrar will register the transfer of any such Certificates if the transferor, in the form of transfer on such Certificates, has certified to the effect that such transfer is in compliance with such legend.

### **Exchange Date**

**“Exchange Date”** means a day falling five calendar days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

## **Delivery of Certificates**

On or after any due date for exchange, the holder of any Restricted Global Certificate or Unrestricted Global Certificate may surrender such Restricted Global Certificate or Unrestricted Global Certificate. In exchange for any Restricted Global Certificate or Unrestricted Global Certificate, the relevant Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Restricted Definitive Certificates or Unrestricted Definitive Certificates, as applicable. Such Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed.

## **Legends**

Each Global Certificate will bear a legend as described under “Transfer Restrictions — Restricted Series” or “Transfer Restrictions — Unrestricted Series” as applicable.

## **Transfers**

If a holder of a beneficial interest in the Notes represented by a Global Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in another Global Certificate, such holder may transfer such beneficial interest only in accordance with the procedures set out in the relevant Global Certificate.

A beneficial interest in Unrestricted Global Certificates may be transferred to a person who is required to take delivery of such beneficial interest through either (x) a Restricted Global Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB/QP in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, or (y) a Restricted Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person who is an AI/QP in reliance on an applicable exemption under the Securities Act, and a written certification from the transferee (in the form set out in the Trust Deed) to the effect that it is an AI/QP, and that such transfer is being made to it strictly in reliance on such certification and an applicable exemption under the Securities Act. Where a beneficial interest in an Unrestricted Global Certificate is transferred to a person who must take delivery of such interest in the form of a Restricted Certificate, the Registrar shall (x) decrease the principal amount of the applicable Unrestricted Global Certificate by the amount of the then current principal amount being beneficially transferred and (y) issue a new Restricted Certificate with a principal amount equal to the then current principal amount being beneficially transferred. The Issuing and Paying Agent shall effect delivery of such Restricted Certificate to the relevant transferee upon receipt of the requisite certifications. In no event shall the amount of such Restricted Certificate be different from the amount by which the relevant Unrestricted Global Certificate was decreased.

A beneficial interest in any Restricted Global Certificate may be transferred to a person who will take delivery of such beneficial interest through either (x) an Unrestricted Global Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person that is not a U.S. person (within the meaning of Regulation S) in accordance with Regulation S, or (y) a Restricted Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person who is an AI/QP in reliance on an applicable exemption under the Securities Act, and a written certification from the transferee (in the form set out in the Trust Deed) to the effect that it is an AI/QP, and that such transfer is being made to it strictly in reliance on such

certification and an applicable exemption under the Securities Act. Where a beneficial interest in a Restricted Global Certificate is transferred to a person who takes delivery of such interest in the form of a Restricted Certificate, the Registrar shall (x) cause the principal amount of the applicable Restricted Global Certificate registered in the name of Cede & Co. to be decreased by the principal amount of such beneficial interest and (y) complete a Restricted Certificate with a principal amount equal to that of the principal amount beneficial interest being transferred and shall deliver such Restricted Certificate to the Issuing and Paying Agent for delivery to the relevant transferee.

A beneficial interest in any Restricted Certificate may be transferred to a person who will take delivery of such beneficial interest either through (x) an Unrestricted Global Certificate, but only upon receipt by the Issuer, the Registrar and the Transfer Agent of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person who is not a U.S. person (within the meaning of Regulation S) and in accordance with Regulation S and a written certification from the transferee (in the form set out in the Trust Deed) to the effect that it is not a U.S. person (within the meaning of Regulation S), and that such transfer is being made to it strictly in reliance on such certification and an applicable exemption under the Securities Act or (y) a Restricted Global Certificate, but only upon receipt by the Issuer, the Registrar and the Transfer Agent of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB/QP in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction, and a written certification from the transferee (in the form set out in the Trust Deed) to the effect that it is an AI/QP, and that such transfer is being made to it strictly in reliance on such certification and an applicable exemption under the Securities Act. If, pursuant to the terms of the immediately preceding paragraph, any beneficial interest in a Restricted Certificate is transferred to a person who takes delivery of such beneficial interest either through an Unrestricted Global Certificate or Restricted Global Certificate, as the case may be, then the transferor shall surrender the Restricted Certificate corresponding to such beneficial interest to the Transfer Agent and such Restricted Certificate shall accordingly be cancelled. If the transferee takes delivery of such beneficial interest through an Unrestricted Global Certificate, then the Registrar shall cause the principal amount of the applicable Unrestricted Global Certificate to be increased by the principal amount of the beneficial interest being transferred. If, alternatively, the transferee takes such beneficial interest in the form of a Restricted Global Certificate, the Registrar shall cause the principal amount of the applicable Restricted Global Certificate registered in the name of Cede & Co. to be increased accordingly.

The minimum Specified Denomination for any Note of any Restricted Series is U.S.\$100,000. No Note of any Restricted Series may be issued, transferred, offered or sold in any Specified Denomination that is less than U.S.\$100,000, provided, however, that a single Unrestricted Global Certificate may be issued with a face amount of U.S.\$0 as part of the initial issuance of each Restricted Series, provided that beneficial interests in such Unrestricted Global Certificate may not be transferred, offered or sold in interval amounts less the minimum Specified Denomination of U.S.\$100,000. Any beneficial interest in a Restricted Global Certificate or an Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate accordance with its terms. Each Global Certificate will be subject to the restrictions on transfer set forth under “Transfer Restrictions — Restricted Series” or “Transfer Restrictions — Unrestricted Series” as applicable.

## AMENDMENT TO CONDITIONS

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The temporary Global Notes, permanent Global Notes, Global Certificates, Unrestricted Definitive Certificates, Restricted Certificates, Restricted Definitive Certificates, Unrestricted Global Certificates and Restricted Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Base Prospectus. The following is a summary of those provisions:

### Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January. The third exception to Condition 8(c)(ii) as set out in Condition 8(c)(ii)(III) (if the requirement to withhold or account for tax set out in Condition 8(c)(ii) arises as a result of the presentation for payment of any bearer Note, Receipt or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deducting by presenting the relevant Bearer Note, Receipt or Coupon to another Paying Agent in a member state of the European Union), then Condition 8(c)(ii) shall not apply and Condition 9(d) will apply to the Definitive Notes only. If the Global Note is an NGN, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the words "in the relevant place of presentation" shall not apply in the definition of "business day" in Condition 9(g).

### Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

### Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each

integral currency unit of the specified currency of the Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

### **Cancellation**

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

### **Purchase**

Notes represented by a permanent Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

### **Issuer's Option**

Any option of the relevant Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be) (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

### **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Where the Global Note is an NGN, the Issuer shall procure that details of such exercise shall be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

### **Trustee's Powers**

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

**Notices**

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

**Modification of Conditions of the Notes**

Subject to Condition 14(b), if and for so long as a Series of Notes is assigned a rating by Standard & Poor's, any amendments made to the Conditions of such Notes shall require prior Rating Agency Confirmation.



## CLEARING AND SETTLEMENT – RESTRICTED SERIES

Clearing and settlement of the Notes of Restricted Series will be effected in accordance with the operating procedures of DTC, Euroclear and Clearstream, Luxembourg, as applicable.

### ***TRANSFERS WITHIN AND BETWEEN DTC, EUROCLEAR AND CLEARSTREAM, LUXEMBOURG***

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On or prior to the expiration of the distribution compliance period relating to the Notes represented by an Unrestricted Global Certificate, a beneficial interest in such Unrestricted Global Certificate may only be transferred to a person who wishes to take delivery of such beneficial interest through a Restricted Global Certificate after the Registrar shall have received a written certification in the form set out in the Trust Deed.

A beneficial interest in a Restricted Global Certificate may also be transferred to a person who wishes to take delivery of such beneficial interest through an Unrestricted Global Certificate, whether before, on or after the expiration of such distribution compliance period, only upon receipt by the Registrar of a written certification from the transferor (in the form set out in the Trust Deed) to the effect that such transfer is being made to a person that is not a U.S. person (within the meaning of Regulation S) in accordance with Regulation S.

Any beneficial interest in either a Restricted Global Certificate or an Unrestricted Global Certificate that is transferred to a person who takes delivery in the form of a beneficial interest in the other Global Certificate will, upon transfer, cease to be a beneficial interest in such Global Certificate and become a beneficial interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to a beneficial interest in such other Global Certificate for so long as it remains such an interest.

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg or the nominee of their common depositary is the holder of a Global Certificate, as the case may be, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Trust Deed, the Agency Agreement and the Notes. All payments in respect of Notes represented by a Global Certificate will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, as the holder thereof. None of the Issuer, the Trustee, the Registrar, any Agent, Dealer, Arranger or Swap Counterparty or any affiliate of any of the above or any person by whom any of the above is controlled for the purposes of the Securities Act will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in Global Certificates or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### ***EUROCLEAR, CLEARSTREAM, LUXEMBOURG AND DTC***

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

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearing and settlement of securities transactions through electronic book-entry transfer between their respective

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

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

DTC is a limited-purpose trust company organised under the laws of the State of New York and a "banking organisation" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities for DTC participants and facilitates the clearing and settlement of securities transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and certain other organisations. Indirect access to DTC is also available to others, such as banks, brokers, dealers and trust companies, which clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the U.S. Securities and Exchange Commission.

The Issuer expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Restricted Global Certificate representing any Notes held by it or its nominee payment in respect of which are to be made in DTC, will credit the accounts of the DTC participants with payments of principal or interest on the date payable in amounts proportionate to their respective interests in the principal amount of such Restricted Global Certificate as shown on the records of DTC or its nominee. The Issuer also expects that payments by participants to owners of interests in such Restricted Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the account of customers registered in street names. Such payments will be the responsibility of such DTC participants.

The laws of some states of the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer interests in a Restricted Global Certificate to such persons may be limited. Because DTC, Euroclear and Clearstream, Luxembourg can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Restricted Global Certificate to pledge such interest to persons or entities which do not participate, directly or indirectly, in the relevant clearing system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

The holdings of book-entry interests in Notes in Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the Registrar will adjust the

amounts of Notes on the Register for the accounts of (i) Citivic Nominees Limited and (ii) Cede & Co. to reflect the amounts of Notes held through Euroclear and Clearstream, Luxembourg and DTC, respectively. Beneficial ownership in Notes will be held through financial institutions as direct and indirect participants in Euroclear, Clearstream, Luxembourg and DTC. Euroclear, Clearstream, Luxembourg and DTC, as the case may be, and every other intermediate holder in the chain to the beneficial owner of book-entry interests in the Notes, will be responsible for establishing and maintaining accounts for their participants and customers having interests in the book-entry interests in the Notes. The Registrar will be responsible for maintaining a record of the aggregate holdings of Notes registered in the name of a nominee for the common depositary for Euroclear and Clearstream, Luxembourg, a nominee for DTC and/or holders of Notes represented by Certificates. The Issuing and Paying Agent will be responsible for ensuring that payments received by it from the Issuer for holders of interests in the Notes holding through Euroclear and Clearstream, Luxembourg are credited to Euroclear or Clearstream, Luxembourg, as the case may be, and the Issuing and Paying Agent will also be responsible for ensuring that payments received by the Issuing and Paying Agent from the Issuer for holders of interests in the Notes holding through DTC are credited to DTC. Payments to holders of Notes represented by Certificates will be made in accordance with the Conditions.

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

Interests in Unrestricted Global Certificates and Restricted Global Certificates will be in uncertificated book-entry form. Purchasers electing to hold book-entry interests in the Notes through Euroclear and Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds. Book-entry interests in the Global Certificates will be credited to Euroclear participant securities clearing accounts on the Business Day following the Issue Date against payment (for value at the Issue Date), and to Clearstream, Luxembourg participant securities custody accounts on the Issue Date against payment in same-day funds. DTC participants acting on behalf of purchasers electing to hold book-entry interests in the Notes through DTC will follow the delivery practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC participant securities accounts will be credited with book-entry interests in the Notes following confirmation of receipt of payment to the Issuer on the Closing Date.

## ***TRADING BETWEEN EUROCLEAR AND/OR CLEARSTREAM, LUXEMBOURG ACCOUNTHOLDERS***

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

## ***TRADING BETWEEN DTC PARTICIPANTS***

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Secondary market sales of book-entry interests in the Notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's SDFS system in same-day funds, if payment is effected in U.S.

dollars or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

### ***TRADING BETWEEN DTC SELLER AND EUROCLEAR/CLEARSTREAM, LUXEMBOURG PURCHASER***

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When book-entry interests in the Notes are to be transferred from the account of a DTC participant holding a beneficial interest in the Restricted Global Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in an Unrestricted Global Certificate (subject to such certification procedures as are provided in the Trust Deed), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12.00 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder. On the settlement date, the custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and represented by the Restricted Global Certificate and (ii) increase the amount of Notes registered in the name of Citivic Nominees Limited and represented by the Unrestricted Global Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first Business Day following the settlement date.

### ***TRADING BETWEEN EUROCLEAR/CLEARSTREAM, LUXEMBOURG SELLER AND DTC PURCHASER***

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When book-entry interests in the Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder holding a beneficial interest in the Unrestricted Global Certificate to the account of a DTC participant wishing to purchase a beneficial interest in the Restricted Global Certificate (subject to such certification procedures as are provided in the Trust Deed), the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (i) transmit appropriate instructions to the custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of Citivic Nominees Limited and represented by the Unrestricted Global Certificate and (b) increase the amount of Notes registered in the name of Cede & Co. and represented by the Restricted Global Certificate.

The information in this section regarding the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the Notes of Restricted Series among participants of DTC, Clearstream, Luxembourg and Euroclear has been obtained from sources that the Issuer believes to be reliable but prospective investors are advised to make their own enquiries as to such procedures. None of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform

such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar, any Agent, Dealer, Arranger, Swap Counterparty or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act, will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

### ***PRE-ISSUE TRADES SETTLEMENT***

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It is expected that delivery of the Notes will be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Notes. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or otherwise more than three business days prior to the Issue Date of such Notes will be required, by virtue of the fact that the Notes may initially settle on or about a date which will occur more than three business days after the date of pricing of the Notes to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Notes who wish to trade Notes on the date of pricing or the next succeeding business day should consult their own advisers.

## TRANSFER RESTRICTIONS – UNRESTRICTED SERIES

The applicable restrictions on sales, transfers and offers in respect of Unrestricted Series is set forth in the sections hereof entitled “Exchange — Unrestricted Series” under the heading “Summary of Provisions Relating to the Notes while in Global Form”, and “Selling Restrictions” under the heading “Subscription and Sale”.

## USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by the Issuer to fund the relevant Swap in connection with the relevant Series and purchase the Initial Securities (if any) and/or the Initial Loan(s) (if any) comprising part of the Secured Property in respect of that Series.

## DESCRIPTION OF THE FIRST ISSUER

### GENERAL

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Willow No. 2 (Ireland) PLC was registered and incorporated as a public limited company in Dublin, Ireland on 17 July 2007 and operates as a special purpose vehicle under the Irish Companies Act 2014. The registration number of Willow No. 2 (Ireland) PLC is 443314.

Willow No. 2 (Ireland) PLC has been incorporated for an indefinite period. The registered office of Willow No. 2 (Ireland) PLC is at 2nd Floor, Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland, telephone number +353 1 697 3200. The authorised share capital of Willow No. 2 (Ireland) PLC is €40,000 divided into 40,000 ordinary shares of €1 each, all of which have been issued. Of the 40,000 issued shares, all are fully paid up and held by MaplesFS Trustees Ireland Limited (the “**Share Trustee**”) and its nominee companies. Interests in the issued shares are held on trust for charitable purposes. Willow No. 2 (Ireland) PLC is not a subsidiary of, and its management and general operations are not controlled by, Barclays Bank PLC.

### BUSINESS

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Willow No. 2 (Ireland) PLC has not engaged, since its incorporation, in any activities other than those incidental to its incorporation under the Irish Companies Act 2014, the establishment of the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in this Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of Willow No. 2 (Ireland) PLC are set forth in Clause 3 of its Memorandum of Association and include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition by any means, of loans, bonds or other obligations, including the extension of credit and any security therefor and the raising and borrowing of money and the granting of security over its assets for such purposes.

So long as any of the Transactions remain outstanding, Willow No. 2 (Ireland) PLC shall not, without the consent of the Trustee and any Other Creditors, incur any other indebtedness for borrowed moneys or engage in any business other than acquiring and holding the Secured Property, managing financial assets comprising the Secured Property, issuing, borrowing under, buying, selling or entering into secured Transactions including the issue of further Series of Notes and entering into agreements and transactions related to the foregoing as provided for in Condition 6 and entering into any other limited recourse financial transactions as contemplated and on the conditions specified in the Trust Deed, or, *inter alia*, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed) or issue any shares (other than such shares as were in issue on 11 December 2007).

Willow No. 2 (Ireland) PLC has, and will have, no assets other than the sum of €40,000 representing its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of, borrowing under, purchase, sale or entering into of Transactions and any Secured Property and any other assets on which Transactions are secured. The Issuer has established a bank account with Bank of Ireland



at St. Stephen's Green, Dublin 2, Ireland for the purposes of holding its share capital and any fees paid to it and by it.

The Transactions are obligations of Willow No. 2 (Ireland) PLC alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, Barclays Bank PLC or any other party.

The Assets will be held in an account of, and in the name of, the Custodian. Depending on the nature of the Collateral in certain circumstances it may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee. The Custodian may be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them to the relevant Other Creditors or the Issuing and Paying Agent, as the case may be.

Save in respect of the fees generated in connection with Transactions, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing Willow No. 2 (Ireland) PLC's issued and paid-up share capital, Willow No. 2 (Ireland) PLC does not expect to accumulate any surpluses. Fees payable by Willow No. 2 (Ireland) PLC to its administrator, the Trustee, the Custodian and other Agents will be paid out of the proceeds of entering into each Transaction and none of the Trustee, the Paying Agents, the Custodian, the Loan Service Agent, the Registrar, the Transfer Agents or the Calculation Agent(s) may have recourse to assets of Willow No. 2 (Ireland) PLC which are held as security for Transactions other than the Transaction in respect of which the claim arises as more fully set out in Condition 13. Additionally, the Paying Agents, the Custodian, the Loan Service Agent, the Registrar, the Transfer Agents and the Calculation Agent(s) have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

As at the date of this Base Prospectus, other than the Notes issued under the Programme, Willow No. 2 (Ireland) PLC has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities. There has been no change in the share capital of Willow No. 2 (Ireland) PLC since 17 July 2007, the date of its incorporation.

## Directors

The Directors of Willow No. 2 (Ireland) PLC are as follows:

Name	Principal Occupation
Padraic Doherty	Senior Vice President, Maples Fiduciary Services (Ireland) Limited
Stephen O'Donnell	Senior Vice President, Maples Fiduciary Services (Ireland) Limited

The business address of the Directors is the same as the registered office of Willow No. 2 (Ireland) PLC at 2nd Floor, Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland.

Maples Fiduciary Services (Ireland) Limited of 2nd Floor, Beaux Lane House, Mercer Street Lower, Dublin 2, Ireland is the administrator of Willow No. 2 (Ireland) PLC. Its duties include the provision of certain management, administrative, accounting and related services. The appointment of the administrator may be terminated upon 14 calendar days' notice at any time within 12 months of the happening of certain events and upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

## ***FINANCIAL STATEMENTS***

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The annual report and financial statements of the Issuer for the periods ending 31 December 2014 and 31 December 2015 have also been filed with the Irish Stock Exchange and Central Bank of Ireland and shall be deemed to be incorporated by reference in, and form part of, this Base Prospectus. The auditors of Willow No. 2 (Ireland) PLC are Deloitte & Touche, Chartered Accountants, at Earlsfort Terrace, Dublin 2, a firm of Chartered Accountants, are members of the Institute of Chartered Accountants in Ireland and are qualified to act as auditors in Ireland.

## DESCRIPTION OF THE SECOND ISSUER

### GENERAL

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Willow No. 2 (Cayman) Limited (the “**Second Issuer**”), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 20 September 2010 under the Companies Law (2013 Revision) (as amended) of the Cayman Islands with company registration number 245628. The registered office of the Second Issuer is at MaplesFS Limited (formerly Maples Finance Limited), PO Box 1093, Queensgate House, Grand Cayman, KY1-1102 Cayman Islands (telephone number +1 345 945 7099).

The authorised share capital of the Second Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the “**Shares**”) are fully paid and are held by MaplesFS Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of an amended and restated declaration of trust (the “**Declaration of Trust**”) dated 14 April 2011 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares with the approval of the Trustee for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee, to benefit the Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares. Willow No. 2 (Cayman) Limited is not a subsidiary of, and its management and general operations are not controlled by, Barclays Bank PLC.

### THE BUSINESS OF THE SECOND ISSUER

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The Second Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, accession to the Programme, the authorisation of the Notes, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing.

So long as any of the Notes remain outstanding, the Second Issuer shall not, without the consent of the Trustee, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding assets in connection with the Notes), issuing the Notes and entering into related agreements and transactions as provided for in the Trust Deed, or, *inter alia*, declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Trust Deed) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Second Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes and the acquisition of assets in connection with the Notes, the bank account into which such paid-up share capital and fees are deposited, any interest earned thereon and the assets on which the Notes are secured.

Save in respect of fees generated in connection with the issue of the Notes, any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Second Issuer's issued and paid-up share capital, the Second Issuer does not expect to accumulate any surpluses.

The Notes are the obligations of the Second Issuer alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by, Barclays Bank PLC or any other party.

## ***RESTRICTIONS ON THE OFFER OF THE NOTES***

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No invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes unless the Second Issuer is listed on the Cayman Islands Stock Exchange.

## ***FINANCIAL STATEMENTS***

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Since the date of incorporation, no financial statements of the Second Issuer have been prepared. The Second Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint any auditors.

## ***CAPITALISATION***

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The following table sets out the capitalisation of the Second Issuer on 26 August 2016:

Shareholders' Funds	(U.S.\$)
Share capital (authorised U.S.\$50,000; issued 250 shares of U.S.\$1.00 each)	
Ordinary Shares of U.S.\$1.00 each	250
Total Capitalisation	250

As at the date of this Base Prospectus, other than the Notes issued under the Programme, the Second Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities. There has been no change in the share capitalisation of the Second Issuer since the date of its incorporation.

## ***DIRECTORS OF THE SECOND ISSUER***

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The directors of the Second Issuer are as follows:

Name	Principal Occupation
Betsy Mortel	Senior Vice President, MaplesFS Limited, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands
Wendy Ebanks	Senior Vice President, MaplesFS Limited, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands

The Second Issuer's Articles of Association provide that the board of directors of the Second Issuer will consist of at least one director.

## ***THE ADMINISTRATOR***

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MaplesFS Limited acts as the administrator of the Second Issuer (in such capacity, the “**Administrator**”). The office of the Administrator will serve as the general business office of the Second Issuer. Through the office, and pursuant to the terms of an Administration Agreement entered into between the Second Issuer and the Administrator (the “**Administration Agreement**”), the Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Second Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. The Second Issuer and the Administrator have also entered into a registered office agreement (the “**Registered Office Agreement**”) for the provision of registered office facilities to the Second Issuer. In consideration of the foregoing, the Administrator will receive various fees payable by the Second Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement and the Registered Office Agreement provide that either the Second Issuer or the Administrator may terminate such agreements by giving at least 14 calendar days' notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Administration Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party with a copy to any applicable rating agency.

The Administrator will be subject to the overview of the Second Issuer's board of directors. The Administration Agreement and the Registered Office Agreement may be terminated (other than as stated above) by either the Second Issuer or the Administrator giving the other three months' written notice.

The Administrator's principal office is PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

## DESCRIPTION OF THE THIRD ISSUER

### GENERAL

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The Third Issuer is a Luxembourg public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg and existing as a securitisation company (*société de titrisation*) within the meaning of, and governed by, the law of 22 March 2004 on securitisation, as amended, supervised and regulated by the CSSF, having its registered office at 6D, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg. The telephone number of the Third Issuer is +352 26 68 62 1.

The Third Issuer may issue, from time to time, Notes in respect of its separate compartments within the meaning of the Luxembourg Securitisation Law (each a “**Compartment**”). In conjunction with such issues the relevant Compartment of the Third Issuer will acquire financial assets and/or enter into swaps and/or options (together with any other assets specified in the Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, including (i) all rights, title and interests of the Compartment under the Transactions to which it is a party, (ii) any security granted to the Compartment under the Transactions and (iii) any assets or sums derived therefrom, the “**Compartment Assets**”).

The Third Issuer has been incorporated on 24 February 2012 and is registered with the Luxembourg Register of Commerce and Companies under number B167397.

The Third Issuer has an authorised, issued and fully paid-up share capital of EUR 31,000 represented by 31 shares, each with a value of EUR 1,000. As at the date of this Base Prospectus, the Third Issuer has not issued any beneficiary shares (*parts bénéficiaires*) or preference shares. Willow No. 1 (Luxembourg) S.A. is not a subsidiary of, and its management and general operations are not controlled by, Barclays Bank PLC.

All of the issued shares (the “**Shares**”) are fully paid and are held by MaplesFS Limited as share trustee (in such capacity, the “**Share Trustee**”) under the terms of a declaration of trust (the “**Declaration of Trust**”) dated 16 February 2012 under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose, increase the authorised share capital of the Third Issuer or otherwise deal with the Shares or with the approval of the Trustee for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee, to benefit the Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note is outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares. Willow No. 1 (Luxembourg) S.A. is not a subsidiary of, and its management and general operations are not controlled by, Barclays Bank PLC.

### DIRECTORS

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The names of the directors of the Third Issuer, together with their principal activities other than as directors of the Third Issuer, are as follows:

Name	Principal Activities
Cédric Bradfer	Senior Vice President, Maples FS (Luxembourg) S.A.

Ronan Carroll

Senior Vice President, Head of Fund Services  
Maples FS (Luxembourg) S.A.

Dylan (Tom) Davies

Regional Head of Fiduciary, Europe, MaplesFS  
(Luxembourg) S.A.

The business address of the directors is 6D, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

Members of the board of directors of the Third Issuer are also members of the board of directors / managers of other companies which have entered into domiciliation and/or services agreements with the Administrator, which are not significant for the Third Issuer.

As at the date of this Base Prospectus, the above-mentioned directors of the Third Issuer do not have potential conflicts of interests that are material to the Notes, between any duties to the Third Issuer and their private interests or other duties.

## ***ORGANISATIONAL STRUCTURE***

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The Third Issuer is a securitisation company within the meaning of and governed by the Luxembourg Securitisation Law. Under the Luxembourg Securitisation Law, the assets, liabilities and obligations of the Third Issuer can be segregated into separate Compartments (together the “**Compartments**”). The assets of each Compartment are, by operation of the Luxembourg Securitisation Law, only available to satisfy the liabilities and obligations of the Third Issuer which are incurred in relation to that Compartment. The liabilities and obligations of the Third Issuer incurred or arising in connection with the Notes and all matters connected therewith will only be satisfied or discharged against the assets of its relevant Compartment. For so long as the Notes remain outstanding, the Third Issuer, acting in respect of its relevant Compartment, will not be permitted to engage in certain activities except where the Third Issuer is acting in connection with its obligations in connection with the Notes as set out in the Terms and Conditions of the relevant Notes.

## ***COMPARTMENTS***

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The board of directors of the Third Issuer may create one or more Compartments within the Third Issuer pursuant to its articles of incorporation. Each Compartment shall, unless otherwise provided for in the resolution of the board of directors creating such Compartment, correspond to a distinct part of the assets and liabilities of the Third Issuer. Each Compartment of the Third Issuer shall be treated as a separate entity. Rights of creditors that (i), when coming into existence, have been designated as relating to a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment are, except if otherwise provided for in the constitutive documents, strictly limited to the assets of that Compartment and these assets shall be exclusively available to satisfy such creditors. Creditors of the Third Issuer whose rights are not related to a specific Compartment of the Third Issuer shall have no rights to the assets of any Compartment.

Each Compartment of the Third Issuer may be separately liquidated without such liquidation resulting in the liquidation of any other Compartment of the Third Issuer or of the Third Issuer itself.

## ***BUSINESS***

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The Third Issuer has not engaged, since its incorporation, in any material activities other than (i) those incidental to its incorporation, (ii) the setting up of the platform for the issuance of the Notes, the matters referred to or contemplated in this Base Prospectus, and the authorisation, execution, delivery and performance of the Transactions in connection with the platform to which it is a party, and (iii) the execution of any related agreements thereto and matters which are incidental or ancillary to the foregoing. The Third Issuer has only carried on activities since 24 February 2012, its date of incorporation.

The Third Issuer has no employees.

The corporate object of the Third Issuer, set forth in Article 3 of its articles of incorporation, are the entering into and the performance of any transactions permitted under the Luxembourg Securitisation Law, including, inter alia, the acquisition and assumption, by any means, directly or through another vehicle, of risks linked to claims, other assets, moveable or immoveable, tangible or intangible, receivables or liabilities of third parties or pertaining to all or part of the activities carried out by third parties and the issuing of securities the value or return of which is dependent upon such risks as defined in the Luxembourg Securitisation Law.

The Third Issuer may carry out any transactions, which are directly or indirectly connected with its corporate object at the exclusion of any banking activity, and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Luxembourg Securitisation Law to which the Third Issuer is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes and are not otherwise prohibited by any agreement to which the Third Issuer may then be a party.

So long as any Notes remain outstanding, the Third Issuer will be subject to certain restrictions as set out in the Trust Deed.

Since the date of incorporation the Third Issuer has not commenced operations. The date of the latest audited accounts is 31 December 2015.

## ***FINANCIAL STATEMENTS***

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The Third Issuer's financial year starts on 1 January in each year and ends on 31 December in each year. The Third Issuer's financial statements will be prepared and audited in accordance with applicable law. The first financial year began with the establishment of the company and ended on 31 December 2012.

The annual report and financial statements of the Third Issuer for the periods ending 31 December 2014 and 31 December 2015 have also been filed with the Irish Stock Exchange and Central Bank of Ireland, are set out in the Schedule hereto, and form part of, this Base Prospectus.

Any future published annual audited financial statements prepared for the Third Issuer as well as audited annual accounts in respect of each compartment will be available from its registered office.

On 4 April 2012 the board of directors resolved to appoint Deloitte Audit S.à r.l. ("**Deloitte**"), as approved, independent auditor (*réviseur d'entreprises agréé*) of the Third Issuer with effect as of 4 April 2012. Deloitte is an approved, independent auditor (*cabinet de révision agréé*) within the meaning of the law of 18



December 2009 on the audit profession, as amended. It is supervised and regulated by the CSSF and a member of the *Institut des Réviseurs d'Entreprises*.

## **THE ADMINISTRATOR**

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MaplesFS Luxembourg S.A. will act as the administrator of the Third Issuer (in such capacity, the “**Administrator**”). The office of the Administrator will serve as the general business office of the Third Issuer. Through the office, and pursuant to the terms of an administration agreement, entered into on 5th June 2012 with effective date 24th February 2012, between the Third Issuer and the Administrator (the “**Administration Agreement**”), the Administrator will perform in Luxembourg or such other jurisdiction as may be agreed by the parties from time to time various management functions on behalf of the Third Issuer and the provision of certain clerical, administrative and other services (including the provision of registered office facilities) until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees payable by the Third Issuer from time to time as set out in clause 3 of the Administration Agreement, plus expenses. The terms of the Administration Agreement provide that either the Third Issuer or the Administrator may terminate such agreement by giving at least three months’ notice in writing to the other party. Either party may terminate the Administration Agreement with immediate effect and without notice or judicial recourse if the other party commits a serious breach (*faute grave*). Subject to the foregoing, either the Third Issuer or the Administrator may terminate the Administration Agreement at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreements.

The Administrator will be subject to the overview of the Third Issuer's board of directors.

The Administrator's registered office is 6D, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg.

## CALCULATION AGENT AND LOAN SERVICE AGENT

Unless otherwise specified in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Issuer has appointed Barclays Bank PLC to act as initial Calculation Agent and may appoint HSBC Bank plc to act as initial Loan Service Agent with respect to the Programme.

Subject to compliance with Condition 10(a), the Issuer may, at any time, terminate the appointment of the Calculation Agent or the Loan Service Agent by giving to the Issuing and Paying Agent and the Calculation Agent or the Loan Service Agent (as applicable) at least 60 calendar days' notice to that effect, which notice shall expire at least 30 calendar days before or after any due date for payment in respect of the Notes. Either of the Calculation Agent and the Loan Service Agent may resign its appointment at any time by giving the Issuer and the Issuing and Paying Agent at least 60 calendar days' notice to that effect, which notice shall expire at least 30 calendar days before or after any due date for payment in respect of the Notes. No such resignation or termination of the appointment of the Calculation Agent or the Loan Service Agent (as applicable) shall take effect until a new Calculation Agent or Loan Service Agent (as applicable) has been appointed. If the Issuer fails within 30 calendar days of notice of resignation by the Calculation Agent or Loan Service Agent (as applicable) to appoint a successor to such Agent, the Calculation Agent or Loan Service Agent (as applicable) shall be entitled to select a leading international bank of recognised standing and repute acceptable to the Trustee to act as successor Calculation Agent or Loan Service Agent (as applicable) and the Issuer shall appoint that bank as the successor Calculation Agent or Loan Service Agent (as applicable). Upon any letter of appointment being executed by or on behalf of the Issuer and any person appointed as a Calculation Agent or Loan Service Agent (as applicable), such person shall become a party to the Agency Agreement or Loan Service Agent Agreement (as applicable) as if originally named in it and shall act as such Calculation Agent or Loan Service Agent (as applicable) in respect of the Notes. In addition, the Issuer shall, upon direction by an Extraordinary Resolution of the Noteholders, appoint a replacement calculation agent in accordance with such direction if the Calculation Agent is unable or unwilling to act or if the Calculation Agent fails duly to comply with certain requirements in respect of the Notes.

## REALISATION AGENT

Unless otherwise specified in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, the Issuer has appointed Barclays Bank PLC to act as Realisation Agent with respect to the Programme.

Subject to compliance with Condition 10, the Issuer may, at any time, terminate the appointment of the Realisation Agent by giving to the Realisation Agent at least 60 calendar days' notice to that effect, which notice shall expire at least 30 calendar days before or after any due date for payment in respect of the Notes. The Realisation Agent may resign its appointment at any time by giving the Issuer at least 60 calendar days' notice to that effect, which notice shall expire at least 30 calendar days before or after any due date for payment in respect of the Notes. No such resignation or termination of the appointment of the Realisation Agent shall take effect until a new Realisation Agent has been appointed. If the Issuer fails within 30 calendar days of notice of resignation by the Realisation Agent to appoint a successor to the Realisation Agent, the Realisation Agent shall be entitled to select a consenting Approved Counterparty to act as successor Realisation Agent and the Issuer shall appoint that bank as the successor Realisation Agent. Upon any letter of appointment being executed by or on behalf of the Issuer and any person appointed as a Realisation Agent and the due execution of a Deed of Accession, such person shall become a party to the Agency Agreement as if originally named in it and shall act as such Realisation Agent in respect of the Notes. In addition, the Issuer shall, upon direction by an Extraordinary Resolution of the Noteholders, appoint a replacement Realisation Agent in accordance with such direction if the Realisation Agent is unable or unwilling to act or if the Realisation Agent fails duly to comply with certain requirements in respect of the Notes.

## SECURITY ARRANGEMENTS

The Security Interests include a fixed charge over Assets that may be held by or through the Custodian through Euroclear and/or Clearstream, Luxembourg and/or an alternative clearing system (each, a “clearing system”). The charge is intended to create a property interest in the Assets in favour of the Trustee to secure the relevant Issuer’s liabilities. However, where the Assets are held through a clearing system, the interests that the Custodian holds and that are traded in the clearing system are not the physical Assets themselves but a series of contractual rights. These rights consist of (i) the relevant Issuer’s rights against the Custodian, (ii) the Custodian’s rights as an accountholder against the clearing system, (iii) the rights of the clearing system against the common depositary and (iv) the rights of the common depositary against the Asset Issuer, as the case may be. **As a result, where Assets are held in a clearing system, the Security Interests will take the form of an assignment of the relevant Issuer’s rights against the Custodian under the Custody Agreement, rather than a charge over the Assets themselves.**

## INITIAL SECURITIES/INITIAL LOAN(S) FOR FINAL TERMS ISSUANCE

Notes may only be issued under this Base Prospectus by way of Final Terms for the purposes of Article 5.4 of the Prospectus Directive where the Initial Securities or Initial Loan(s) have the following characteristics (“**Barclays Initial Assets**”):

Issuer or obligor of Barclays Initial Assets:	Barclays Bank PLC (as described under the section of this Base Prospectus headed “Swap Counterparty”)
Status:	Senior, unsecured
Legal nature:	Bonds or loans
Governing law:	English law

In all other cases, the Initial Securities or Initial Loan(s) in respect of a Series of Notes will be as specified in the applicable Series Prospectus or Pricing Supplement.

## SWAP COUNTERPARTY

In connection with any Series, the relevant Issuer may enter into one or more Swap Agreements with Barclays Bank PLC as the Swap Counterparty.

The Swap Counterparty is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Swap Counterparty is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0) 7116 1000). The Swap Counterparty was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and, on 4 October 1971, was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Swap Counterparty was re-registered as a public limited company and its name was changed from “Barclays Bank International Limited” to “Barclays Bank PLC”.

The Swap Counterparty and its subsidiary undertakings (taken together, the “**Group**”) is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, the United States, Africa and Asia. The whole of the issued ordinary share capital of the Swap Counterparty is beneficially owned by Barclays PLC, which is the ultimate holding company of the Group. The Swap Counterparty has securities listed on the regulated market of the London Stock Exchange.

## IRELAND TAXATION

*The following is a summary based on the laws and practices currently in force in Ireland at the date of this Base Prospectus regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. This summary does not purport to be a comprehensive description of all the tax considerations that may be relevant. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.*

### WITHHOLDING TAX

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In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the “1997 Act”) for certain underlying securities (“quoted Eurobonds”) issued by a body corporate (such as the Issuer) that are interest bearing and quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- the person by or through whom the payment is made is not in Ireland; or
- the payment is made by or through a person in Ireland, and either:
  - the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear, Clearstream Banking S.A. and Clearstream Banking AG are so recognised); or
  - the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream Banking S.A. and/or Clearstream Banking AG, interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a “qualifying company” (within the meaning of Section 110 of the 1997 Act) and provided the interest is paid to a person resident in a “relevant territory” (i.e. a member state of the European Union (other than Ireland) or a country with which Ireland has a double taxation agreement which has the force of law, or a country with which Ireland has signed a double taxation agreement which will on the completion of certain procedures have the force of law). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other Agent in Ireland on behalf of any Noteholder who is an Irish resident.

## ***TAXATION OF NOTEHOLDERS***

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Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and levies. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if:

- (a) the Notes are quoted Eurobonds, are exempt from withholding tax as set out above and the recipient of the interest is
  - (i) a company which is either resident in a relevant territory; or
  - (ii) a company:
    - (A) which is controlled, directly or indirectly by a person who is resident in a relevant territory who are not, themselves, controlled by Irish residents; or
    - (B) the principal class of shares of the company are substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (b) the recipient of the interest is resident in a relevant territory and either
  - (i) the Issuer is a qualifying company and the interest is paid out of the assets of the Issuer; or
  - (ii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company and the relevant territory in which the company is resident imposes a tax that generally applies to interest receivable in that territory by companies from sources outside it, or the interest is exempt from income tax under the provisions of a double taxation agreement that was then in force when the interest was paid or would have been exempt had a double taxation agreement that was signed at the date the interest was paid been in force at that date.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within the above exemptions may, in limited circumstances, be liable to Irish income tax.

## ***ENCASHMENT TAX***

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Irish tax will be required to be withheld at the standard rate of income tax (currently 20%) from interest on any Notes where such interest is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the interest



is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

## ***CAPITAL GAINS TAX***

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A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held or to which or to whom the Notes are attributable.

## ***CAPITAL ACQUISITIONS TAX***

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A gift or inheritance comprising Notes will be within the charge to capital acquisitions tax if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situated in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time and registered notes are generally regarded as situated where the principal register is maintained or obliged to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they are secured over Irish property, and they themselves secure a debt due by an Irish resident debtor. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponer or the donee/successor.

## ***STAMP DUTY***

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On the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999 provided the proceeds of the Notes are used in the course of the Issuer's business, no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Notes or Definitive Notes.

## ***EU SAVINGS DIRECTIVE***

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Ireland implemented the EU Savings Directive (Directive 2003/48/EC). However, on 10 November 2015, the Council of the European Union repealed the EU Savings Directive with effect from 1 January 2016 (or 1 January 2017 in the case of Austria), subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates (the final reports for 2015 were due on 31 March 2016). The repeal of the EU Savings Directive is intended to prevent overlap between the EU Savings Directive and the Common Reporting Standard.

## ***FATCA IMPLEMENTATION IN IRELAND***

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The governments of Ireland and the United States have signed an Agreement to Improve International Tax Compliance and to Implement FATCA (the "IGA"). The IGA is of a type commonly known as a "model 1"

agreement. In July 2014, Ireland enacted Financial Accounts Reporting (United States of America) Regulations 2014 (the "**Irish FATCA Regulations**").

The IGA and Irish FATCA Regulations will increase the amount of tax information automatically exchanged between Ireland and the United States. They provide for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents.

The Issuer intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA pursuant to the terms of the IGA and the Irish FATCA Regulations. The Issuer expects to be treated as a "financial institution". Unless an exemption applies, the Company shall be required to register with the US Internal Revenue Service as a "reporting financial institution" for FATCA purposes ("**Reporting FI**"). In order for the Issuer to comply with its FATCA obligations it will be required to report certain information to the Irish Revenue Commissioners relating to Noteholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities (NFFEs) that are controlled by specified US persons. Any information reported by the Issuer to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Issuer or its agents shall be entitled to require Noteholders to provide any information regarding their FATCA status, identity or residency required by the Issuer to satisfy its FATCA obligations. Noteholders will be deemed, by their subscription for or holding of Notes to have authorised the automatic disclosure of such information by the Issuer or any other authorised person to the relevant tax authorities.

The Issuer should not generally be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. However, FATCA withholding tax may arise on US source payments to the Issuer if the Issuer does not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service has specifically identified the Issuer as being a 'non-participating financial institution' for FATCA purposes. In addition, the Issuer may be unable to comply with its FATCA obligations if Noteholders do not provide the required certifications or information. Any such withholding imposed on payments to the Issuer may reduce the amounts available to the Issuer to make payments on the Notes. Noteholders should consult their own tax advisors as to the potential implication of the reporting requirements imposed on the Issuer by FATCA before investing.

The Issuer expects to be treated as a Reporting FI pursuant to the IGA and does not anticipate being obliged to deduct any FATCA withholding tax on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA withholding tax from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA withholding tax if (i) any financial institution through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be

required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

## ***COMMON REPORTING STANDARD (CRS) IN IRELAND***

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On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD ("CRS"). The CRS provides that certain entities (known as Financial Institutions) shall identify "Accounts" (as defined, broadly equity and debt interests in the Financial Institution) held by persons who are tax resident in other CRS participating jurisdictions. That information is then subject to annual automatic exchange between governments in CRS participating jurisdictions.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "CRS Regulations"). The Irish Revenue Commissioners have indicated that Irish Financial Institutions will be obliged to make a single return in respect of CRS and DAC II. CRS applies in Ireland from 1 January 2016.

The Issuer is expected to constitute a Financial Institution for CRS purposes. In order to comply with its obligations under CRS and DAC II, the Issuer shall be entitled to require Noteholders to provide certain information in respect of the Noteholder's and, in certain circumstances, their controlling persons' tax status, identity or residence. Noteholders will be deemed, by their holding of the Notes, to have authorised the automatic disclosure of such information by the Issuer (or any nominated service provider) to the Irish Revenue Commissioners. The information will be reported by the Issuer to the Irish Revenue Commissioners who will then exchange the information with the tax or governmental authorities of other participating jurisdictions, as applicable. To the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. The obligation to report under CRS may fall on the clearing system instead.

Provided the Issuer complies with these obligations, it should be deemed compliant for CRS and DAC II purposes. Failure by the Issuer to comply with its CRS and DAC II obligations may result in it being deemed to be non-compliant in respect of its CRS obligations and monetary penalties may be imposed pursuant to the CRS Regulations.

# CAYMAN ISLANDS TAX CONSIDERATIONS

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

## **Cayman Islands Taxation**

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

Under Existing Cayman Islands Laws:

- (a) payments of interest and principal on the Notes and dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes or Shares, as the case may be, nor will gains derived from the disposal of the Notes or Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax;
- (b) no stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands; and
- (c) no stamp duty is payable in respect of the issue of the Notes and the Certificates. An instrument of transfer in respect of a Note or a Certificate is stampable if executed in or brought into the Cayman Islands.

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

### **The Tax Concessions Law**

#### **1999 Revision**

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

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with Willow No. 2 (Cayman) Limited (the “**Company**”):

- (a) that no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - (iii) on or in respect of the shares, debentures or other obligations of the Company;OR
  - (iv) by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision); and
- (c) these concessions shall be for a period of 20 years from the 5th day of October 2010.

## LUXEMBOURG TAX CONSIDERATIONS

*The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as at the date of this Base Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective Noteholder should consult its tax advisor as to the Luxembourg tax consequences of the ownership and disposal of the Notes.*

If a payment under the Notes is made to investors which are not resident in Luxembourg, no tax will be withheld at source, i.e. by a Luxembourg Issuer, in Luxembourg.

If the Notes are offered by a Luxembourg Issuer other than in Luxembourg, information relating to withholding tax may be disclosed in the Final Terms, Pricing Supplement, Series Prospectus or the Series Listing Particulars, in the event of an offer which is made after completion of the Final Terms, in a supplement to this Base Prospectus.

### ***Withholding tax on interest***

Under Luxembourg tax law currently in effect and with the possible exception below, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest), or upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes. .

In accordance with the law of 23 December 2005, as amended, interest payments made by Luxembourg paying agents to Luxembourg individual residents and to certain residual entities securing interest payments on behalf of Luxembourg individual residents are subject to a 10 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

In the event that a withholding tax becomes due in Luxembourg, a Luxembourg Issuer is not obliged to pay a gross-up amount.

## ***TAXATION OF THE NOTEHOLDERS***

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### ***Taxation of Luxembourg non-resident Noteholders***

Noteholders who are Luxembourg non-residents and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, are not liable to any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon the redemption of the Notes, or realise capital gains on the sale or exchange of any Notes.

### ***Taxation of Luxembourg resident Noteholders***

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

#### ***Luxembourg resident individuals***

Interest received by an individual resident in Luxembourg is, in principle, reportable and taxable at the progressive rate unless the interest has been subject to the 10% Luxembourg withholding tax (see above “*Withholding tax on interest*”) or to the 10% self-applied tax, if applicable. Indeed, in accordance with the Luxembourg law of 23 December 2005, as amended, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments

made after 31 December 2007 by paying agents located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in certain dependent or associated territories of EU Member States.

This withholding tax or self-applied tax, if applicable, is the final tax liability on interest received for the Luxembourg resident individuals receiving the interest payment in the framework of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes their acquisition or the Notes are disposed of within six months of their acquisition. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest will be subject to the 10% Luxembourg withholding tax or to the 10% self-applied tax (if the Luxembourg resident individuals opted for the 10% Tax).

Individual Luxembourg resident Noteholders receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10% Luxembourg withholding tax levied will be credited against their final income tax liability.

#### *Luxembourg resident companies*

Luxembourg resident corporate Noteholders (*société de capitaux*) or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Notes is connected, must include in their taxable income any interest (including accrued but unpaid interest) and the difference between the sale or redemption price (received or accrued) and the lower of the cost or book value of the Notes sold or redeemed.

#### *Luxembourg resident companies benefiting from a special tax regime*

Luxembourg resident corporate Noteholders benefiting from a special tax regime (such as family estate management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010, or to the law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e., corporate income tax, municipal business tax and net wealth tax), other than the subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

#### **Net Wealth Tax**

Luxembourg net wealth tax will not be levied on the Notes held by a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment; (ii) the law of 22 March 2004 on securitisation; (iii) the law of 15 June 2004 on the investment company in risk capital; or (iv) the law of 11 May 2007 on family estate management companies or (b) such Notes are attributable to an enterprise or part thereof which is carried on through a Luxembourg permanent establishment by a non-resident company.

#### **Other Taxes**

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by Noteholders as a consequence of the issuance of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer, repurchase or redemption of the Notes. Proceedings in

a Luxembourg court or the presentation of the Notes or of any documents relating to the Notes, to an "autorité constituée" may require registration of the documents, in which case the documents will be subject to registration duties depending on the nature of the documents.

There is no Luxembourg VAT payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes.

Luxembourg VAT may, however, be payable in respect of fees charged for certain services (other than management services) rendered to the Issuer, if for Luxembourg VAT purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg VAT does not apply with respect to such services.

No Luxembourg inheritance taxes are levied on the transfer of the Notes upon the death of a Noteholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. No Luxembourg gift tax will be levied on the transfer of the Notes by way of gift unless the gift is registered in Luxembourg.

# SUBSCRIPTION AND SALE

## ***DEALER AGREEMENT***

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By entering into the Issue Deed, the Issuer will be deemed to have entered into a dealer agreement with the Arranger and/or Dealer on the terms (as amended, modified and/or supplemented in the Issue Deed) of the master dealer terms specified in the Issue Deed (each Issue Deed together with the Master Dealer Terms, the “**Dealer Agreement**” relating to such Series of Notes). The Notes will be offered on a continuous basis by the Issuer to the Dealer appointed in respect of any Series pursuant to the Dealer Agreement. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Dealer.

The Issuer will agree to pay the commissions as agreed between it and the Dealer in respect of each issue of Notes. Such commissions (if any) will be stated in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.

The Issuer will indemnify the Dealer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer to terminate any agreement that it makes to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

## ***SELLING RESTRICTIONS***

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### **United States**

- (1) The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons at any time. Accordingly, any reference in this Base Prospectus (including, without limitation, in paragraph (4) below) to the offer or sale of the Notes within the United States or to, or for the account or benefit of, U.S. persons shall be disregarded. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).
- (2) Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.
- (3) In respect of each Unrestricted Series, the Dealer will agree pursuant to the Dealer Agreement that, except as permitted therein, it will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution or (ii) at any time, within the United States or to, or for the account or benefit of, a U.S. person and it will have sent to each Dealer to which it sells Notes during the period of 40 days after completion of the distribution of such Tranche as determined and certified to the Issuing and Paying Agent by the Dealer, or, in the case of Notes issued on a syndicated basis, the Lead Manager, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.
- (4) In respect of each Restricted Series:



- (a) Each Dealer has represented and agreed that it will not offer or sell the Notes (i) as part of their distribution or (ii) at any time within the United States or to, or for the account or benefit of, U.S. persons except to certain qualified institutional buyers in reliance on Rule 144A under the Securities Act (“**Rule 144A**”) who are also qualified purchasers under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”) (each, a “**QIB/QP**”), and it will have sent to each Dealer to which it sells Notes during the distribution compliance period (other than resales pursuant to Rule 144A) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.
- (b) The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Issuer has been advised by the Dealer that the Dealer proposes to resell Notes in the United States through its U.S. broker-dealer affiliate in accordance with Rule 144A to one or more QIB/QPs purchasing for its or their own account or for the account of a QIB/QP. Any offer or sale of Notes in reliance on Rule 144A will be made by broker-dealers who are registered as such under the Exchange Act. After Notes issued by the Issuer are released for sale, the offering price and other selling terms may from time to time be varied by the Dealer.
- (c) The Issuer proposes to sell Notes in the United States in accordance with an exemption from the registration requirements of the Securities Act to “accredited investors” (as defined in Rule 501(a) under the Securities Act) who are also “qualified purchasers” (as defined in Section 2(a)(51) of the Investment Company Act) (each, an “**AI/QP**”). Each AI/QP initial purchaser that purchases directly from the Issuer will be required to sign a note purchase agreement prior to the acceptance of any purchase order, and each subsequent AI/QP transferee will be required to deliver a letter of representation, in each case, substantiating the purchaser’s investor status and making certain acknowledgments, representations and agreements as set out under “Transfer Restrictions — Restricted Series”.
- (d) In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.
- (e) This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Notes outside the United States and for the resale of the Notes in the United States and for the listing of Notes on the Irish Stock Exchange. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person other than any QIB/QP or AI/QP to whom an offer has been made directly by the Issuer, one of the Dealers or a Dealer’s U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any QIB/QP or AI/QP in the United States to any U.S. person or to any other person within the United States, other than any QIB/QP or AI/QP and those persons, if any, retained to advise such non-U.S. person, QIB/QP or AI/QP with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB/QP or AI/QP and those persons, if any, retained to advise such non-U.S. person or QIB/QP or AI/QP, is prohibited.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche, an offer or sale of Notes (other than as provided for in paragraph (4)(d) above) within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

The Notes are also subject to restrictions of transfer and resale. For further information on these restrictions, see “Transfer Restrictions — Restricted Series” below.

### **United Kingdom**

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

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

### **Ireland**

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

- (1) it has not and will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of S.I. No. 60 of 2007, European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended), and any codes of conduct or rules issued in connection therewith and any conditions or requirements, or other enactments, imposed or approved by the Central Bank of Ireland and the provisions of the Investor Compensation Act 1998 (as amended);
- (2) it has not and will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942 to 2015 (as amended) and any codes of practice made under Section 117(1) of the Irish Central Bank Act 1989 (as amended) or any regulations made pursuant to Part 8 of the Central Bank (Supervision and Enforcement) Act 2013 (as amended);
- (3) it has not and will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provision of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), the Irish Companies Act 2014 and any rules issued under Section 1363 of the Irish Companies Act 2014, by the Central Bank of Ireland;

- (4) it has not and will not underwrite the issue of, or place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued under Section 1370 of the Irish Companies Act 2014 by the Central Bank of Ireland; and
- (5) no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 issued by the Central Bank.

### **Cayman Islands**

In relation to the Second Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, pursuant to the Dealer Agreement that no invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Notes of any Series unless at the time of such invitation the Second Issuer is listed on the Cayman Islands Stock Exchange.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, pursuant to the Dealer Agreement that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

### **Public Offer Selling Restriction Under the Prospectus Directive**

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, pursuant to the Dealer Agreement that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes that are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (1) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, all in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (2) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (3) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Dealer or Dealers nominated by the Issuer for any such offer; or
- (4) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in paragraphs 2 to 4 above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

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

### **General**

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealer. Any such modification will be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation has been made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, in any country or jurisdiction where action for that purpose is required.

The Dealer will represent, warrant and agree pursuant to the Dealer Agreement that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, and that neither the relevant Issuer nor any other Dealer shall have responsibility therefor.

# CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

## *UNITED STATES TAXATION*

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The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below). This summary does not address the material U.S. federal income tax consequences of either every type of Note which may be issued under the Programme or any Notes issued by an Issuer that is a U.S. person or is not treated as a corporation for U.S. federal income tax purposes, and the relevant Final Terms, Pricing Supplement or any Series Prospectus will contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own (directly or indirectly) 10 per cent. or more of the voting stock of the Issuer. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, this summary deals only with Notes with a term of 30 years or less, and does not address Options, Issuer Loans or Swap Transactions issued by the Issuer, nor does it deal with Notes issued by a Specified Company. The U.S. federal income tax consequences of owning Notes with a longer term, Notes issued by a Specified Company, Options, Issuer Loans or Swap Transactions will be discussed in the applicable Final Terms, Pricing Supplement, Series Prospectus or any Series Listing Particulars.

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

## ***U.S. FEDERAL INCOME TAX CHARACTERISATION OF THE NOTES ISSUED BY THE ISSUER***

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The characterisation of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to such Notes.

Depending on the terms of a particular Series or Tranche of Notes, such Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts or some other type of financial instrument. Alternatively, such Notes may be characterised as equity, or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of the Issuer. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Final Terms, Pricing Supplement, Series Prospectus or any Series Listing Particulars.

No rulings will be sought from the Internal Revenue Service (“IRS”) regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Notes.

## ***U.S. FEDERAL INCOME TAX TREATMENT OF NOTES TREATED AS DEBT***

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The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

### ***PAYMENTS OF INTEREST***

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#### **General**

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and original issue discount (“OID”), if any, accrued with respect to the Notes (as described below under “Original Issue Discount”) generally will constitute income from sources outside the United States. Prospective purchasers should

consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

## **ORIGINAL ISSUE DISCOUNT**

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### **General**

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with OID.

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note’s stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers or similar persons or organisations acting in the capacity of underwriters, placement agents or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of “qualified stated interest”. A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under “Variable Interest Rate Notes”), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note, and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note’s adjusted issue price at the beginning of the accrual period and the Discount Note’s yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The “**adjusted**

**issue price**” of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

### **Acquisition Premium**

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being “**acquisition premium**”) and that does not make the election described below under “Election to Treat All Interest as Original Issue Discount”, is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder’s adjusted basis in the Note immediately after its purchase over the Note’s adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note’s adjusted issue price.

### **Short-Term Notes**

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder’s purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

### **Fungible Issue**

The Issuer may, without the consent of the Holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases, may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

### **Market Discount**

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a “**Market Discount Note**”) if the Note’s stated redemption price at maturity or, in the case of a Discount Note, the Note’s “revised issue price” exceeds the amount for which the U.S. Holder purchased the Note by



at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "**de minimis market discount**". For this purpose, the "**revised issue price**" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

### **Variable Interest Rate Notes**

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "variable rate debt instrument" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions

such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “**objective rate**” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “**qualified inverse floating rate**” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e. at a price below the Note’s stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified

floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See "Contingent Payment Debt Instruments" below for a discussion of the U.S. federal income tax treatment of such Notes.

### **Notes Purchased at a Premium**

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case, the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "Original Issue Discount — Election to Treat All Interest as Original Issue Discount".

### **Election to Treat All Interest as Original Issue Discount**

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "Original Issue Discount — General", with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described

above under “Notes Purchased at a Premium”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

### **Contingent Payment Debt Instruments**

Certain Series or Tranches of Notes may be treated as “contingent payment debt instruments” for U.S. federal income tax purposes (“**Contingent Notes**”). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID, and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the “**comparable yield**”), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the Issuer by submitting a written request for such information to the registered office of the Issuer, which shall be specified in the Final Terms, Pricing Supplement, Series Prospectus or the applicable Series Listing Particulars.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer’s determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under “Original Issue Discount — General”, above, applied to the projected payment schedule. The “**adjusted issue price**” of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the

actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year, and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale, exchange or retirement.

### **Substitution of Issuer**

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes), and the U.S. Holder's tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

## ***PURCHASE, SALE AND RETIREMENT OF NOTES***

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### **Notes other than Contingent Notes**

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "Original Issue Discount — Market Discount" or "Original Issue Discount — Short-Term Notes" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

### **Contingent Note**

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or

negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the Holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

## ***FOREIGN CURRENCY NOTES***

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### **Interest**

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

### **OID**

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

## **Market Discount**

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

## **Bond Premium**

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

## **Foreign Currency Contingent Notes**

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "Original Issue Discount - Contingent Payment Debt Instruments". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Foreign Currency Notes — Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net

negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

## **Sale or Retirement**

### *Notes other than Foreign Currency Contingent Notes*

As discussed above under “Purchase, Sale and Retirement of Notes”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder’s tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

### *Foreign Currency Contingent Notes*

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder’s tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder’s tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in Clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.



The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

### **Disposition of Foreign Currency**

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

### **U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt**

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes. The applicable Final Terms, Pricing Supplement or any Series Prospectus will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the applicable Final Terms, Pricing Supplement or any Prospectus, Series Prospectus or Series Listing Particulars.

### **U.S. Federal Income Tax Treatment of Notes Treated as Equity**

Certain Notes may be treated as equity in the Issuer for U.S. federal income tax purposes. The following discussion will apply to Notes that are characterised as equity of the Issuer ("**Equity Notes**").

### **Investment in a Passive Foreign Investment Company**

The Issuer will constitute a “passive foreign investment company” (“PFIC”) for U.S. federal income tax purposes. Except as provided below, U.S. Holders of Equity Notes will be considered U.S. shareholders in a PFIC.

A U.S. Holder will be subject to a special tax on so-called “excess distributions”, including both certain payments on the Equity Notes and gain on the sale of Equity Notes. A U.S. Holder will have an excess distribution if distributions on the Equity Notes during any tax year exceed 125 per cent. of the average amount received during the three preceding tax years (or, if shorter, the U.S. Holder’s holding period for Notes). To compute the tax on an excess distribution, (i) the excess distribution is allocated rateably over the U.S. Holder’s holding period for Equity Notes, (ii) the amount allocated to the current tax year is taxed as ordinary income and (iii) the amount allocated to each previous tax year is taxed at the highest applicable marginal rate in effect for that year and an interest charge is imposed to recover the deemed benefit from the deferred payment of the tax. Each U.S. Holder of Equity Notes that are treated as interests in a PFIC will be required to make an annual return on IRS Form 8621, reporting distributions received and gains realised with respect to each PFIC in which it holds a direct or indirect interest.

### **Investment in a Controlled Foreign Corporation**

The Issuer may be classified as a controlled foreign corporation (“CFC”). In general, a foreign corporation will be classified as a CFC if more than 50 per cent. of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by U.S. Shareholders. A “U.S. Shareholder”, for this purpose, is any U.S. person that possesses (actually or constructively) 10 per cent. or more of all interests treated for U.S. federal income tax purposes as voting equity of the Issuer. It is possible that the IRS would assert that the Equity Notes are *de facto* voting securities and that U.S. Holders each possessing (actually or constructively) 10 per cent. or more of the aggregate outstanding amount of the Equity Notes are U.S. Shareholders. If this argument were successful and more than 50 per cent. of the aggregate outstanding amount or value of the Equity Notes are owned (actually or constructively) by such U.S. Shareholders, the Issuer would be treated as a CFC.

If the Issuer were treated as a CFC, a U.S. Shareholder of the Issuer would be treated, subject to certain exceptions, as receiving a deemed dividend (taxable as ordinary income) at the end of the taxable year of the Issuer in an amount equal to that person’s pro rata share of the “subpart F income” of the Issuer for the tax year. Among other items, and subject to certain exceptions, subpart F income includes dividends, interest, annuities, gains from the sale of shares and securities, certain gains from commodities transactions, certain types of insurance income, income from notional principal contracts and income from certain transactions with related parties. The Issuer believes that predominately all of its income would be subpart F income. If more than 70 per cent. of the Issuer’s earnings constitute subpart F income, then 100 per cent. of its earnings would be so treated.

In addition, if the Issuer were a CFC, the Issuer generally would not be treated as a PFIC with respect to any Equity Notes owned by a Holder that qualifies as a U.S. Shareholder. If such a U.S. Holder subsequently ceases to be a U.S. Shareholder, the U.S. Holder will be treated as owning an interest in a PFIC as of the day following the cessation.

### **Distributions on Equity Notes**

Payments of interest on the Equity Notes will generally be treated as distributions with respect to stock of the Issuer. The treatment of actual distributions of cash on the Equity Notes, in very general terms, will vary depending on whether the PFIC or CFC rules apply. Except to the extent that distributions may be

attributable to amounts previously taxed pursuant to the CFC rules, some or all of any distributions with respect to the Equity Notes may constitute “excess distributions”, taxable as previously described. See “—Investment in a Passive Foreign Investment Company”. If the PFIC rules apply, and to the extent the distribution does not constitute an “excess distribution”, a distribution paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. If the CFC rules apply, distributions should be allocated first to amounts previously taxed pursuant to the CFC rules and to this extent will not be taxable to U.S. Holders. Distributions in excess of such previously taxed amounts will be taxable to U.S. Holders as ordinary income upon receipt, to the extent of any remaining amounts of untaxed current or accumulated earnings and profits of the Issuer. These distributions will not be eligible for the dividends received deduction allowed to corporations or the special reduced rate applicable to certain dividends received by non-corporate holders. Distributions in excess of previously taxed amounts and any remaining current or accumulated earnings and profits of the Issuer will be treated first as a non-taxable reduction to the U.S. Holder’s tax basis for the Equity Notes to the extent thereof and then as capital gain.

### **Foreign Currency Distributions**

Distributions paid in a foreign currency will generally be translated into U.S. dollars by reference to the exchange rate in effect on the day the distributions are received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars at that time. If distributions received in a foreign currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the distribution. However, to the extent the distribution is treated as a distribution of previously taxed amounts under the CFC rules described above, a U.S. Holder will be required to recognise exchange gain or loss attributable to movements in exchange rates between the time of the deemed dividend under the CFC rules and the distribution.

### **Disposition of Equity Notes**

In general, a U.S. Holder of an Equity Note will recognise gain or loss upon the sale, exchange, redemption or other taxable disposition of the Note equal to the difference between the amount realised and such Holder’s adjusted tax basis in the Note. A U.S. Holder may realise gain on Equity Notes not only through a sale or other disposition, but also by pledging the Notes as security for a loan or entering into certain constructive disposition transactions.

Initially, a U.S. Holder’s tax basis for an Equity Note will equal its U.S. dollar cost. The U.S. dollar cost of an Equity Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase. This basis will be increased by amounts taxable to the U.S. Holder by virtue of the CFC rules, if applicable, and decreased by actual distributions from the Issuer that are deemed to consist of the previously taxed amounts or are treated as a non-taxable reduction to the U.S. Holder’s tax basis for the Equity Note (as described above). The amount realised on a sale or other disposition of Notes for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date.

If the PFIC rules are applicable, any gain realised on the sale, exchange, redemption or other taxable disposition of a Note will be treated as an excess distribution and taxed as ordinary income and subject to

an additional tax reflecting a deemed interest charge under the special tax rules described above. See “—Investment in a Passive Foreign Investment Company”.

If the CFC rules rather than the PFIC rules apply, then any gain realised by such U.S. Holder upon the disposition of a Note, other than gain constituting an excess distribution under the PFIC rules, if applicable, will be treated as ordinary income to the extent of the U.S. Holder’s share of the current and/or accumulated earnings and profits of the Issuer. In this regard, earnings and profits will not include any amounts previously taxed pursuant to the CFC rules. Any gain in excess of those current and/or accumulated earnings profits or loss will be long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of the disposition. In certain circumstances, U.S. Holders who are individuals (or whose income is taxable to U.S. individuals) may be entitled to preferential treatment for net long-term capital gains, but the ability of U.S. Holders to offset capital losses against ordinary income is limited.

### **QEF Election**

A U.S. Holder can avoid many of the adverse consequences of the Issuer’s classification as a PFIC by making a “qualified electing fund” (“**QEF**”) election. However, the Issuer may not provide U.S. Holders with the information necessary to make a QEF election. If a U.S. Holder makes a QEF election, the holder will be required to include in gross income each year (i) as ordinary income, its pro rata share of the Issuer’s earnings and profits in excess of net capital gains and (ii) as long-term capital gain, its pro rata shares of the Issuer’s net capital gain, in each case, whether or not the Issuer actually makes any distribution. In certain cases where the Issuer does not distribute all of its earnings in a taxable year, a U.S. Holder may be able to elect to defer payment, subject to an interest charge for the deferral period, of the tax on income recognised on account of the QEF election. Absent such an election, a U.S. Holder that makes a QEF election could owe tax on significant “phantom income”. Amounts previously subject to tax as income of the U.S. Holder under the QEF regime will not be subject to tax when they are distributed to a U.S. Holder. An electing U.S. Holder’s basis in the Equity Notes will be increased by any amounts included in income currently as described above and decreased by any amounts not subjected to tax at the time of distribution.

It also should be noted that, if the Issuer invests in certain obligations that are not in registered form, a U.S. Holder making a QEF election (i) may not be permitted to receive the benefit of a deduction for any loss attributable to such obligations when calculating the ordinary earnings and net capital gains of the Issuer and (ii) may be required to treat income attributable to such obligations as ordinary earnings even though the income would otherwise constitute capital gain.

### **Mark to Market Election**

U.S. Holders can avoid some of the adverse consequences of the Issuer’s classification as a PFIC by making a mark to market election with respect to the Equity Notes, provided that the Equity Notes are “marketable”. Equity Notes will be marketable if they are regularly traded on certain U.S. stock exchanges, or on a foreign stock exchange that meets certain requirements. For these purposes, the Equity Notes will be considered regularly traded during any calendar year during which they are traded, other than in *de minimis* quantities, on at least 15 calendar days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded.

A U.S. Holder that makes a mark to market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the Equity Notes at the close of the taxable year over the U.S. Holder’s adjusted basis in the Equity Notes. An electing holder may also claim an

ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the Equity Notes over the fair market value of the Equity Notes at the close of the taxable year, but this deduction is allowable only to the extent of any net mark to market gains for prior years. Once made, the election cannot be revoked without the consent of the IRS unless the Equity Notes cease to be marketable. If the Issuer is a PFIC for any year in which the U.S. Holder owns the Equity Notes but before a mark to market election is made, the interest charge rules described below will apply to any mark to market gain recognised in the year the election is made.

Because of the adverse consequences that could result for a U.S. Holder of Equity Notes, U.S. Holders are urged to consult their tax advisers regarding whether a protective QEF or mark-to-market election, if available, should be made with respect to its Equity Notes as of the date of purchase.

### **Backup Withholding and Information Reporting**

In general, payments of interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments including payments of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

### **Reportable Transactions**

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. The scope and application of these rules is not entirely clear. A U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if the loss exceeds U.S.\$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders. In the event the acquisition, holding or disposition of Notes constitutes participation in a reportable transaction for purposes of these rules, a U.S. Holder will be required to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of U.S.\$10,000 in the case of a natural person and U.S.\$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Accordingly, if a U.S. Holder realises a loss on any Note (or, possibly, aggregate losses from the Notes) satisfying the monetary thresholds discussed above, the U.S. Holder could be required to file an information return with the IRS, and failure to do so may subject the U.S. Holder to the penalties described above. In addition, the Issuer and its advisers may also be required to disclose the transaction to the IRS, and to maintain a list of U.S. Holders, and to furnish this list and certain other information to the IRS upon written request. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules to the acquisition, holding or disposition of Notes.

### **Foreign Financial Asset Reporting**

Recently enacted legislation imposes new reporting requirements on the holdings of certain foreign financial assets, including debt or equity of foreign entities, if the aggregate value of all of these assets exceeds U.S.\$50,000. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are regularly traded on an established securities markets and held in an account at a domestic financial institution. U.S. holders should consult their tax advisers regarding the application of this legislation.

## ERISA CONSIDERATIONS

Unless otherwise specified in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, none of the Notes or any interest therein may be acquired by or on behalf of (i) an employee benefit plan within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (ii) a plan within the meaning of Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), (iii) an entity that is deemed to hold the assets of any such plan, which plan or entity is subject to Title I of ERISA or Section 4975 of the Code, or (iv) a governmental or church plan that is subject to any federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code. Each purchaser of a Note or any interest therein will be required or deemed to represent that it is not, and is not acting on behalf of, any such plan or entity. Any purported transfer in violation of the foregoing will be null and void *ab initio* as described in more detail in the Risk Factor entitled “ERISA Considerations”.

## TRANSFER RESTRICTIONS – RESTRICTED SERIES

### (1) Unrestricted Global Certificates and Unrestricted Definitive Certificates (if any)

Each purchaser of Notes of a Restricted Series or an interest therein outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes or an interest therein in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the relevant Series Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (ii) It understands that such Notes have not been and will not be registered under the Securities Act and that it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A under the Securities Act to a person that it and any person acting on its behalf reasonably believe is a QIB/QP purchasing for its own account or the account of a QIB/QP that (I) is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (II) is not a participant-directed employee plan, such as a 401(k) plan, (III) was not formed for purposes of investing in the Issuer, (IV) is acquiring such Notes or interest for its own account or for the account of a QIB/QP as to which it exercises sole investment discretion, (V) will provide notice of the transfer restrictions applicable to such Notes to any subsequent transferee (which transferee shall be deemed to make the same representations herein) and (VI) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes or an interest therein to it is being made in reliance on Rule 144A, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case, in accordance with any applicable securities laws of any State of the United States or of any other jurisdiction or (c) pursuant to an applicable exemption under the Securities Act, to an “accredited investor” (as defined in Rule 501(a) of Regulation D under the Securities Act) who is also a “qualified purchaser” within the meaning of the Investment Company Act.
- (iii) It understands that each Unrestricted Global Certificate, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

“THE NOTES REPRESENTED BY THIS GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”).

THE NOTES REPRESENTED BY THIS GLOBAL CERTIFICATE AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO (1) A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS (I) A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) (A “QIB”)) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A

AND (II) A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “QP”) (SUCH PERSONS ARE HEREINAFTER REFERRED TO AS “QIB/QPs”) THAT (A) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (B) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, (C) IS ACQUIRING SUCH INTEREST FOR ITS OWN ACCOUNT, OR THE ACCOUNT OF ONE OR MORE QIB/QPs AS TO WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, (D) WAS NOT FORMED FOR THE PURPOSES OF INVESTING IN THE ISSUER, (E) HAS BEEN PROVIDED WITH NOTICE OF THE TRANSFER RESTRICTIONS APPLICABLE TO THE NOTES AND (F) HAS BEEN MADE AWARE, AND THAT HAS ADVISED ANY BENEFICIAL OWNERS HOLDING THROUGH IT, THAT THE TRANSFER OF SUCH NOTES IS BEING MADE IN RELIANCE ON RULE 144A, (2) PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT A PERSON WHO IS BOTH (I) AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(A) UNDER REGULATION D UNDER THE SECURITIES ACT) AND (II) A QP OR (3) NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. FOR SO LONG AS NOTES ARE HELD IN GLOBAL CERTIFICATED FORM, QUALIFIED INSTITUTIONAL BUYERS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE REPRESENTING NOTES SOLD IN RELIANCE ON RULE 144A AND NON-U.S. PERSONS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE REPRESENTING NOTES SOLD IN RELIANCE ON REGULATION S. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS NOT IN COMPLIANCE WITH THE FOREGOING.

IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER THAT IS A U.S. PERSON TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF.

BY ITS ACQUISITION OF ANY NOTE OR AN INTEREST THEREIN, THE HOLDER IS DEEMED TO REPRESENT, WARRANT AND COVENANT THAT IT IS NOT (AND FOR SO LONG AS IT HOLDS THE NOTES OR AN INTEREST THEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY NOTE REPRESENTED HEREBY OR AN INTEREST THEREIN WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), (II) A PLAN WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), (III) AN ENTITY THAT IS DEEMED TO HOLD THE ASSETS OF ANY SUCH PLAN, WHICH PLAN OR ENTITY IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR (IV) A



GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE. ANY SUCH SALE SHALL BE MADE AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF.

- (iv) It understands that the Issuer, the Registrar, the Dealer and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (v) It understands that the Notes of a Restricted Series offered in reliance on Regulation S will be represented by the Unrestricted Global Certificate and in certain very limited instances by an Unrestricted Definitive Certificate. Before any interest in the Unrestricted Global Certificate or an Unrestricted Definitive Certificate (if any) may be transferred to a person who takes delivery in the form of an interest in the Restricted Global Certificate or a Restricted Certificate, the Registrar will need to have received a written certification (in the form provided in the Trust Deed), as to compliance with applicable securities laws.

A transferor who transfers an interest in a Note of a Restricted Series sold in reliance on Regulation S to a transferee who will hold the interest in the same form is not required to make any representation or certification.

## **(2) Restricted Global Certificates and Restricted Definitive Certificates**

Each purchaser of Notes or an interest therein within the United States pursuant to Rule 144A and each subsequent purchaser of such Notes or an interest therein, by accepting delivery of this Base Prospectus, the relevant Series Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (i) It (a) is a qualified institutional buyer within the meaning of Rule 144A who is also a qualified purchaser within the meaning of the Investment Company Act (“QIB/QP”), (b) is not a broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (c) is not a participant-directed employee plan, such as a 401(k) plan, (d) was not formed for purposes of investing in the Issuer, (e) is acquiring such Notes or interest for its own account or for the account of a QIB/QP as to which it exercises sole investment discretion, (f) will provide notice of the transfer restrictions applicable to such Notes to any subsequent transferee (which transferee shall be deemed to make the same representations herein) and (g) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes or an interest therein to it is being made in reliance on Rule 144A.
- (ii) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB/QP purchasing for its own account or for the account of a QIB/QP that (i) is not a

broker-dealer which owns and invests on a discretionary basis less than U.S.\$25 million in securities of unaffiliated issuers, (II) is not a participant-directed employee plan, such as a 401(k) plan, (III) was not formed for purposes of investing in the Issuer, (IV) is acquiring such Notes or interest for its own account or for the account of a QIB/QP as to which it exercises sole investment discretion, (V) will provide notice of the transfer restrictions applicable to such Notes to any subsequent transferee (which transferee shall be deemed to make the same representations herein) and (VI) is aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes or an interest therein to it is being made in reliance on Rule 144A, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (c) to an “accredited investor” (as defined in rule 501(a) under the Securities Act) in reliance on an applicable exemption from the registration requirements of the Securities Act who is also a “qualified purchaser” within the meaning of the Investment Company Act, in each case, in accordance with any applicable securities laws of any State of the United States and any other applicable jurisdiction. It understands that the Issuer has not been registered under the Investment Company Act and that the Issuer does not have any obligation to register any of the Notes under the Securities Act or to comply with the requirements for any exemption from the registration requirements of the Securities Act (other than to supply information specified in Rule 144A(d)(4) of the Securities Act). It will provide notice of the transfer restrictions applicable to the Notes to any subsequent transferee.

- (iii) It understands that each Restricted Global Certificate representing such Notes and each Restricted Definitive Certificate, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

“THE NOTES REPRESENTED BY THIS GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE NOTES REPRESENTED BY THIS GLOBAL CERTIFICATE AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO (1) A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) (A “QIB”)) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND (II) A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “QP”) (PERSONS WHO ARE BOTH QIBs AND QPs ARE HEREINAFTER REFERRED TO AS “QIB/QPs”) THAT (A) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (B) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, (C) IS ACQUIRING SUCH INTEREST FOR ITS OWN ACCOUNT, OR THE ACCOUNT OF ONE OR MORE QIB/QPs AS TO WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, (D) WAS NOT FORMED FOR THE PURPOSES OF INVESTING IN THE ISSUER, (E) HAS BEEN PROVIDED WITH NOTICE OF THE TRANSFER RESTRICTIONS APPLICABLE TO THE NOTES AND (F) HAS BEEN MADE AWARE, AND THAT HAS ADVISED ANY BENEFICIAL OWNERS HOLDING THROUGH IT, THAT THE TRANSFER OF SUCH NOTES IS

BEING MADE IN RELIANCE ON RULE 144A (2) PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT A PERSON THAT IS BOTH (I) AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a) UNDER REGULATION D UNDER THE SECURITIES ACT) AND (II) A QP OR (3) NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ANY TRANSFEREE SHALL BE DEEMED TO HAVE REPRESENTED, AGREED AND ACKNOWLEDGED THE ABOVE AND, IN ADDITION, THAT IT WILL, ALONG WITH EACH ACCOUNT FOR WHICH IT IS TAKING SUCH INTEREST, HOLD AND TRANSFER BENEFICIAL INTERESTS IN SUCH NOTES IN AN AGGREGATE PRINCIPAL AMOUNT THAT IS NOT LESS THAN U.S.\$100,000. IN ADDITION, IT UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF PARTICIPANTS HOLDING POSITIONS IN ITS SECURITIES FROM ONE OR MORE BOOK-ENTRY DEPOSITARIES. ACCREDITED INVESTORS MUST TAKE DELIVERY OF THEIR NOTES IN DEFINITIVE CERTIFICATED FORM. FOR SO LONG AS NOTES ARE HELD IN GLOBAL CERTIFICATED FORM, QUALIFIED INSTITUTIONAL BUYERS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE REPRESENTING NOTES SOLD IN RELIANCE ON RULE 144A AND NON-U.S. PERSONS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE REPRESENTING NOTES SOLD IN RELIANCE ON REGULATION S. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS NOT IN COMPLIANCE WITH THE FOREGOING.

IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER THAT IS A U.S. PERSON THAT IS NOT A QIB/QP TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF.

BY ITS ACQUISITION OF ANY NOTE OR AN INTEREST THEREIN, THE HOLDER IS DEEMED TO REPRESENT, WARRANT AND COVENANT THAT IT IS NOT (AND FOR SO LONG AS IT HOLDS THE NOTES OR AN INTEREST THEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS ANY NOTE REPRESENTED HEREBY OR AN INTEREST THEREIN WILL NOT BE ACTING ON BEHALF OF), (I) AN EMPLOYEE BENEFIT PLAN WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), (II) A PLAN WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), (III) AN ENTITY THAT IS DEEMED TO HOLD THE ASSETS OF ANY SUCH PLAN, WHICH PLAN OR ENTITY IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR (IV) A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE. ANY SUCH SALE SHALL BE MADE AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF.

- (iv) It will, along with each account for which it is purchasing, hold and transfer such Notes or interests therein in an aggregate principal amount that is not less than U.S.\$100,000. In addition, it understands that the Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories.
- (v) In connection with the purchase of such Notes or any interest therein: (a) none of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) is acting as a fiduciary or financial or portfolio manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) other than in the relevant Series Prospectus and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof); (e) the purchaser has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (f) the purchaser is a sophisticated investor. The purchaser has received, and has had an adequate opportunity to review the contents of, this Base Prospectus and the relevant Series Prospectus or Series Listing Particulars. The purchaser has had access to such financial and other information concerning the Issuer and the Notes as such purchaser has deemed necessary to make its own independent decision to purchase Notes, including the opportunity, at a reasonable time prior to such purchaser's purchase of Notes, to ask questions and receive answers concerning the Issuer and the terms and conditions of the offering of the Notes.

- (vi) It understands that such Notes will be represented by the Restricted Global Certificate and in certain very limited instances by a Restricted Definitive Certificate. Before any interest in the Restricted Global Certificate or Restricted Definitive Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Certificate, it will be required to provide the Registrar with a written certification (in the form provided in the Trust Deed) as to compliance with applicable securities laws.
- (vii) It understands that the Issuer has the right to compel any holder or beneficial owner of such Notes that is not a QIB/QP to sell its Notes or interest therein, or may sell such Notes or interest therein on behalf of such owner, at the lowest of (x) the purchase price therefor paid by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof.
- (viii) Unless otherwise provided in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars, each purchaser and transferee of the Notes or of any interest therein will be deemed to have represented, warranted and covenanted that, at the time of its acquisition, it is not (and for so long as it holds the Notes or an interest therein will not be) and is not acting on behalf of (and for so long as it holds the Notes or an interest therein will not be acting on behalf of) (a) an employee benefit plan within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (b) a plan within the meaning of Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), (c) an entity that is deemed to hold the assets of any such plan, which plan or entity is subject to Title I of ERISA or Section 4975 of the Code, or (d) a governmental or church plan that is subject to any federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code. It understands that the Issuer has the right to compel any Noteholder or beneficial owner to sell its Notes or interest therein, or may sell such Notes or interest therein on behalf of such person, where such person does not satisfy the requirements set out in paragraph (viii) above. Any such sale shall be made at the lowest of (x) the purchase price paid therefor by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal price thereof, and (z) the fair market value thereof.
- (ix) The purchaser or transferee, or any person acting on its behalf, will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) under circumstances that would require the registration of the Notes under the Securities Act, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.
- (x) The purchaser is not purchasing the Notes in order to reduce its U.S. federal income tax liability or pursuant to a tax avoidance plan.
- (xi) If the purchaser is not a United States person (as defined in Section 7701(a)(30) of the Code), such purchaser is not a bank extending credit pursuant to a loan agreement in the ordinary course of its lending business (within the meaning of Section 881(c)(3)(A) of the Code).

- (xii) Any purported transfer in violation of paragraphs (i), (ii), (iv), (vi) or (viii) of these transfer restrictions will be null and void *ab initio* and will not operate to transfer any rights to the transferee, notwithstanding any instructions to the contrary to the Issuer, the Trustee or any intermediary.
- (xiii) It understands that the Issuer, the Registrar, the Dealers and their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Notes for the account of one or more QIB/QPs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

**(3) Restricted Certificates held by Accredited Investors that are also Qualified Purchasers**

Because of the following restrictions, purchasers of Restricted Certificates who are accredited investors are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

Unless otherwise agreed by the Issuer, each purchaser or transferee of Notes or any interest therein that is an AI/QP will be required to represent and agree and acknowledge, among other things, in a letter of representation delivered to the Issuer, the Registrar and the Transfer Agent at the time of any such purchase or transfer, that:

- (i) It is an “accredited investor” within the meaning of Rule 501(a) under the Securities Act that is acquiring the Notes for its own account for investment purposes and not with a view to, or for the offer or sale in connection with, any distribution thereof and that it is also a “qualified purchaser” within the meaning of the Investment Company Act (“AI/QP”).
- (ii) It understands that the Notes are being offered in a transaction not involving any public offering within the United States within the meaning of the Securities Act and that the Notes have not been and will not be registered under the Securities Act, and agree that, if in the future it decides to offer, resell, pledge or otherwise transfer such Notes or any beneficial interest in such Notes, such Notes may be offered, resold, pledged or otherwise transferred only to persons who deliver to the Issuer, the Registrar and the Transfer Agent a letter of representation in the form attached to the Trust Deed for the Notes.
- (iii) It understands that the Issuer has not registered under the Investment Company Act.
- (iv) It will notify any purchaser of Notes from it of the resale restrictions and the requirement in paragraph (ii) above to deliver a letter of representation. It understands and agrees that any purported transfer of the Notes (1) to a purchaser that does not comply with the requirement in paragraph (ii) above to deliver a letter of representation to the Issuer, the Registrar and the Transfer Agent, (2) to a Noteholder or beneficial owner that is a U.S. person that is not either (a) an AI/QP or (b) a qualified institutional buyer within the meaning of Rule 144A under the Securities Act who is also a qualified purchaser within the meaning of the Investment Company Act, (3) to a Noteholder or beneficial owner who is not a U.S. person but in a transaction that is not in accordance with Rule 903 or Rule 904 of Regulation S, or (4) that is not WITHIN AN APPLICABLE EXEMPTION TO THE REGISTRATION REQUIREMENTS OF THE

Securities Act or that is not otherwise in accordance with these restrictions on transfer shall be null and void *ab initio* and the Issuer will have the right to require any such Noteholder or beneficial owner to sell such Notes or interest therein, or may sell such Notes or interest therein on behalf of such owner, at the least of (x) the purchase price therefor paid by the Noteholder or beneficial owner, as the case may be, (y) 100 per cent. of the principal amount thereof or (z) the fair market value thereof.

- (v) It further understands that any Notes acquired by it will be in the form of individual definitive physical certificates and that the Restricted Certificate representing the Notes will bear the following legend:

THE NOTES REPRESENTED BY THIS RESTRICTED CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. 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 THE ISSUER HAS NOT REGISTERED AND WILL NOT REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”).

THE NOTES REPRESENTED BY THIS RESTRICTED CERTIFICATE AND ANY INTEREST THEREIN MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT TO (A) TO PERSONS WHO ARE BOTH (I) REASONABLY BELIEVED TO BE A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) (A “QIB”)) IN RELIANCE ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY RULE 144A AND (II) A “QUALIFIED PURCHASER” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (A “QP”) (PERSONS WHO ARE BOTH QIBs AND QPs ARE HEREINAFTER REFERRED TO AS “QIB/QPs”) THAT (A) IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN U.S.\$25 MILLION IN SECURITIES OF UNAFFILIATED ISSUERS, (B) IS NOT A PARTICIPANT-DIRECTED EMPLOYEE PLAN, SUCH AS A 401(k) PLAN, (C) IS ACQUIRING SUCH INTEREST FOR ITS OWN ACCOUNT, OR THE ACCOUNT OF ONE OR MORE QIB/QPs AS TO WHICH IT EXERCISES SOLE INVESTMENT DISCRETION, (D) WAS NOT FORMED FOR THE PURPOSES OF INVESTING IN THE ISSUER, (E) HAS BEEN PROVIDED WITH NOTICE OF THE TRANSFER RESTRICTIONS APPLICABLE TO THE NOTES AND (F) HAS BEEN MADE AWARE, AND THAT HAS ADVISED ANY BENEFICIAL OWNERS HOLDING THROUGH IT, THAT THE TRANSFER OF SUCH NOTES IS BEING MADE IN RELIANCE ON RULE 144A, (B) IN RELIANCE ON AN EXEMPTION FROM REGISTRATION REQUIREMENTS OF THE SECURITIES ACT A PERSON THAT IS BOTH (I) AN “ACCREDITED INVESTOR” (AS DEFINED IN RULE 501(a) UNDER REGULATION D UNDER THE SECURITIES ACT) AND (II) A QP, OR (C) NON-U.S. PERSONS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”), IN EACH CASE (I) UPON DELIVERY OF A LETTER OF REPRESENTATION REFERRED TO BELOW AND (II) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER APPLICABLE JURISDICTION. ACCREDITED INVESTORS MUST TAKE DELIVERY OF THEIR NOTES IN DEFINITIVE CERTIFICATED FORM. FOR SO LONG AS NOTES ARE HELD IN GLOBAL CERTIFICATED FORM, QUALIFIED INSTITUTIONAL BUYERS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE REPRESENTING NOTES SOLD IN RELIANCE ON RULE 144A AND NON-U.S. PERSONS MUST TAKE DELIVERY OF THEIR NOTES IN THE FORM OF THE GLOBAL CERTIFICATE

REPRESENTING NOTES SOLD IN RELIANCE ON REGULATION S. EACH TRANSFEREE MUST DELIVER TO THE ISSUER, THE REGISTRAR AND THE TRANSFER AGENT A LETTER OF REPRESENTATION IN THE FORM SET OUT IN THE TRUST DEED (REFERRED TO HEREIN) AT THE TIME OF ANY TRANSFER. ANY TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID *AB INITIO* AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE TRUSTEE OR ANY INTERMEDIARY. IN ADDITION, THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF NOTES OR ANY INTEREST THEREIN TO A PERSON WHO IS NOT IN COMPLIANCE WITH THE FOREGOING.

IN ADDITION TO THE FOREGOING, THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER THAT IS A U.S. PERSON THAT IS NOT AN ACCREDITED INVESTOR AND A QUALIFIED PURCHASER TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, AT THE LEAST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF OR (Z) THE FAIR MARKET VALUE THEREOF.

EACH HOLDER OF NOTES WILL HAVE REPRESENTED, WARRANTED AND COVENANTED IN ITS LETTER OF REPRESENTATION THAT IT IS NOT (AND FOR SO LONG AS IT HOLDS THE NOTES REPRESENTED HEREBY OR AN INTEREST THEREIN WILL NOT BE), AND IS NOT ACTING ON BEHALF OF (AND FOR SO LONG AS IT HOLDS THE NOTES REPRESENTED HEREBY OR AN INTEREST HEREIN WILL NOT BE ACTING ON BEHALF OF) AN EMPLOYEE BENEFIT PLAN WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), A PLAN WITHIN THE MEANING OF SECTION 4975(E)(1) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), AN ENTITY THAT IS DEEMED TO HOLD THE ASSETS OF ANY SUCH PLAN, WHICH PLAN OR ENTITY IS SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR A GOVERNMENTAL OR CHURCH PLAN THAT IS SUBJECT TO ANY FEDERAL, STATE OR LOCAL LAW THAT IS SIMILAR TO THE PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE.

THE ISSUER HAS THE RIGHT TO COMPEL ANY NOTEHOLDER OR BENEFICIAL OWNER TO SELL SUCH NOTES OR INTEREST THEREIN, OR MAY SELL SUCH NOTES OR INTEREST THEREIN ON BEHALF OF SUCH PERSON, WHERE SUCH PERSON DOES NOT SATISFY THE REQUIREMENTS IN THE PARAGRAPH ABOVE. ANY SUCH SALE SHALL BE MADE AT THE LOWEST OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE NOTEHOLDER OR BENEFICIAL OWNER, AS THE CASE MAY BE, (Y) 100 per cent. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF.

- (vi) In the event that it purchases any of the Notes, it will acquire Notes having a minimum principal amount of not less than U.S.\$100,000 for its own account.
- (vii) It is acquiring the Notes for its own account and not with a view to distribution thereof or with any present intention of offering or selling any of the Notes or any other disposition thereof in violation of the Securities Act.
- (viii) It has received a copy of this Base Prospectus and the relevant Series Prospectus and acknowledges that it has had all access to such financial and other information and has been



afforded the opportunity to ask such questions of representatives of the Issuer and received answers thereto as it deems necessary in connection with its decision to purchase the Notes. It acknowledges that (a) none of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) is acting as a fiduciary or financial or portfolio manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) other than in this Base Prospectus and the relevant Series Prospectus and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof) has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; and (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Swap Counterparty, any Agent or any subsidiary, holding or associated company of any of them (including any directors, officers or employees thereof).

- (ix) It has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of purchasing the Notes, and it can bear the economic risk of its investment in the Notes.
- (x) It, or any person acting on its behalf, will not, at any time, offer to buy or offer to sell the Notes by any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) under circumstances that would require the registration of the Notes under the Securities Act, including, but not limited to, any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitation or advertising.
- (xi) It is not and is not acting on behalf of (a) an employee benefit plan within the meaning of Section 3(3) of ERISA, (b) a plan within the meaning of Section 4975(e)(1) of the Code, (c) an entity that is deemed to hold the assets of any such plan, which plan or entity is subject to Title I of ERISA or Section 4975 of the Code, or (d) a governmental or church plan that is subject to any federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.
- (xii) It understands that the Issuer has the right to compel any Noteholder or beneficial owner to sell its Notes or interest therein, or may sell such Notes or interest therein on behalf of such person, where such person is, or is acting on behalf of or using assets of, (a) an employee

benefit plan within the meaning of Section 3(3) of ERISA, (b) a plan within the meaning of Section 4975(e)(1) of the Code, (c) an entity that is deemed to hold the assets of any such plan, which plan or entity is subject to Title I of ERISA or Section 4975 of the Code, or (d) a governmental or church plan that is subject to any federal, state or local law that is similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

- (xiii) It is not purchasing the Notes in order to reduce its U.S. federal income tax liability or pursuant to a tax avoidance plan.
- (xiv) If it is not a United States person (as defined in Section 7701(a)(30) of the Code), it is not a bank extending credit pursuant to a loan agreement in the ordinary course of its lending business (within the meaning of Section 881(c)(3)(A) of the Code).
- (xv) It acknowledges that the Issuer will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements set forth herein, and it agrees to notify the Issuer promptly in writing if any of its acknowledgments, representations or warranties herein ceases to be accurate and complete. It hereby agrees that this letter or a copy thereof may be produced to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.
- (xvi) It understands that there may be certain consequences under United States and other tax laws resulting from an investment in the Notes and it has made such investigation and has consulted such tax and other advisers with respect thereto as it deems appropriate.

# FORM OF FINAL TERMS

**[NAME OF ISSUER]**

€[•]

Multi Issuer Secured Transaction Programme

[for the Issuance of Notes comprising an Unrestricted Series]

SERIES NO: [•]

TRANCHE NO:

[•]

[Brief Description and Amount of Notes]

Issue Price: [•] per cent.

[Publicity Name(s) of Dealer]

The date of these Final Terms is [•]

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 26 August 2016 [and the supplemental Base Prospectus dated [•]] that [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”). [This document constitutes the final terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].]<sup>1</sup> Full information on [insert name of issuer] [acting for and on behalf of its Compartment [•]]<sup>2</sup> (the “**Issuer**”) and the offer of the Notes is only available on the basis of the combination of these final terms and the Base Prospectus. [The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [address] [and] [www.centralbank.ie](http://www.centralbank.ie) or [www.ise.ie](http://www.ise.ie) and copies may be obtained from [address].]

[The Issuer is a regulated securitisation company (*société de titrisation agréée*) within the meaning of the Luxembourg Securitisation Law under which the assets, liabilities and obligations of the Issuer can be segregated into Compartments. The assets and liabilities of each Compartment are, by operation of the Luxembourg Securitisation Law, (a) separate and distinct from the assets and liabilities of each other Compartment, (b) exclusively available to satisfy the rights of investors in relation to that Compartment and the rights of creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that Compartment. The Issuer enters into the Issue Deed to which the Notes relate in respect of its Compartment [insert Compartment]. No other Compartment shall be liable or shall be charged for any debt, obligation or liability of the Issuer under the Issue Deed]<sup>3</sup>

<sup>1</sup> Include for listed Notes only

<sup>2</sup> Include for any Luxembourg Issuer

<sup>3</sup> Include for any Luxembourg Issuer

The Issuer may also issue Notes that are credit-linked to third party reference entities or reference obligations, provided that any such issue shall be by way of a Pricing Supplement, Series Prospectus or Series Listing Particulars.

Neither the Arranger nor the Dealer has separately verified the information contained in these final terms or accepts responsibility for the information contained herein unless expressly stated otherwise.

The Issuer has not separately verified the information contained in the Schedule to these final terms and accepts no responsibility in respect of the correctness or completeness of such information.

Information about the Initial Securities and the Initial Loans has been extracted from the relevant offering documents and loan agreements (as applicable) relating thereto. 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 Asset Issuer, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

## GENERAL PROVISIONS

**Issuer:** [Willow No. 2 (Ireland) PLC/Willow No. 2 (Cayman) Limited/Willow No. 1 (Luxembourg) S.A., acting on behalf of [insert Compartment]]

**Series Number:** [•]

**Tranche Number:** [Not Applicable]/[•]

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.) [•]

**Specified Currency or Currencies:** [•]

**Aggregate Nominal Amount:**

**Series:** [•]

**Tranche:** [Not Applicable]/[•]

**Issue Price:** [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] [in the case of fungible issues only, if applicable]]

**Specified Denomination(s):** [•] [shall be at least U.S.\$100,000 for any Note of any Restricted Series (provided that a single Unrestricted Global Certificate may be issued with a denomination of U.S.\$0 as part of the initial issuance of each Restricted Series)]

**Calculation Amount:** [•]

**Issue Date:** [•]

Interest Commencement Date (if [Not Applicable]/[•]  
different from the Issue Date):

Date Board approval for issuance of Notes obtained: [Expected to be the day falling [one][two] Business Day[s] prior to the Issue Date.]/[•]

Status of the Notes: Secured and limited recourse obligations

Maturity Date: [•] (the “**Scheduled Maturity Date**”)[, subject to adjustment in accordance with the Business Day Convention]

Interest Basis: [Fixed Rate]  
[Floating Rate]  
[Zero Coupon]  
[Pass-through]  
(further particulars specified below)

Redemption/Payment Basis: [Redemption at par]  
[Instalment]  
[Pass-through]

Following the occurrence of a relevant event specified in Condition 8(a)(iii), each Note will be redeemed in accordance with Condition 8(c) (*Early Redemption Events*), 8(d) (*Events of Default*), 8(e) (*Redemption at the Option of the Issuer*) or 8(f) (*Redemption at the Option of Noteholders*) (as applicable).

Put/Call Options: [Not Applicable]  
[Put]  
[Call]  
[(further particulars specified below)]

Noteholder Depackaging Option: [Applicable/Not Applicable]

Listing: [Official List of the Irish Stock Exchange] / [and] / [Cayman Islands Stock Exchange] / [and] / [Other specify] / [None]

Commissions: [Applicable/Not applicable]

[The Issue Price includes a commission element paid to [the Distributor/Other specify], which will be no more than [•] per cent. of the Issue Price.

It is anticipated that [the Distributor/Other specify] will on-sell Notes purchased by it from time to time to end investors.

[The [Distributor/Other specify] may on-sell the Notes to such end investors at a price which includes an additional charge over and above the stated Issue Price. This

additional charge is not expected to exceed the Issue Price by more than [•] per cent. Further details of this charge and the impact on the effective return on these Notes should be requested from [the Distributor/Other specify].]

**Calculation Agent:** Barclays Bank PLC

**Realisation Agent:** Barclays Bank PLC

**Swap Counterparty:** Barclays Bank PLC

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

**Fixed Rate Note Provisions:** [If not applicable, delete this paragraph]

Rate [(s)] of Interest: [•] per cent. per annum

Interest Period End Date(s): [•] in each year from and including [•] to and including the [Maturity Date/date]

Interest Payment Date(s): Each Interest Period End Date, as adjusted in accordance with the Business Day Convention. For the avoidance of doubt, the Interest Amount payable on [relevant payment date] will accrue from and including the Issue Date to but excluding [•].

Day Count Fraction (Condition 7(h)): [Actual/Actual] [Actual/Actual-ISDA] [Actual/Actual-ICMA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [BondBasis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]

Business Day Convention (Condition 7(l)): [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]

Adjustment of Interest Accrual Period: [Adjusted/Unadjusted]

Business Centres (Condition 9(g)): [•]

Fixed Coupon Amount [(s)]: [•] per Calculation Amount *[Delete if not applicable]*

**Floating Rate Provisions:** *[If not applicable, delete this paragraph]*

Interest Period End Date(s): [•] in each year from and including [•] to and including the [Maturity Date/date]

Interest Payment Date(s): Each Interest Period End Date, as adjusted in accordance with the Business Day Convention. For the avoidance of doubt, the Interest Amount payable on [relevant payment date] will accrue from and including the Issue Date to but excluding [•].

Business Day Convention (Condition 7(l)): [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business

	Day Convention/Preceding Business Day Convention]
Adjustment of Interest Accrual Period	[Adjusted/Unadjusted]
Manner in which the Rate(s) of Interest is/are to be determined:	[•]
Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[•] <i>[delete if not applicable]</i>
Reference Rate:	[•]
Designated Maturity	[•]
Interest Determination Date:	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
Relevant Screen Page:	[•]
Relevant Time	[•]
Offered Quotation	[Applicable/Not applicable]
Arithmetic Mean	[Applicable/Not applicable]
Details of any specified, short or long Interest Accrual Period:	[•][Not Applicable] Linear Interpolation: [Applicable] [Not Applicable]
Margin(s):	[+/-] [•] per cent. per annum]/[Not Applicable]
Minimum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
Maximum Rate of Interest:	[[•] per cent. per annum]/[Not Applicable]
Day Count Fraction (Condition 7(h)):	[Actual/Actual] [Actual/Actual-ISDA] [Actual/Actual-ICMA] [Actual/365 (Fixed)] [Actual/360] [30/360] [360/360] [BondBasis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
Business Centre(s) (Condition 9(g)):	[Dublin/Cayman Islands/Luxembourg][•]
<b>Zero Coupon Note Provisions</b>	<i>[If not applicable, delete this sub-paragraph]</i>
Rate of Interest:	[0 per cent. per annum]
<b>Pass-through Note Provisions</b>	<i>[If applicable, delete “Final Redemption Amount of each Note” below.]</i>
Pass-through Notes:	[Applicable/Not applicable]

## PROVISIONS RELATING TO THE SECURITY INTERESTS

### Secured Property:

Initial Securities/Initial Loan(s):	Applicable. [The securities initially held by or on behalf of the Issuer
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in respect of the Notes are Barclays Initial Assets as described in [the] Schedule [•] hereto (the “Initial Securities”).] [The loans initially transferred to the Issuer (the “Initial Loan(s)”) are Barclays Initial Assets as described in [the] Schedule [•] hereto] *[Delete as applicable]*.

[On the Issue Date, the Swap Counterparty shall [sell the Initial Securities][transfer the [Initial Loan(s)] to the Issuer under the terms of the Swap.] *[Delete as applicable]*

[Pursuant to the terms of the Swap, the Swap Counterparty [(i)] may, from time to time, replace any Principal Assets with Eligible Replacement Assets] <sup>4</sup> [and][(ii)] may be required from time to time [to deliver Eligible Management Assets to the Issuer or, as the case may be, require delivery of Principal Assets from the Issuer],[each][as more particularly set out in the Swap]<sup>5</sup>].

[Contractual arrangements]

[The Issuer has assigned by way of security its rights, title and interest under:

the Agency Agreement, the Custody Agreement, [the Loan Service Agreement,] [the Secondary Market Agreement,][the Dealer Agreement];

[the Swap]; [and]

[the Securities Lending Agreement].]

[Account[s] over which security is granted] [The Custody Account (as defined in the Custody Agreement) with account number [•]

The Cash Account (as defined in the Custody Agreement) with account number [•]

The LSA Cash Account (as defined in the Loan Service Agent Agreement) with account number [•]]

*(This provision is only applicable where the Issuer is a Luxembourg Issuer. Delete if not applicable)*

Security Interests (order of priorities):

[As set out in Condition 5(d)(iii) of the Base Prospectus]

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<sup>4</sup> Only include if Asset Replacement is applicable

<sup>5</sup> Only include if Asset Management is applicable



Minimum Collateral Value:	[•]
Minimum Transfer Amount (for the purposes of the Securities Lending Agreement):	[Specify the Minimum Transfer Amount]/[Base Currency Equivalent of USD 50,000]
Principal Assets Borrowing on Issue Date:	[Applicable/Not Applicable]
All Principal Assets:	[Applicable/Not Applicable]
Swap:	<p>[Applicable/Not Applicable] <i>[If applicable: Documented under the Master Swap Terms[, the Ratings Appendix [and the Master Credit Support Annex Terms, each]<sup>6</sup> as incorporated into and amended by the Issue Deed with an effective date of the Issue Date, made between the Issuer and Barclays Bank PLC as swap counterparty (the “Swap Counterparty”) and governed by English law.]</i></p> <p>[On the Issue Date, under the Swap, the Issuer shall pay [100] per cent. of the issue proceeds of the Notes to the Swap Counterparty and, if there are any Initial Securities or Initial Loan(s), the Swap Counterparty shall deliver such Initial Securities to the Custodian (on behalf of the Issuer) or Transfer such Initial Loan(s) to the Issuer.</p> <p>A “Transfer” here means a transfer of such Initial Loan(s) by way of assignment, sub-participation or by way of a total return swap.]</p> <p>The Swap, to the extent not previously terminated in accordance with its provisions, shall terminate on the Maturity Date of the Notes.</p> <p><i>[If applicable and Pass-through Notes is not applicable: Payments of interest and principal under the Notes are dependent on the payments made by the Swap Counterparty under the Swap.]</i></p>
Principal Assets Purchase Under Swap:	[Applicable/Not Applicable]
Credit Support Annex:	<p>[Applicable/Not Applicable] <i>[If not applicable, delete the remaining sub-paragraphs of this paragraph][If Initial Securities / Initial Loan(s) is not specified as applicable and Swap is specified as applicable, then this should be specified as applicable]</i></p>
Credit Support Appendix:	[Appendix 1 – Bilateral/Appendix 2 – S&P Criteria 1 /Appendix 3 – S&P Criteria 2/ Appendix 4 – Moody’s

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<sup>6</sup> If there are no Initial Securities or Initial Loan, the Credit Support Annex should be specified as applicable.

	Criteria]
Valuation Dates:	[First and tenth Local Business Day of each calendar month]/[other]
Minimum Transfer Amount (for the purposes of the Credit Support Annex):	[Specify the Minimum Transfer Amount]/[Base Currency Equivalent of USD 50,000]
[Currency Amount:	An amount equal to, and in the currency of, the Aggregate Nominal Amount of the Notes][Note: Applicable if Appendix 4 to the Credit Support Appendix is applicable.]
Asset Replacement (Condition 5(i)):	[Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
Eligible Replacement Assets:	[Any security issued or loan taken by the Asset Issuer ranking <i>pari passu</i> with the Initial Securities/Initial Loan(s)/Specify criteria]
Notional Amount Replacement:	Not Applicable
Present Value Replacement:	Not Applicable
Market Value Replacement:	Not Applicable
Asset Management (Condition 5(j)):	Not Applicable
	[If not applicable, delete the remaining sub-paragraphs of this paragraph]
Asset Management Range Floor:	[•] per cent.
Asset Management Range Cap:	[•] per cent.
Eligible Management Assets:	[[if Asset Management is applicable, specify criteria, e.g. "Any securities that are fungible with the Initial Securities"]/Not Applicable]
Swap Termination Method:	Upon termination of the Swap, the parties thereto have elected that the Swap Termination Method shall be ["Standard 6(e) Payment"]/"One Way Payment"]/"No Payment"]/"Claims Settlement"]
Realisation of Security Interests:	[Holder Request/Extraordinary Resolution Direction/Creditor Direction]

## PROVISIONS RELATING TO REDEMPTION

Asset Event Type:	[Asset Event-Linked to all Bonds]
	[Asset Event-Linked to Assets Only]
	[Pass-through Notes] [If not applicable, delete. If applicable, delete "Final Redemption Amount of each

Note” below]

[Not Applicable. For the avoidance of doubt, Condition 8(c)(i) (*Asset Event and Pass-through Notes Event*) shall not apply to the Notes.]

**Full Restructuring:**

[Applicable/Not Applicable] *[If not applicable, delete] [If applicable and the Cheapest to Deliver Option is to be disapplied: Pursuant to the Securities Lending Agreement, following the occurrence of an Asset Event the Securities Borrower shall pay an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of all the Principal Assets that it has borrowed but not yet redelivered or retransferred, rather than to have the option of paying an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined, as more particularly set out in the Securities Lending Agreement.]*

**Call Option**

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]:*

Optional Redemption Date(s): [•]

Early Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination

If redeemable in part:

Minimum nominal amount to be redeemed: [•]

Maximum nominal amount to be redeemed: [•]

Option Exercise Date(s): [•]

Notice period (if other than as set out in the Conditions): [•]

**Put Option**

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]:*

Optional Redemption Date(s): [•]

Early Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination

Option Exercise Date(s): [•]

Notice period: [•]

**Noteholder Depackaging Option:** [Applicable/Not applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

Depackaging Redemption Event(s): [As set out in Condition 1]

**Final Redemption Amount of each Note:** [Redemption at par] [[•] per Note of [•] specified denomination/See Appendix]

**Early Redemption Amount:**

Early Redemption Amount(s) of each Note payable on early redemption under Condition 8(b), 8(c) and 8(d) and/or the method of calculating the same: [Cash Settlement/Physical Settlement/Pass-through Notes]  
[Claim Value: *for Rated Notes where Swap Counterparty is de-linked only*] *[specify, if not equal to the outstanding principal amount of each Note together with accrued but unpaid interest]* *[If Pass-through Notes is applicable, delete this paragraph]*

Clearing System for Assets if not Euroclear or Clearstream, Luxembourg (Condition 1): [Not Applicable]/[•]

**Details relating to Instalment Notes:** *[Delete if not applicable/give details]*

Instalment Amount(s): [•] *[The Instalment Amount payable on each Note where Pass-through Notes is applicable shall be an amount determined by the Calculation Agent to be such Note's pro rata share equal to the principal payment received by the Issuer on the Assets on each of [set out maturity dates of Assets]. Such Instalment Amount will be determined on or after notification of the principal payment amount to be received by the Issuer.]*

Instalment Date(s): [•] *[The Instalment Date where Pass-through Notes is applicable, shall be either one Business Day after the day on which amounts are received by the Issuer on the Assets, or fixed dates (in which case amounts received will accumulate and be paid out on these fixed dates).]*

Minimum Instalment Amount: [•]

Maximum Instalment Amount: [•]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

**Form of Notes:** [Bearer Notes/Registered Notes]

*[include the following for an Unrestricted Series, as applicable]*

**[Exchange:** [Temporary Global Note][Permanent Global Note]

Notes to be represented on issue by:

Applicable TEFRA exemption: [C Rules][D Rules][Not applicable]

Temporary Global Note exchangeable for [Yes][No]

Permanent Global/Definitive Notes:

Permanent Global Note exchangeable for [Yes][No]

Definitive Bearer Notes:

**New Global Note:** [Yes]/[No]

## DISTRIBUTION

**If non-syndicated, name of Dealer:** [Barclays Bank PLC]/[Barclays Capital Inc.] [specify]

**Stabilising Manager:** [Barclays Bank PLC]/[•]/[Not Applicable]

## [LISTING AND ADMISSION TO TRADING APPLICATION

These final terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the Secured Transaction Programme of [Willow No. 2 (Ireland) PLC]/[Willow No. 2 (Cayman) Limited]/[Willow No. 1 (Luxembourg) S.A., acting for and on behalf of its Compartment [•]].

Signed on behalf of the Issuer:

By: .....

[By: .....]<sup>7</sup>

Duly authorised]

---

<sup>7</sup> A Luxembourg Issuer will require two signatories.

## Part B – Other Information

### LISTING

Listing: [Irish Stock Exchange]/[and]/[Cayman Islands Stock Exchange]/ [and] / [Other specify] / [None]

Admission to trading: [Application will be made to the Irish Stock Exchange for the Notes to be admitted to trading on the regulated market of the Irish Stock Exchange with effect from [•].]

[Application will be made to the Cayman Islands Stock Exchange for the Notes to be admitted to trading on the Cayman Islands Stock Exchange with effect from [•].]

[Other specify] / [None]

Estimate of total expenses related to admission to trading: [EUR] [•]

### RATINGS

Ratings: [Not Applicable]/[The Notes to be issued have been rated:

[Standard & Poor's: [ ]]

[Moody's: [ ]]

[and endorsed by *[insert details]*]

*[(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)]*

*Insert one (or more) of the following options, as applicable:*

[[*Insert credit rating agency/ies*] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.]

[[*Insert credit rating agency/ies*] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009.]]]

### INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

## REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer:	<p>The net proceeds from the issue of the Notes will be used by the Issuer to fund the Swap including if applicable the purchase thereunder of the Initial Securities (if any) and/or the Initial Loans (if any) comprising part of the Secured Property in respect of the Notes.</p> <p><i>[See [“Use of Proceeds”] wording in Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.]</i></p>
Estimated net proceeds:	<p>[The product of (i) the Issue Price and (ii) the Aggregate Nominal Amount of the Notes issued on the applicable Issue Date.]/[•]</p> <p><i>[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]</i></p>
Estimated total expenses:	<p>[•] <i>[Include breakdown of expenses.]</i></p> <p>[Only necessary to include disclosure of net proceeds and total expenses above where reasons for the offer have been provided above.]</p>
Fixed Rate Notes only — Yield	<p><i>[Delete this paragraph if not applicable]:</i></p> <p>[•]</p> <p>[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</p>

## OPERATIONAL INFORMATION

ISIN Code:	[•]/[As specified in the relevant Final Terms]
Common Code:	[•]/[As specified in the relevant Final Terms]
Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not applicable]/[give name(s) and number(s)]
Delivery:	Delivery [against]/[free of] payment

The Agents appointed in respect of the Notes are:

*Issuing And Paying Agent, Custodian:*

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

*Calculation Agent*

Barclays Bank PLC  
5 North Colonnade  
Canary Wharf  
London E14 4BB

*Realisation Agent*

Barclays Bank PLC  
5 North Colonnade  
Canary Wharf  
London E14 4BB

*[For Ireland:*

*Listing Agent*

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland]

*[For Cayman:*

*[•]]*

*[As set out in the Base Prospectus]*

*[For Luxembourg:*

*Custodian*

*[HSBC Bank plc, Luxembourg Branch]*

*[As set out in the Base Prospectus]*

Intended to be held in a manner which would allow Eurosystem eligibility:

*[[Include this text if "Yes" is selected, in which case the Notes must be issued in NGN form:]]* Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during



their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.)][include this text for registered notes]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## OFFER INFORMATION

*[If applicable, the following details should be included:]*

Offer Price:	[Issue Price] [specify]
Conditions to which the offer is subject:	[Not Applicable/give details]
Description of the application process:	[Not Applicable/give details]
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
Details of method and time limits for paying up and delivering the Assets:	[Not Applicable/give details]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
Categories of prospective investors to which the Assets are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/give details]
Process for notification to applicants of the amount allotted and indication whether dealing may begin before	

notification is made:

[Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[Name/give details]

## Schedule

### [The Initial Securities

Securities from the issue of [Currency][aggregate nominal amount][title of notes] due [maturity date] (the “Initial Securities”) issued by Barclays Bank PLC (the “Asset Issuer”):

ISIN	Maturity Date	Nominal Amount	[Replacement Factor]
[.]	[.]	[.]	[.]
]			

### [The Initial Loan(s)

The following loan:

Borrower	Maturity Date	Total Outstanding Principal Balance	[Replacement Factor]
[.]	[.]	[.]	[.]

]

# FORM OF PRICING SUPPLEMENT

**[NAME OF ISSUER]**

€[•]

Multi Issuer Secured Transaction Programme

[for the Issuance of Notes comprising an Unrestricted Series]

SERIES NO: [•]

TRANCHE NO: [•]

[Brief Description and Amount of Notes]

Issue Price: [•] per cent.

[Publicity Name(s) of Dealer]

The date of this Pricing Supplement is [•]

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in [the Base Prospectus dated 26 August 2016 [and the supplemental Base Prospectus dated [•]] that [together] constitute[s] a base prospectus (the “**Base Prospectus**”)]/[the Base Listing Particulars dated [•]2016 [and the supplemental Base Listing Particulars dated [•]] that [together] constitute[s] a base listing particulars (the “**Base Listing Particulars**”)]. This document constitutes the Pricing Supplement.

[This Pricing Supplement should be read in conjunction with the Base Prospectus and shall be deemed to modify or supersede the Base Prospectus to the extent that any term herein is inconsistent with the terms of the Base Prospectus.]<sup>8</sup>

### **GENERAL PROVISIONS**

**Issuer:** [Willow No. 2 (Ireland) PLC/Willow No. 2 (Cayman) Limited/Willow No. 1 (Luxembourg) S.A., acting on behalf of [insert Compartment]]

**Series Number:** [•]

**Tranche Number:** [Not Applicable]/[•]

(If fungible with an existing Series, details [•]  
of that Series, including the date on which  
the Notes become fungible.)

**Specified Currency or Currencies:** [•]

**Aggregate Nominal Amount:**

<sup>8</sup> Only include for unlisted Notes.

Series:	[•]
Tranche:	[Not Applicable]/[•]
Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] [in the case of fungible issues only, if applicable]]
Specified Denomination(s):	[•] [shall be at least U.S.\$100,000 for any Note of any Restricted Series (provided that a single Unrestricted Global Certificate may be issued with a denomination of U.S.\$0 as part of the initial issuance of each Restricted Series)]
Calculation Amount:	[•]
Issue Date:	[•]
Trade Date:	<i>[If not applicable, delete this paragraph]</i> /[•]. The Noteholder bears the risk of loss from a Credit Event (as defined in the CDS) with effect from the Credit Event Backstop Date (which may occur prior to the Trade Date) up to and including the Maturity Date.]
Interest Commencement Date (if different from the Issue Date):	[Not Applicable]/[•]
Date Board approval for issuance of Notes obtained:	[Expected to be the day falling [one][two] Business Day[s] prior to the Issue Date.]/[•]
Status of the Notes:	Secured and limited recourse obligations
Maturity Date:	[•] (the “ <b>Scheduled Maturity Date</b> ”)[, subject to adjustment in accordance with the Business Day Convention][ <i>For Credit Linked Notes</i> :, subject to adjustment in accordance with Credit Condition 4 ( <i>Extension of Maturity Date</i> ) set out in the Credit Annex.]
Interest Basis:	[Fixed Rate] [Floating Rate] [Zero Coupon] [Index-linked Interest] [Pass-through] [Other specify] (further particulars specified below)
Redemption/Payment Basis:	[Redemption at par] [Index-linked Redemption] [Dual Currency] [Instalment] [Pass-through] [Other specify]

Following the occurrence of a relevant event specified in Condition 8(a)(iii), each Note will be redeemed in accordance with Condition 8(c) (*Early Redemption Events*), 8(d) (*Events of Default*), 8(e) (*Redemption at the Option of the Issuer*) or 8(f) (*Redemption at the Option of Noteholders*) (as applicable).

[For Credit Linked Notes: Following the occurrence of a relevant event specified in Credit Condition 2 (*Credit Event Redemption*), each Note shall be redeemed by payment of the Credit Event Redemption Amount on the Credit Event Redemption Date in accordance with Credit Condition 2.]

**Change of Interest or Redemption/Payment Basis:** [Not Applicable]/[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]

**Put/Call Options:** [Not Applicable]  
[Put]  
[Call]  
[(further particulars specified below)]

**Noteholder Depackaging Option:** [Applicable/Not Applicable]

**Listing:** [Official List of the Irish Stock Exchange] / [and] / [Cayman Islands Stock Exchange] / [and] / [Other specify] / [None]

**Commissions:** [Applicable/Not applicable]

[The Issue Price includes a commission element paid to [the Distributor/Other specify], which will be no more than [•] per cent. of the Issue Price.

It is anticipated that [the Distributor/Other specify] will on-sell Notes purchased by it from time to time to end investors.

[The [Distributor / Other specify] may on-sell the Notes to such end investors at a price which includes an additional charge over and above the stated Issue Price. This additional charge is not expected to exceed the Issue Price by more than [•] per cent. Further details of this charge and the impact on the effective return on these Notes should be requested from [the Distributor/Other specify].]

[Insert details of any commission arrangements where the Notes are sold to investors through an intermediary or broker]

Calculation Agent:	[Barclays Bank PLC]/[•]
Realisation Agent:	[Barclays Bank PLC]/[•]
Swap Counterparty:	[Barclays Bank PLC]
Approved Counterparties:	[•]
Corporate Event:	[Applicable/Not Applicable][ <i>If applicable: specify the terms of the Corporate Event</i> ]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Fixed Rate Note Provisions:	[If not applicable, delete this paragraph]
Rate [(s)] of Interest:	[•] per cent. per annum
Interest Period End Date(s):	[•] in each year from and including [•] to and including the [Maturity Date/date]
Interest Payment Date(s):	Each Interest Period End Date, as adjusted in accordance with the Business Day Convention. For the avoidance of doubt, the Interest Amount payable on [relevant payment date] will accrue from and including the Issue Date to but excluding [•]  [ <i>For Credit Linked Notes: The payment of interest may be postponed or cease to accrue in accordance with Credit Condition 5 (Postponement and cessation of Interest).</i> ]
Day Count Fraction (Condition 7(h)):	[•]
Business Day Convention (Condition 7(l)):	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other give details]
Adjustment of Interest Accrual Period:	[Adjusted/Unadjusted]
Business Centres (Condition 9(g)):	[•]
Other terms relating to the method of calculating interest for Fixed Rate Notes:	[ <i>Give details or delete if not applicable</i> ]
Fixed Coupon Amount [(s)]:	[•] per Calculation Amount [ <i>Delete if not applicable</i> ]
Floating Rate Provisions:	[ <i>If not applicable, delete this paragraph</i> ]
Interest Period End Date(s):	[•] in each year from and including [•] to and including the [Maturity Date/date]
Interest Payment Date(s):	Each Interest Period End Date, as adjusted in accordance with the Business Day Convention. For the avoidance of doubt, the Interest Amount payable on [relevant payment date] will accrue from and including the Issue Date to but excluding [•]

[For Credit Linked Notes: The payment of interest may be postponed or cease to accrue in accordance with Credit Condition 5 (*Postponement and cessation of Interest*).]

Business Day Convention (Condition 7(l)): [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other give details]

Adjustment of Interest Accrual Period [Adjusted/Unadjusted]

Manner in which the Rate(s) of Interest is/are to be determined: [•]

Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [Give details or delete if not applicable]

Reference Rate: [•]

Designated Maturity [•]

Interest Determination Date: [[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]

Relevant Screen Page: [•]

Relevant Time [•]

Offered Quotation [Applicable/Not applicable]

Arithmetic Mean [Applicable/Not applicable]

Details of any specified, short or long Interest Accrual Period: [•][Not Applicable]  
Linear Interpolation: [Applicable] [Not Applicable]

Margin(s): [+/-] [•] per cent. per annum/[Not Applicable]

Minimum Rate of Interest: [•] per cent. per annum/[Not Applicable]

Maximum Rate of Interest: [•] per cent. per annum/[Not Applicable]

Day Count Fraction (Condition 7(h)): [•]

Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [Not Applicable]/[specify]

Business Centre(s) (Condition 9(g)): [Dublin/Cayman Islands/Luxembourg][•]

**Zero Coupon Note Provisions** [If not applicable, delete this sub-paragraph]

Formula/basis of determining amount [•]



payable:

**Index-linked Interest Note Provisions** [If not applicable, delete this sub-paragraph]

Index/Formula: [Give or annex details]

Calculation Agent responsible for [•]  
calculating the interest due:

Provisions for determining Coupon where [•]  
calculation by reference to Index and/or  
Formula is impossible or impracticable:

Interest Period End Date(s): [•] in each year from and including [•] to and including  
the [Maturity Date/Specify date]

Interest Payment Date(s): Each Interest Period End Date, as adjusted in accordance  
with the Business Day Convention. For the avoidance of  
doubt, the Interest Amount payable on [relevant payment  
date] will accrue from and including the Issue Date to but  
excluding [•]]

[For Credit Linked Notes: The payment of interest may be  
postponed or cease to accrue in accordance with Credit  
Condition 5 (*Postponement and cessation of Interest*).]

Adjustment of Interest Accrual Periods [Adjusted/Unadjusted]

Business Day Convention (Condition 7(l)): [Floating Rate Business Day Convention/Following  
Business Day Convention/Modified Following Business  
Day Convention/Preceding Business Day  
Convention/Other give details]

Minimum Rate of Interest: [•] per cent. per annum/[Not Applicable]

Maximum Rate of Interest: [•] per cent. per annum/[Not Applicable]

Day Count Fraction (Condition 7(h)): [•]

Business Centre(s) (Condition 9(g)): [•]

**Dual Currency Note Provisions** [If not applicable, delete this sub-paragraph]

Rate of Exchange/Method of calculating [Give details]  
Rate of Exchange:

Calculation Agent, if any, responsible for [•]  
calculating the principal and/or interest  
due:

Provisions applicable where calculation by [•]  
reference to Rate of Exchange impossible  
or impracticable:

Person at whose option Specified [•]

Currency(ies) is/are payable:

Day Count Fraction (Condition 7(h)): [•]

**Pass-through Note Provisions** [If applicable, delete “Final Redemption Amount of each Note” below.]

Pass-through Notes: [Applicable/Not applicable]

## PROVISIONS RELATING TO THE SECURITY INTERESTS

### Secured Property:

[Initial Securities/Initial Loan(s)]: [Applicable/Not applicable/Applicable and Fully Funded Swap Applicable].

[The securities initially held by or on behalf of the Issuer in respect of the Notes are described in [the] Schedule [•] hereto (the “**Initial Securities**”).] [The loans initially transferred to the Issuer (the “**Initial Loan(s)**”) are described in [the] Schedule [•] hereto] [Delete as applicable].

[On the Issue Date, the Swap Counterparty shall [sell the Initial Securities][transfer the [Initial Loan(s)] to the Issuer under the terms of the Swap.] [Delete as applicable]

[Pursuant to the terms of the Swap, the Swap Counterparty [(i)] may, from time to time, replace any Principal Assets with Eligible Replacement Assets] <sup>9</sup> [and][(ii)] may be required from time to time [to deliver Eligible Management Assets to the Issuer or, as the case may be, require delivery of Principal Assets from the Issuer],[each][as more particularly set out in the Swap]<sup>10</sup>].

[Where the [Initial Securities/Initial Loan(s)] are assets which comprise obligations of five or fewer obligors which are legal persons or where an obligor accounts for 20% or more of the assets, in respect of each obligor:

[Name of underlying obligor:]

[Amount of the assets:]

[CUSIP:] / [ISIN:] / [Bloomberg Ticker:]

[Coupon:]

[Maturity:]

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<sup>9</sup> Only include if Asset Replacement is applicable

<sup>10</sup> Only include if Asset Management is applicable

[Currency:]

[Governing Law:]

[Address:]

[Country of Incorporation:]

[Nature of Business:]

[Significant Business Activities and General Description:]

[Stock exchange where the assets of the underlying obligor are listed: [*This must be a regulated or equivalent market as determined by the Central Bank*]]]

[If assets are not listed but if either the assets or the Notes are guaranteed by an entity which has securities listed on a regulated or equivalent market:

[Name of underlying guarantor:]

[Address:]

[Country of Incorporation:]

[Nature of Business:]

[Name of the market on which its securities are admitted]]]

[If the assets comprise a diversified pool of assets please instead provide the following:

[The general characteristics of the obligors, the economic environment and global statistical data referred to the securitised assets:]

[The legal nature of the assets:]

[The legal jurisdiction by which to pool of assets is governed:]

[The expiry or maturity date(s) of the assets:]

[The amount of the assets:]

[Initial Loan to value ratio or level of collateralisation:]

[The method of origination or creation of the assets; and for loans and credit agreements, the principal lending criteria and an indication of any loans which do not meet these criteria and any rights or obligations to make further advances:]

[An indication of significant representations and collateral given to the issuer relating to the assets:]]]

	[Not Applicable.
	There are no [Initial Securities][Initial Loan(s)].
	Pursuant to the terms of the Swap and on the Issue Date, the Issuer shall pay [100] per cent. of the issue proceeds of the Notes to the Swap Counterparty and the Swap Counterparty shall pay the Issuer, (i) on each scheduled date for payment thereof, an amount equal to and in the same currency as the aggregate interest amount (if any) payable by the Issuer to the Noteholders on the Notes on such date, and (ii) on the Maturity Date[, or if a Credit Event occurs under the CDS, on the Auction Settlement Date or the Cash Settlement Date, as applicable,] [100] per cent. of the Aggregate Nominal Amount of the Notes subject to redemption on the Credit Event Redemption Date relating to such Credit Event.] <sup>11</sup>
[Contractual arrangements]	<p>[The Issuer has assigned by way of security its rights, title and interest under:</p> <p>the Agency Agreement, the Custody Agreement, [the Loan Service Agreement,] [the Secondary Market Agreement,] [the Dealer Agreement], [the Swap [including the [CDS] [and the] [Credit Support Annex]] [and] [the Securities Lending Agreement].]</p>
[Account[s] over which security is granted]	<p>[The Custody Account (as defined in the Custody Agreement) with account number [•]</p> <p>The Cash Account (as defined in the Custody Agreement) with account number [•]</p> <p>The LSA Cash Account (as defined in the Loan Service Agent Agreement) with account number [•]]</p> <p><i>(This provision is only applicable where the Issuer is a Luxembourg Issuer. Delete if not applicable)</i></p>
Security Interests (order of priorities):	[As set out in Condition 5(d)(iii) of the Base Prospectus]/[Set out if different to Condition 5(d)(iii) of the Base Prospectus]
Securities Lending Agreement:	<p>[Applicable/Not Applicable] <i>[If not applicable, delete the remainder of this paragraph]</i></p> <p><i>[If applicable, specify [Collateralised Loan]/[Uncollateralised Loan] [All Principal Assets] [Some Principal Assets: [specify number of Principal Assets to be borrowed]] [Securities Borrowing on the</i></p>

<sup>11</sup> Delete unless there are no Initial Securities or Initial Loans.

	<i>Issue Date</i> ]
Margin Eligibility Characteristics:	[As specified in the Securities Lending Agreement/Not Applicable/Set out alternative]  <i>[Not applicable unless different from those set out in the Securities Lending Agreement]</i>
Full Collateralisation:	[Applicable/Not Applicable]
Net Collateralisation:	[Applicable/Not Applicable]
Cash Collateral:	[Applicable/Not Applicable] <i>[If applicable, specify the amount and currency of Cash Collateral. Can only be specified as Applicable in relation to a Luxembourg Issuer to the extent permitted by Luxembourg law and regulation. This would need to be checked with the CSSF on a case by case basis]</i>
Collateralisation Percentage:	[•]
Collateral Valuation Date:	[First and tenth Local Business Day of each calendar month]/[•]
Minimum Collateral Value:	[•]
Minimum Transfer Amount (for the purposes of the Securities Lending Agreement):	<i>[Specify the Minimum Transfer Amount]</i> /[Base Currency Equivalent of USD 50,000]
Principal Assets Borrowing on Issue Date:	[Applicable/Not Applicable]
All Principal Assets:	[Applicable/Not Applicable]
Swap:	<u><i>[For Notes that are not Credit Linked Notes:</i></u>  [Applicable/Not Applicable]  <i>[If applicable: Documented under the Master Swap Terms[, the Ratings Appendix [and the Master Credit Support Annex Terms, each]<sup>12</sup> as incorporated into and amended by the Issue Deed with an effective date of the Issue Date, made between the Issuer and Barclays Bank PLC as swap counterparty (the “Swap Counterparty”) and governed by English law.</i>  <i>[If there are any Initial Securities or Initial Loan(s): On the Issue Date, under the Swap, the Issuer shall pay [100] per cent. of the issue proceeds of the Notes to the Swap Counterparty and the Swap Counterparty shall deliver the Initial Securities to the Custodian (on behalf of the Issuer)</i>

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<sup>12</sup> If there are no Initial Securities or Initial Loan, the Credit Support Annex should be specified as applicable.

or Transfer such Initial Loan(s) to the Issuer.

A “Transfer” here means a transfer of such Initial Loan(s) by way of assignment, sub-participation or by way of a total return swap.

Thereafter, the Issuer will pay to the Swap Counterparty on each scheduled date of payment thereof as set out under the Principal Asset Conditions, an amount equal to and in the same currency as the aggregate principal and/or interest (if any) due and payable under the Principal Asset Conditions on such date in respect of the Principal Assets in respect of the Notes (including, for the avoidance of doubt, any such Principal Assets that have been lent pursuant to the Securities Lending Agreement) (such amount being determined in accordance with the Principal Asset Conditions as at the Trade Date, without regard to any subsequent amendment thereto and without regard to any Asset Trigger Event in respect of the Principal Assets); and the Swap Counterparty will pay to the Issuer on each scheduled date for payment thereof, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) payable by the Issuer to the Noteholders under the Notes on such date (such amount being determined in accordance with the Conditions of the Notes without regard to any event leading to an early redemption of the Notes prior to their stated date of maturity for any reason).]

*[If there are no Initial Securities or Initial Loan(s):* Pursuant to the terms of the Swap and on the Issue Date, the Issuer shall pay [100] per cent. of the issue proceeds of the Notes to the Swap Counterparty. Thereafter, the Swap Counterparty will pay to the Issuer on each scheduled date for payment thereof, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) payable by the Issuer to the Noteholders under the Notes on such date (such amount being determined in accordance with the Conditions of the Notes without regard to any event leading to an early redemption of the Notes prior to their stated date of maturity for any reason).]

The Swap, to the extent not previously terminated in accordance with its provisions, shall terminate on the Maturity Date of the Notes.

Payments of interest and principal under the Notes are

dependent on the payments made by the Swap Counterparty under the Swap.]]

[For Credit Linked Notes:

[Applicable. [Asset Swap Applicable.]/[Fully Funded Swap Applicable.]

Documented under the Master Credit Default Swap Terms (as set out in the Base Prospectus)[and the Master Credit Support Annex Terms, each] as incorporated into and amended by the Issue Deed with an effective date of the Issue Date, made between the Issuer and Barclays Bank PLC as swap counterparty (the “**Swap Counterparty**”) and governed by English law.

A reference to “Swap” in this section shall be a reference to (i) the [Asset Swap]/[Fully Funded Swap]; or (ii) the CDS, or (if the context requires) such Swaps collectively, and includes, where applicable, the Credit Support Annex.

*[If Asset Swap is applicable:* On the Issue Date, under the provisions of the Asset Swap set out at Part 5(a) of the Master Credit Default Swap Terms (as incorporated into and amended by the Issue Deed), the Issuer shall pay [100] per cent. of the net proceeds of the issue of the Notes to the Swap Counterparty and the Swap Counterparty shall deliver the Initial Securities to the Custodian (on behalf of the Issuer).]

*[If SLA with all Principal Assets borrowed is applicable:* Notwithstanding the above, the Swap Counterparty and the Issuer have agreed that the Swap Counterparty’s obligation to deliver all of the Principal Assets shall be set off against the Issuer’s obligation to deliver such Principal Assets to the Securities Borrower under the Securities Lending Agreement.]

*[If Asset Swap is applicable:* In addition, under the Asset Swap, the Issuer will pay to the Swap Counterparty on each scheduled date for payment thereof as set out under the Principal Asset Conditions, an amount equal to and in the same currency as the aggregate principal and/or interest (if any) due and payable under the Principal Asset Conditions on such date in respect of the Principal Assets in respect of the Notes *[If SLA is applicable:* (including, for the avoidance of doubt, any such Principal Assets that have been lent pursuant to the Securities Lending Agreement)] (such amount being

determined in accordance with the Principal Asset Conditions as at the Trade Date, without regard to any subsequent amendment thereto and without regard to any Asset Trigger Event in respect of the Principal Assets). *[If SLA is applicable:* For the avoidance of doubt, the Securities Lending Agreement provides for the payment by the Securities Borrower to the Issuer of manufactured payments in an amount equal to any income paid in respect of the Principal Assets that have been lent under the Securities Lending Agreement, such payment by the Securities Borrower to the Issuer to be made on the date such income is paid by the issuer of the Principal Assets.]

*[If Fully Funded Swap is applicable:* On the Issue Date, under the Fully Funded Swap, the Issuer shall pay the net issue proceeds of the Notes to the Swap Counterparty.]

*[For both Asset Swap and Fully Funded Swap, unless the CDS provides for the payment of Buyer Fixed Rate Payer Payment Amounts:* In exchange, the Swap Counterparty will pay to the Issuer on each day that payment falls due in accordance with the terms of the Notes, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) payable by the Issuer to the Noteholders under the Notes on such date (including any adjustment amount determined to be payable in respect of any Event Determination Date (as defined in the CDS), as further set out in the CDS), but excluding any Early Redemption Amount or Credit Event Redemption Amount.]

*[If Fully Funded Swap is applicable:* Further, in the case of Credit Event Settlement (as defined below), on the relevant Auction Settlement Date or Cash Settlement Date under the CDS, the Swap Counterparty will make a payment to the Issuer equal to the outstanding Aggregate Nominal Amount of the Notes which is subject to redemption on the relevant Credit Event Redemption Date.]

Pursuant to the terms set out in this Pricing Supplement and the Credit Annex, the Issuer and the Swap Counterparty have also entered into a credit default swap (the “CDS”) under the Master Credit Default Swap Terms as described in Credit Condition 9 (*Credit Default Swap (CDS)*) and the “Credit Linked Note Provisions” below, under which the Issuer agrees to make a payment to the



Swap Counterparty of the Auction Settlement Amount or the Cash Settlement Amount following the occurrence of an Event Determination Date, provided that the Event Determination Date has not been subsequently reversed prior to the occurrence of the Auction Final Price Determination Date, Valuation Date or Termination Date (as applicable) (a “**Credit Event Settlement**”) (each such term as defined in the CDS). *[If CDS provides for the payment of Buyer Fixed Rate Payer Payment Amounts:* Under the CDS, the Swap Counterparty also agrees to pay to the Issuer on each day that payment falls due in accordance with the terms of the Notes, an amount equal to and in the same currency as the aggregate principal and/or interest amount (if any) payable by the Issuer to the Noteholders under the Notes on such date (including any adjustment amount determined to be payable in respect of any Event Determination Date (as defined in the CDS), as further set out in the CDS), but excluding any Early Redemption Amount or Credit Event Redemption Amount.]

*[If SLA with all Principal Assets borrowed is applicable:* The CDS also provides that in connection with a Credit Event Settlement, an additional payment shall be made under the CDS which, together with the Borrower Termination Payment Amount (as defined in the Securities Lending Agreement, and which is an amount equal to the market value of the Principal Assets borrowed but not returned under the Securities Lending Agreement) payable by the Securities Borrower to the Issuer under the Securities Lending Agreement, shall result in the Issuer receiving a net amount equal to the outstanding Aggregate Nominal Amount of the Notes subject to redemption (prior to taking into account any Auction Settlement Amount or Cash Settlement Amount payable by the Issuer under the CDS in respect of such Credit Event Settlement or any termination amount payable in respect of the Asset Swap in connection with such Credit Event Settlement).]

The Swaps, to the extent not previously terminated in accordance with their provisions, shall terminate on the Maturity Date of the Notes.

Payments of interest and principal under the Notes are dependent on the payments made by the Swap Counterparty under the [Asset Swap]/[Fully Funded

Swap]/[CDS].]

*[Note: In respect of Credit Linked Notes, the above has been prepared in contemplation of the following structures:*

*(i) Initial Securities applicable;*

*(ii) Initial Securities applicable and Credit Support Annex applicable;*

*(iii) Initial Securities applicable (but specified as being the initial assets posted under the Credit Support Annex), Credit Support Annex applicable and Fully Funded Swap applicable (instead of Asset Swap); and*

*(iv) Initial Securities applicable, SLA applicable (borrowing in respect of all Principal Assets).*

*This wording and the provisions of the Credit Annex should be reviewed prior to use other than for these structures.]*

Principal Assets Purchase Under Swap:

[Applicable/Not Applicable]

Credit Support Annex:

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph][If Initial Securities / Initial Loan(s) is not specified as applicable and Swap is specified as applicable, then this should be specified as applicable]*

*[If Credit Support Annex is applicable and Fully Funded Swap is applicable, the Issue Deed shall include a modification to the Master Credit Support Annex Terms to include the following language and the following language shall be included in the Pricing Supplement:*

The Issuer and the Swap Counterparty agree that immediately upon transfer of the net proceeds of the Notes by the Issuer to the Swap Counterparty the Issuer shall have an Exposure (as defined in the Credit Support Annex) to the Swap Counterparty equal to the Aggregate Nominal Amount. Accordingly, the Swap Counterparty shall be obliged on the Issue Date to transfer Assets to the Issuer having a Value equal to such Exposure as a Delivery Amount under the Credit Support Annex.]

Credit Support Appendix:

[Appendix 1 – Bilateral/Appendix 2 – S&P Criteria 1 /Appendix 3 – S&P Criteria 2/ Appendix 4 – Moody's Criteria]

Valuation Dates:

[First and tenth Local Business Day of each calendar

	month]/[other]
Minimum Transfer Amount (for the purposes of the Credit Support Annex):	[Specify the Minimum Transfer Amount]/[Base Currency Equivalent of USD 50,000]
[Currency Amount:	An amount equal to, and in the currency of, the Aggregate Nominal Amount of the Notes][Note: Applicable if Appendix 4 to the Credit Support Annex Terms is applicable.]
Asset Replacement (Condition 5(i)):	[Applicable/Not Applicable] [If not applicable, delete the remaining sub-paragraphs of this paragraph]
Eligible Replacement Assets:	[Any security issued or loan taken by the Asset Issuer ranking <i>pari passu</i> with the Initial Securities/Initial Loan(s)/Specify criteria]
Notional Amount Replacement:	[Applicable/Not Applicable]
Present Value Replacement:	[Applicable/Not Applicable]
Market Value Replacement:	[Applicable/Not Applicable]
Asset Management (Condition 5(j)):	[Applicable/Not Applicable] [Note: Not Applicable for Credit Linked Notes.]
	[If not applicable, delete the remaining sub-paragraphs of this paragraph]
Asset Management Range Floor:	[specify] per cent.
Asset Management Range Cap:	[specify] per cent.
Eligible Management Assets:	[[if Asset Management is applicable, specify criteria, e.g. "Any securities that are fungible with the Initial Securities"]/Not Applicable]
Swap Termination Method:	Upon termination of the Swap, the parties thereto have elected that the Swap Termination Method shall be ["Standard 6(e) Payment"]/"One Way Payment"]/"No Payment"]/"Claims Settlement"]
Realisation of Security Interests:	[Holder Request/Extraordinary Resolution Direction/Creditor Direction]

#### PROVISIONS RELATING TO REDEMPTION

Applicable Product Annex:	[Not Applicable]
	[Credit Annex]
	[•]
Asset Event Type:	[Asset Event-Linked to all Bonds]

[Asset Event-Linked to Assets Only]

[Pass-through Notes] *[If not applicable, delete. If applicable, delete "Final Redemption Amount of each Note" below]*

[Not Applicable. For the avoidance of doubt, Condition 8(c)(i) (Asset Event and Pass-through Notes Event) shall not apply to the Notes.]

**Full Restructuring:**

[Applicable/Not Applicable] *[If not applicable, delete]* *[If applicable and the Cheapest to Deliver Option is to be disapplied:* Pursuant to the Securities Lending Agreement, following the occurrence of an Asset Event the Securities Borrower shall pay an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of all the Principal Assets that it has borrowed but not yet redelivered or retransferred, rather than to have the option of paying an amount equal to the product of the principal amount of the Principal Assets that it has borrowed but not yet redelivered or retransferred and the market value (expressed as a percentage) of any Bond (ATE) or Loan (ATE) of the Asset Issuer selected by the Securities Borrower that satisfies the Deliverable Obligation Characteristics (ATE) at the time that such market value is determined, as more particularly set out in the Securities Lending Agreement.]

**Call Option**

[Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]:*

Optional Redemption Date(s): [•]

Early Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination

If redeemable in part:

Minimum nominal amount to be redeemed: [•]

Maximum nominal amount to be redeemed: [•]

Option Exercise Date(s): [•]

Description of any other Issuer's option: [•]

Notice period (if other than as set out in [•])

the Conditions):

**Put Option** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]:*

Optional Redemption Date(s): [•]

Early Redemption Amount(s) of each Note [•] per Note of [•] specified denomination and method, if any, of calculation of such amount(s):

Option Exercise Date(s): [•]

Description of any other Noteholders' option: [•]

Notice period: [•]

**Noteholder Depackaging Option:** [Applicable/Not applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

Depackaging Redemption Event(s): [As set out in Condition 1]/[other]

**Final Redemption Amount of each Note:** [Redemption at par] [[•] per Note of [•] specified denomination/Other/See Appendix]

**In cases where the Final Redemption Amount is Index-Linked or other variable-linked:** *[if not applicable, delete paragraph]:*

Index/Formula/variable: [give or annex details]

Calculation Agent responsible for calculating the Final Redemption Amount: [•]

Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]

Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]

Payment Date: [•]

Minimum Redemption Amount: [•]

Maximum Redemption Amount: [•]

**Early Redemption Amount:**

Early Redemption Amount(s) of each Note payable on early redemption under Condition 8(b), 8(c) and 8(d) and/or the [Cash Settlement/Physical Settlement/Pass-through Notes]

[Claim Value: *for Rated Notes where Swap Counterparty*

method of calculating the same (if required or if different from that set out in the Conditions): *is de-linked only] [specify, if not equal to the outstanding principal amount of each Note together with accrued but unpaid interest] [If Pass-through Notes is applicable, delete this paragraph]*

Clearing System for Assets if not Euroclear or Clearstream, Luxembourg (Condition 1): [Not Applicable]/[•]

**Additional Redemption Event:** [Applicable/Not Applicable] *[If not applicable, delete the remaining sub-paragraphs of this paragraph]*

Description of Additional Redemption Event Provisions: [•]

Notice period (if other than as set out in the Conditions): [•]

**Details relating to Instalment Notes:** *[Delete if not applicable/give details]*

Instalment Amount(s): [•] *[The Instalment Amount payable on each Note where Pass-through Notes is applicable shall be an amount determined by the Calculation Agent to be such Note's pro rata share equal to the principal payment received by the Issuer on the Assets on each of [set out maturity dates of Assets]. Such Instalment Amount will be determined on or after notification of the principal payment amount to be received by the Issuer.]*

Instalment Date(s): [•] *[The Instalment Date where Pass-through Notes is applicable, shall be either one Business Day after the day on which amounts are received by the Issuer on the Assets, or fixed dates (in which case amounts received will accumulate and be paid out on these fixed dates).]*

Minimum Instalment Amount: [•]

Maximum Instalment Amount: [•]

#### **CREDIT LINKED NOTE PROVISIONS** *[If not applicable, delete this sub-paragraph]*

Extension Interest [Applicable/Not Applicable]

Amendments to the Credit Conditions [•]

*The following terms are specified for the purposes of the Master CDS Confirmation (see Part D of the Credit Annex):*

Calculation Agent City: [As specified in the Matrix for the Transaction Type]/[As specified in the Credit Annex]/[•]

Business Days: [As specified in the Matrix for the Transaction Type]/[As specified in the Credit Annex]/[•]

Reference Entity, Transaction Type, Standard Reference Obligation, Seniority Level and Specified Reference Obligation(s):	As specified in [the] Schedule [•]
Elections relating to Credit Events, Obligations, Deliverable Obligations and other elections	As specified in [the] Schedule [•]
Fixed Payments:	[As specified in the Credit Annex]/[•]
Quotation Amount:	[As specified in the Credit Annex]/[•]
[Auction Settlement Date]	<i>[Include any modification to the standard of 5 Business Days following the Auction Final Price Determination Date, for example, if expected illiquidity of the Principal Assets will require a longer liquidation period.]</i>
[Cash Settlement Date]	<i>[Include any modification to the standard of 5 Business Days following the date upon which the Cash Settlement Amount is determined, for example, if expected illiquidity of the Principal Assets will require a longer liquidation period.]</i>
Settlement following Credit Event:	[As specified in the Credit Annex]/[•] <i>[Note: This section to provide for delivery or net settlement of credit support or loaned securities where a Credit Support Annex or Securities Lending Agreement is applicable.]</i>
Other amendments to the Master CDS Confirmation	<i>[Note: Consider whether alternative fallbacks to those prescribed in Section 2.8 of the Credit Derivative Definitions should be prescribed. If so, refer directly to Section 2.8 when prescribing the alternative.]</i>

## FUND LINKED NOTE PROVISIONS

### General Provisions:

Settlement Method: [Cash Settlement]/[Physical Settlement]

Interest: [[•] per cent. per annum]/[None]

### Provisions relating to the Funds:

Funds: [•]

Fund Shares: [•]

Fund Administrator: [•]

Fund Manager: [•]

Fund Custodian: [•]

Fund Services Provider: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

**Provisions relating to Maturity:**

Expected Maturity Date: [●]

Adjusted Maturity Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Basket Final Redemption Dealing Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Final Fund Redemption Dealing Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Basket Strike Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Strike Date: [●]

First Dealing Date: [●]

Net Asset Value: As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).

NAV Deadline Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

**Provisions relating to Early Cash Settlement:**

Early Cash Settlement Amount: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Early Cash Redemption Date: [As per Fund Linked Condition 9 (*Definitions relating to Fund Linked Notes*).]/[●]

Fund Events: As per Fund Linked Condition 2 (*Fund Events*).

Additional Fund Events: [Applicable]/[Not Applicable] (*if applicable, specify further details*).

Information on the reference asset(s) of the Fund/Fund Manager (per Fund Linked Condition 2.2.4(i)) As per Fund Linked Condition 2.2.4(i) (*Fund Events*).

Key Persons (per Fund Linked Conditions 2.5.1 and 2.6.1): [●]

Consequences of a Fund Event:

(i) Redemption of the Fund Linked Notes (per Fund Linked Condition 3.1.1): [Applicable][Not Applicable] (*if applicable, specify any applicable fees, premiums and charges*).

(ii) Substitution of the Fund Shares: [Applicable][Not Applicable] (*if applicable, specify*



*details of replacement Fund or replacement asset(s)).*

(iii) Other action: [Applicable][Not Applicable] *(if applicable, specify further details).*

**Provisions relating to adjustment events:**

Potential Adjustment of Payment Events: As per Fund Linked Condition 4 (*Potential Adjustment of Payment Events*).

Additional Adjustment Events: [Applicable]/[Not Applicable] *(if applicable, specify further details).*

FX Disruption Event: [Applicable]/[Not Applicable] *(if applicable, specify further details).*

(i) Specified Jurisdiction: [•]

(ii) Consequence of an FX Disruption Event: [specify which of Fund Linked Condition 6(a), (b) and/or (c) shall apply]

(iii) Initial Currency: [•]

(iv) Alternate Currency: [•]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**Form of Notes:** [Bearer Notes/Registered Notes]

*[include the following for an Unrestricted Series, as applicable]*

**[Exchange:** [Temporary Global Note][Permanent Global Note]

Notes to be represented on issue by:

Applicable TEFRA exemption: [C Rules][D Rules][Not applicable]

Temporary Global Note exchangeable for [Yes][No]

Permanent Global/Definitive Notes:

Permanent Global Note exchangeable for [Yes][No]

Definitive Bearer Notes:

**New Global Note:** [Yes]/[No]

**Other terms or special conditions:** [Delete if not applicable/give details]

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

**DISTRIBUTION**

**If non-syndicated, name of Dealer:** [Barclays Bank PLC]/[Barclays Capital Inc.] [specify]

**Stabilising Manager:** [Barclays Bank PLC]/[•]/[Not Applicable]

**Additional selling restrictions:** [Not Applicable]/[•]

Signed on behalf of the Issuer:

By: .....

[By: ..... ]<sup>13</sup>

Duly authorised]

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<sup>13</sup> A Luxembourg Issuer will require two signatories.

## Part B – Other Information

### LISTING

Listing: [Irish Stock Exchange]/[and]/[Cayman Islands Stock Exchange]/[and]/[Other specify]/[None]

Admission to trading: [Application will be made to the Irish Stock Exchange for the Notes to be admitted to trading on the Global Exchange Market of the Irish Stock Exchange with effect from [•].]

[Application will be made to the Cayman Islands Stock Exchange for the Notes to be admitted to trading on the Cayman Islands Stock Exchange with effect from [•].]

[Other specify] / [None]

Estimate of total expenses related to admission to trading: EUR [•]

### RATINGS

Ratings: [Not Applicable]/[The Notes to be issued have been rated:

[Standard & Poor's: [ ]]

[Moody's: [ ]]

[[other rating agency]: [ ]]

[and endorsed by *[insert details]*]

*[(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*Insert one (or more) of the following options, as applicable:*

[[*Insert credit rating agency/ies*] [is]/[are] established in the European Union and [has]/[have each] applied for registration under Regulation (EC) No 1060/2009, although the result of such application has not yet been determined.]

[[*Insert credit rating agency/ies*] [is]/[are] established in the European Union and registered under Regulation (EC) No 1060/2009.]]]

### INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the

offer.

#### REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer:	<p>The net proceeds from the issue of the Notes will be used by the Issuer to fund the Swap including if applicable the purchase thereunder of the Initial Securities (if any) and/or the Initial Loans (if any) comprising part of the Secured Property in respect of the Notes.</p> <p><i>[See [“Use of Proceeds”] wording in Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.]</i></p>
Estimated net proceeds:	<p>[The product of (i) the Issue Price and (ii) the Aggregate Nominal Amount of the Notes issued on the applicable Issue Date.]/[•]</p> <p><i>[If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.]</i></p>
Estimated total expenses:	<p>[•] <i>[Include breakdown of expenses.]</i></p> <p>[Only necessary to include disclosure of net proceeds and total expenses above where reasons for the offer have been provided above.]</p>
Fixed Rate Notes only — Yield	<p><i>[Delete this paragraph if not applicable]:</i></p> <p>[•]</p> <p>[The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]</p>

#### [INDEX-LINKED OR OTHER VARIABLE-LINKED NOTES ONLY — PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING [DELETE THIS PARAGRAPH IF NOT APPLICABLE]

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Need to include the exercise price or final reference price of the underlying, description of any market disruption or settlement disruption events that affect the underlying and adjustment rules in relation to events concerning the underlying.]

#### [DUAL CURRENCY NOTES ONLY — PERFORMANCE OF RATE[S] OF EXCHANGE

Need to include details of where past and future performance and volatility of the relevant rate[s] can

be obtained.] *[Delete this paragraph if not applicable]*

## OPERATIONAL INFORMATION

ISIN Code: [•]/[As specified in the relevant Pricing Supplement]

Common Code: [•]/[As specified in the relevant Pricing Supplement]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not applicable]/[give name(s) and number(s)]

Delivery: Delivery [against]/[free of] payment

The Agents appointed in respect of the Notes are: *Issuing And Paying Agent, Custodian:*

HSBC Bank plc  
8 Canada Square  
London E14 5HQ  
United Kingdom

*Calculation Agent*

Barclays Bank PLC  
5 North Colonnade  
Canary Wharf  
London E14 4BB

*Realisation Agent*

Barclays Bank PLC  
5 North Colonnade  
Canary Wharf  
London E14 4BB

*[For Ireland:*

*Listing Agent*

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland]

*[For Cayman:*

[•]]

[As set out in the Base Prospectus]

*[For Luxembourg:*

*Custodian*

[HSBC Bank plc, Luxembourg Branch]

[As set out in the Base Prospectus]

[other]

Intended to be held in a manner which would allow Eurosystem eligibility:

*[Include this text if “Yes” is selected, in which case the Notes must be issued in NGN form:]* Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as “no” at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)]*[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## OFFER INFORMATION

*[If applicable, the following details should be included:]*

Offer Price:	[Issue Price] [specify]
Conditions to which the offer is subject:	[Not Applicable/give details]
Description of the application process:	[Not Applicable/give details]
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/give details]
Details of method and time limits for paying up and delivering the Assets:	[Not Applicable/give details]
Manner in and date on which results of	

the offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of preemption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

Categories of prospective investors to which the Assets are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [Name/give details]

## Schedule

### Credit Linked Notes: Reference Entity, Transaction Type, Standard Reference Obligation, Seniority Level and Specified Reference Obligation

Reference Entity	Transaction Type	If North American Corporate or Standard North American Corporate, specify whether Restructuring is applicable	Standard Reference Obligation	Seniority Level	Specified Reference Obligation	
					Description (Primary obligor/guarantor/maturity/coupon/ISIN / CUSIP)	Seniority Level: Senior Level or Subordinated Level
[•]	[•]	[•]	[Applicable]/[Not Applicable]	[Senior Level]/[Subordinated Level]/[Not Applicable]	[•]/[Not Applicable]	[Senior]/[Subordinated]/[Not Applicable]

*[Note: If any amendment is to be made to the Reference Price of 100%, such amendment shall be specified in this Schedule.]*

### Credit Linked Notes: Elections relating to Credit Events, Obligations, Deliverable Obligations and other elections

Transaction Type	[•]
All Guarantees:	[As specified in the Matrix for the Transaction Type]/[•]
Notice of Publicly Available Information:	[Applicable]/[Not Applicable]/[As specified in the Matrix for the Transaction Type]
Specified Number:	[•]/[Not Applicable]
Credit Events:	[As specified in the Matrix for the Transaction Type]/[•]
Grace Period Extension:	[Applicable]/[Not Applicable]/[As specified in the Matrix for the Transaction Type]
Obligation Category:	[As specified in the Matrix for the Transaction Type]/[•]
Obligation Characteristics:	[As specified in the Matrix for the Transaction Type]/[•]
[Excluded Obligations:]	[•]
Deliverable Obligation Category:	[As specified in the Matrix for the Transaction Type]/[•]
Deliverable Obligation Characteristics:	[As specified in the Matrix for the Transaction Type]/[•]
[Excluded Deliverable Obligations:]	[•]



Financial Reference Entity Terms:	[As specified in the Matrix for the Transaction Type]/[Not Applicable]
Subordinated European Insurance Terms:	[As specified in the Matrix for the Transaction Type]/[Not Applicable]
2014 Sovereign No Asset Package Delivery Supplement to the 2014 ISDA Credit Derivatives Definitions (September 15, 2014):	[As specified in the Matrix for the Transaction Type]/[Not Applicable]
2014 CoCo Supplement to the 2014 ISDA Credit Derivatives Definitions (September 15, 2014):	[As specified in the Matrix for the Transaction Type]/[Not Applicable]

1. Barclays Bank PLC has used reasonable efforts to verify the names of the Reference Entity and details of any Specified Reference Obligation(s) contained in this Pricing Supplement. Such information has been verified in respect of each Reference Entity by reference to publicly available information. Publicly available information can be inaccurate or outdated, and as a result, corrections to the details of the relevant Reference Entity and Specified Reference Obligation(s) may need to be made from time to time if such information turns out to be inaccurate or outdated including after the Effective Date of the CDS.

2. The details specified in “Specified Reference Obligation” refer to the specified details as at the issue date of the relevant obligation and do not take account of any subsequent changes.

3. A Reference Entity may be identified as such by virtue of being an issuer of the Specified Reference Obligation. In situations where there are co-issuers of such Specified Reference Obligation, such co-issuers have not been identified.

4. A Reference Entity may be identified as such by virtue of a guarantee of such Reference Entity in respect of the Specified Reference Obligation. Such Reference Entity may not be the sole guarantor of such Specified Reference Obligation.]

#### [The Initial Securities and the Asset Issuer

Securities from the issue of [Currency][aggregate nominal amount][title of notes] due [maturity date] (the “Initial Securities”) issued by [name of Asset Issuer] (the “Asset Issuer”):

ISIN	Maturity Date	Nominal Amount	[Replacement Factor]
[•]	[•]	[•]	[•]
]			

#### [The Initial Loan(s)

The following loan:

Borrower	Maturity Date	Total Outstanding	[Replacement Factor]

		Principal Balance	
<hr/>	<hr/>	<hr/>	<hr/>
[.]	[.]	[.]	[.]
]			

## GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the amendment and restatement of the Programme and with the issue and performance of the Notes issued by it. The amendment and restatement of the Programme was authorised in the case of the First Issuer by resolutions of the board of directors passed on 25 August 2016, in the case of the Second Issuer by resolutions of the board of directors passed on 2 June 2016, and in the case of the Third Issuer by resolution of the board of directors passed on 9 May 2016.
- (2) There has been no significant change in the financial or trading position of the First Issuer and no material adverse change in the financial position or prospects of the First Issuer, in each case, since 31 December 2015, the date of its last published audited financial statements.
- (3) There has been no significant change in the financial or trading position of the Second Issuer and no material adverse change in the financial position or prospects of the Second Issuer, in each case, since the date of its incorporation.
- (4) There has been no significant change in the financial or trading position of the Third Issuer and no material adverse change in the financial position or prospects of the Third Issuer, in each case, since 31 December 2015, the date of its last published audited financial statements.
- (5) Neither the First Issuer, the Second Issuer, nor the Third Issuer has been involved in any governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the First Issuer, the Second Issuer or the Third Issuer is aware (in each case, in respect of itself only)) during the 12 months preceding the date of this Base Prospectus that may have, or have had in the recent past, significant effects on its financial position or profitability.
- (6) Each Bearer Note (other than a temporary global Bearer Note), Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- (7) Notes have been accepted for clearing through the Euroclear and Clearstream, Luxembourg systems (these being the entities in charge of keeping the records). The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms, Pricing Supplement, Series Prospectus or Series Listing Particulars.
- (8) It is expected that each Tranche of Notes that is to be listed and admitted to trading on the regulated market or the Global Exchange Market of the Irish Stock Exchange will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. The listing of the Programme in respect of the Notes is expected to be granted on or about 26 August 2016.
- (9) The First Issuer, the Second Issuer and the Third Issuer do not intend to provide post-issuance information.

- (10) For so long as Notes may be issued pursuant to this Base Prospectus (in respect of 10(i) to 10(iv)) and for so long as any listed Notes remain outstanding, from the date of the relevant document (in respect of 10(v)), the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection in physical form at the registered office of the Issuer and at the specified office of HSBC Bank plc:
- (i) the Issue Deed relating to each Series of Notes and each document incorporated by reference into such Issue Deed;
  - (ii) the Memorandum and/or Articles of Association of each Specified Company;
  - (iii) a copy of this Base Prospectus together with any document incorporated by reference in this Base Prospectus, supplemental base prospectus or any other document required or permitted to be published by the rules of the Irish Stock Exchange;
  - (iv) all audited annual financial statements of the First Issuer (including the audited annual financial statements of the First Issuer for the year ended: (i) 31 December 2015, which is also available at <http://www.ise.ie/app/announcementDetails.aspx?ID=12799249>, and (ii) 31 December 2014, which is also available at <http://www.ise.ie/app/announcementDetails.aspx?ID=12336953> and which are incorporated by reference herein, and all audited annual financial statements of the Third Issuer (including the audited annual financial statements of the Third Issuer for the year ended 31 December 2014 and for the year ended 31 December 2015, as set out in the Schedule hereto); and
  - (v) the Final Terms or the Series Prospectus and each subscription agreement (if any) for Notes that are listed and admitted to trading on the Irish Stock Exchange.
- (11) The First Issuer is registered and incorporated under the laws of Ireland, the Second Issuer is registered and incorporated under the laws of the Cayman Islands and the Third Issuer is registered and incorporated under the laws of the Grand Duchy of Luxembourg. None of the directors and executive officers of the First Issuer, the Second Issuer or the Third Issuer is a resident of the United States, and all or a substantial portion of the assets of the First Issuer, the Second Issuer and the Third Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the First Issuer, the Second Issuer or the Third Issuer or such persons or to enforce against any of them in the United States courts judgements obtained in United States courts, including judgements predicated upon the civil liability provisions of the securities laws of the United States or any State or territory within the United States.
- (12) Notes to be admitted to the Official List of the Irish Stock Exchange and to trading on the Market may only be issued by way of Final Terms (as such term is used in the Prospectus Directive) under this Base Prospectus where the Principal Assets only comprise Initial Securities issued and representing senior, unsecured, English law governed debt obligations of Barclays Bank PLC. In all other cases, the Principal Assets in respect of a Series of Notes will be specified in the applicable Pricing Supplement, Series Prospectus or Series Listing Prospectus.

## **SCHEDULE**

**Audited annual financial statements of the Third Issuer for the year ended (i) 31 December 2014,  
and (ii) 31 December 2015.**

**Willow No. 1 (Luxembourg) S.A.  
Société Anonyme**

**Annual Accounts  
and Report of the Réviseur d'entreprises agréé  
for the year ended December 31, 2014**

**Willow No. 1 (Luxembourg) S.A.**

**Société Anonyme**

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**Willow No. 1 (Luxembourg) S.A.**  
**R.C.S. Luxembourg: B 167.397**

**Company Information**

**Directors**

Dylan Davies  
Cédric Bradfer  
Ronan Carroll

**Corporate Administrator**

MaplesFS (Luxembourg) S.A.  
6D route de Trèves,  
L-2633 Senningerberg,  
Luxembourg

**Trustee**

Citicorp Trustee Company Limited  
Citigroup Centre, Canada Square,  
Canary Wharf,  
London E14 5LB

**Paying Agent**

Citibank International PLC, Dublin Branch  
1 North Wall Quay,  
Dublin 1,  
Ireland

**Bank**

Société Generale Bank & Trust S.A.  
11, avenue Emile Reuter,  
L-2420 Luxembourg

**Cabinet de Révision Agréé**

Deloitte Audit S.à r.l  
560, rue de Neudorf,  
L-2220 Luxembourg



**WILLOW NO. 1 (LUXEMBOURG) S.A.**  
**Société Anonyme**  
**(the « Company »)**  
**R.C.S. Luxembourg: B 0167 397**  
**6D, EBBC, route de Trèves, L-2633 Senningerberg**

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**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2014**

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Dear Sole Shareholder,

Pursuant to the Luxembourg Law dated 11<sup>th</sup> January 2008 implementing the European Directive referenced 2004/109 dated 15<sup>th</sup> December 2004 related to the harmonisation of transparency requirements, the Board of Directors wishes to report as follows on the activities for the period from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2014.

With reference to the mandate given to us as Board of Directors, we are pleased to submit to you the Company's annual accounts for the year ended 31<sup>st</sup> December 2014.

As at 31<sup>st</sup> December 2014, the total balance sheet amounts to EUR 48,795.

As at 31<sup>st</sup> December 2014, the Company shows a loss amounting to EUR 77.

<u><b>Investments</b></u>
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There were no investments during the financial year ended 31<sup>st</sup> December 2014.

<u><b>Business developments</b></u>
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The Company established a securitisation platform under which Citicorp Trustee Company Limited acts as trustee and under which the Company can issue secured notes (the "Citi Notes") which it may offer to the public on a continuous basis and enter into related swap transactions. As at the date of this report, the agreements have not been signed yet.

The Company intends to establish a second securitisation platform under which HSBC Corporate Trustee Company (UK) Limited will act as trustee and under which the Company can issue secured notes (the "HSBC Notes") which it may offer to the public on a continuous basis and enter into related swap transactions.

*[Remainder of page intentionally left blank]*

## Corporate Governance

The Company has adopted its proper corporate governance, which established the following committees:

- Annual General Meeting of Sole Shareholder,
- Board of Directors.

### Annual General Meeting of Sole Shareholder

Subject to all other powers reserved to the Boards of Directors by the Law or the articles of incorporation, the meeting of Sole Shareholder has the broadest powers to carry out or ratify acts relating to the operations of the company.

### Board of Directors

The Company is managed by a Board composed of at least three directors who need not be shareholders of the Company. The members of the Board are elected for a term not exceeding six years and shall be re-eligible.

The directors are elected by the General Meeting. The Sole Shareholder of the Company shall also determine the number of directors, their remuneration and the term of their office. A director may be removed with or without cause and/or replaced, at any time, by resolution adopted by the General Meeting.

In the event of vacancy in the office of a director because of death, retirement or otherwise, the remaining directors may elect, by a majority vote, a director to fill such vacancy until the next General Meeting.

The Board is vested with the broadest powers to perform or cause to be performed all acts of disposition and administration in the Company's interest, including the power to transfer, assign or dispose of the assets of the Company in accordance with the Securitisation Act 2004 and the relevant issue documentation. All powers not expressly reserved by the Companies Act 1915 as amended or by the Articles to the General Meeting fall within the competence of the Board.

The Board may appoint a person (délégué à la gestion journalière), either a shareholder or not, or a member of the Board or not, who shall have full authority to act on behalf of the Company in all matters concerned with the daily management and affairs of the Company.

The Board may appoint a person, either a shareholder or not, either a director or not, as permanent representative for any entity in which the Company is appointed as member of the board of directors. This permanent representative will act with all discretion, but in the name and on behalf of the Company, and may bind the Company in its capacity as member of the board of directors of any such entity.

The Board is also authorised to appoint a person, either director or not, for the purposes of performing specific functions at every level within the Company.

The Company is bound towards third parties in all matters (including the daily management) by (i) the joint signatures of any two members of the Board, or (ii) in the case of a sole director, the sole signature of the sole director or (iii) the joint signatures of any persons or sole signature of the person to whom such signatory power has been granted by the Board or the sole director, but only within the limits of such power.

### Audit committee

The sole business of the Company relates to the issuing of asset-backed securities as defined in Article 2(5) of Commission Regulation (EC) No 809/2004. The Company also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches. Under the Law of 18<sup>th</sup> December 2009 on the Audit Profession as amended art. 74.6.c), such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the contractual obligations of the Administrator, the limited recourse nature of the securities issued by the Company, and the independency of all the Directors, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Board of Directors resolved to have the entire Board assuming the functions of an audit committee.

### Significant events

The Company was incorporated on 24<sup>th</sup> February 2012 as Securitisation Vehicle for the purpose of the acquisition of assets backed Securities.

The Company did not acquire any of its own shares during the period under review.

The Company has no activity relating to the Research and Development as at 31<sup>st</sup> December 2014.

The Company has no branch as at 31<sup>st</sup> December 2014.

The activities undertaken by the Company are in line with its corporate objects.

The Board of directors examined the annual accounts of the Company as at 31<sup>st</sup> December 2014.

The Boards of Directors of the Company declares that, to its knowledge, the condensed set of annual accounts as of 31<sup>st</sup> December 2014 which has been prepared in accordance with the applicable set of accounting standards gives a true and fair value of the assets, liabilities, financial situation and profit or loss of the issuer, and that the management report includes a fair review of the information required under Article 3 of the Transparency law dated 11<sup>th</sup> January, 2008, as amended. The management report presents the evolution accurately, the results and the situation of the Company and a description of the principal risks and uncertainties with which they are confronted.

With reference to the mandate given to us as Board of Directors, we are pleased to submit to you the Company's audited annual accounts as of 31<sup>st</sup> December 2014.



Dylan Davies  
Director



Cedric Bradfer  
Director

**WILLOW NO. 1 (LUXEMBOURG) S.A.**  
**Société Anonyme**  
**(the « Company »)**  
**R.C.S. Luxembourg: B 0167 397**  
**6D, EBBC, route de Trèves, L-2633 Senningerberg**

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**STATEMENT RELATED TO THE ANNUAL ACCOUNTS OF THE COMPANY**  
**AS OF 31<sup>st</sup> December 2014**

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To whom it may concern

We are referring to the Luxembourg Law of 11<sup>th</sup> January 2008 on transparency requirements in relation to information about issuers whose securities are admitting to trading on a regulated market.

We hereby state that to our best knowledge, the condensed set of annual accounts as of 31<sup>st</sup> December 2014 which has been prepared in accordance with the applicable set of accounting standards gives a true and fair value of the assets, liabilities, financial situation and profit or loss of the issuer, and that the management report includes a fair review of the information required under Article 3 of the above mentioned Luxembourg Law.

Date: 16<sup>th</sup> March, 2015

Place: Luxembourg



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Dylan Davies  
*Director*



---

Cedric Bradfer  
*Director*

To the Sole Shareholder of  
Willow No. 1 (Luxembourg) S.A.  
6D, route de Trèves  
L-2633 Senningerberg  
Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Following our appointment by the Board of Directors, we have audited the accompanying annual accounts of Willow No. 1 (Luxembourg) S.A., which comprise the balance sheet as at December 31, 2014 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Responsibility of the Board of Directors' for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend of the *réviseur d'entreprises agréé*'s judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Willow No. 1 (Luxembourg) S.A., as of December 31, 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

## **Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*

  
Martin Flaunet, *Réviseur d'entreprises agréé*  
Partner

March 16, 2015

**Annual Accounts Helpdesk :****Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. : B167397

Matricule : 2012 2203 205

eCDF entry date :

**ABRIDGED BALANCE SHEET****Financial year from** <sup>01</sup> 01/01/2014 **to** <sup>02</sup> 31/12/2014 (in <sup>03</sup> EUR )

Willow No. 1 (Luxembourg) S.A.

6D, Route de Trèves  
L-2633 Senningerberg**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>			
I. Subscribed capital not called	1101 _____	101 _____	102 _____
II. Subscribed capital called but unpaid	1103 _____	103 _____	104 _____
	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>			
I. Intangible fixed assets	1109 _____	109 _____	110 _____
II. Tangible fixed assets	1111 _____	111 _____	112 _____
III. Financial fixed assets	1125 _____	125 _____	126 _____
	1135 _____	135 _____	136 _____
<b>D. Current assets</b>			
I. Inventories	1151 _____	151 <u>48.795,00</u>	152 <u>80.013,00</u>
II. Debtors	1153 _____	153 _____	154 _____
a) becoming due and payable within one year	1163 _____ (4)	163 <u>32.109,00</u>	164 <u>48.671,00</u>
b) becoming due and payable after more than one year	1203 _____	203 <u>32.109,00</u>	204 <u>48.671,00</u>
III. Transferable securities and other financial instruments	1205 _____	205 _____	206 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1189 _____	189 _____	190 _____
	1197 _____	197 <u>16.686,00</u>	198 <u>31.342,00</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 <u>48.795,00</u>	202 <u>80.013,00</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B167397

Matricule : 2012 2203 205

**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 (5)	301 30.852,00	302 30.929,00
I. Subscribed capital	1303	303 31.000,00	304 31.000,00
II. Share premium and similar premiums	1305	305	306
III. Revaluation reserves	1307	307	308
IV. Reserves	1309	309	310
V. Profit or loss brought forward	1319	319 -71,00	320 -11.928,00
VI. Profit or loss for the financial year	1321	321 -77,00	322 11.857,00
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
IX. Temporarily not taxable capital gains	1327	327	328
<b>B. Subordinated debts</b>	1329	329	330
a) becoming due and payable within one year	1425	425	426
b) becoming due and payable after more than one year	1427	427	428
<b>C. Provisions</b>	1331 (6)	331 6.400,00	332 6.069,00
<b>D. Non subordinated debts</b>	1339 (7)	339 11.543,00	340 43.015,00
a) becoming due and payable within one year	1407	407 11.543,00	408 43.015,00
b) becoming due and payable after more than one year	1409	409	410
<b>E. Deferred income</b>	1403	403	404
<b>TOTAL (LIABILITIES)</b>		405 48.795,00	406 80.013,00



**Annual Accounts Helpdesk :****Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu**

RCSL Nr. : B167397

Matricule : 2012 2203 205

eCDF entry date :

**PROFIT AND LOSS ACCOUNT****Financial year from** <sup>01</sup> 01/01/2014 **to** <sup>02</sup> 31/12/2014 (in <sup>03</sup> EUR )

Willow No. 1 (Luxembourg) S.A.

6D, Route de Trèves  
L-2633 Senningerberg**A. CHARGES**

	Reference(s)	Current year	Previous year
<b>1. Use of merchandise, raw materials and consumable materials</b>	1601 _____	601 _____	602 _____
<b>2. Other external charges</b>	1603 _____ (8)	603 _____ 54.434,00	604 _____ 51.439,00
<b>3. Staff costs</b>	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
<b>4. Value adjustments</b>	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
<b>5. Other operating charges</b>	1621 _____	621 _____	622 _____
<b>6. Value adjustments and fair value adjustments on financial fixed assets</b>	1623 _____	623 _____	624 _____
<b>7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities</b>	1625 _____	625 _____	626 _____
<b>8. Interest and other financial charges</b>	1627 _____	627 _____ 77,00	628 _____ 30,00
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 _____	631 _____ 77,00	632 _____ 30,00

RCSL Nr. : B167397

Matricule : 2012 2203 205

	Reference(s)	Current year	Previous year
<b>9. Share of losses of undertakings accounted for under the equity method</b>	1649 _____	649 _____	650 _____
<b>10. Extraordinary charges</b>	1633 _____	633 _____	634 _____
<b>11. Income tax</b>	1635 _____ (9)	635 _____ 535,00	636 _____ 535,00
<b>12. Other taxes not included in the previous caption</b>	1637 _____	637 _____	638 _____
<b>13. Profit for the financial year</b>	1639 _____	639 _____ 0,00	640 _____ 11.857,00
<b>TOTAL CHARGES</b>		641 _____ 55.046,00	642 _____ 63.861,00

RCSL Nr. : B167397

Matricule : 2012 2203 205

**B. INCOME**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Change in inventories of finished goods and of work and contracts in progress</b>	1703 _____	703 _____	704 _____
<b>3. Fixed assets under development</b>	1705 _____	705 _____	706 _____
<b>4. Reversal of value adjustments</b>	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
<b>5. Other operating income</b>	1713 _____ (10)	713 _____ 54.969,00	714 _____ 63.861,00
<b>6. Income from financial fixed assets</b>	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>7. Income from financial current assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
<b>8. Other interest and other financial income</b>	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 _____
<b>9. Share of profits of undertakings accounted for under the equity method</b>	1745 _____	745 _____	746 _____
<b>10. Extraordinary income</b>	1733 _____	733 _____	734 _____
<b>13. Loss for the financial year</b>	1735 _____	735 _____ 77,00	736 _____ 0,00
<b>TOTAL INCOME</b>		737 _____ 55.046,00	738 _____ 63.861,00

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2014**

**Note 1 - General Information**

Willow No. 1 (Luxembourg) S.A. (the "Company"), was incorporated in Luxembourg on 24th February 2012 for an unlimited duration as a public limited-liability company "Societe Anonyme" (S.A.).

The Company has its registered address at 6D, route de Trèves, L-2633 Senningerberg and is registered at the Luxembourg Commercial Register under number R.C.S. Luxembourg n° 167.397.

The corporate object of the Company is to acquire or assume, directly or through another undertaking, risks relating to receivables, other assets, or obligations assumed by third parties or intrinsic to all or part of the activities of third parties, and to issue securities whose value or yield depends on such risks.

It may in particular:

- acquire by way of subscription, purchase, exchange or in any other manner any assets, hold and dispose of any assets in any manner and/or assume risks relating to any assets;
- exercise all rights whatsoever attached to these assets and risks;
- give guarantees and/or grant security interests over its assets to the extent permitted by the Securitisation Law;
- make deposits at banks or with other depositaries;
- raise funds, issue bonds, notes and other debt securities and any financial instruments, in order to carry out its activity within the frame of its corporate object;
- enter into and maintain swaps, options, forwards, futures, derivatives, foreign exchange transactions and other instruments or arrangements in order to hedge individually or on a portfolio basis a transaction;
- in compliance with article 61 (1) of the Securitisation Law, transfer any of its assets against due consideration and/or in accordance with the relevant issue documentation;
- raise temporary and/or ancillary financings for securitisation transactions.

The above enumeration is indicative and not exhaustive, and is subject to the provisions of the Securitisation Law.

The Company may carry out any transactions which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law to which the Company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.

**Note 2 – Summary of significant accounting policies**

**2.1 Basis of preparation**

The annual accounts are prepared in accordance with Luxembourg Law and Generally Accepted Accounting Principles (Lux GAAP). Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, as amended, determined and applied by the Board of Directors.

The presentation of these annual accounts is made as required by articles 35 and 47 of the Law of 19th December 2002, as amended.

## **Willow No. 1 (Luxembourg) S.A.**

### **Société Anonyme**

#### **Notes to the Annual Accounts as at 31st December 2014 (Continued)**

##### **2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

###### **2.2.1 Transferable Securities held as Fixed Assets**

###### **Valuation at "market value"**

Shares in affiliated undertakings are valued at the market value. A value adjustment is recorded where the market value is lower than the nominal value.

Market value corresponds to:

- The last available quote on the valuation day for securities listed on a stock exchange or dealt in on another regulated market;
- The probable market or recovery value estimated with care and in good faith by the Board of Directors, without compensation between individual gains and losses in value, for unlisted securities or securities that are not dealt in on another regulated market, for securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative as well as for the loans shown under "Assets".

###### **2.2.2 Transferable securities**

Transferable securities are valued at the market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to :

- The last available quote on the valuation day for transferable securities listed on a stock exchange or dealt in on another regulated market;
- The probable realisation value estimated with care and in good faith by the Board of Directors for transferable securities not listed on a stock exchange or not dealt in on another regulated market and for transferable securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative.

###### **2.2.3 Debts**

Debts are recorded at their nominal value. Where the amount repayable on account is greater or lower than the amount receivable, the difference is shown in the Profit and Loss Account when the debt is issued.

###### **2.2.4 Foreign currency translation**

The functional currency of the Company is Euro ("EUR").

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the Balance Sheet date. Exchange losses and gains are recorded in the Profit and Loss Account of the year.

Other assets and liabilities are translated separately respectively at the lower (for assets) or at the higher (for liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the Balance Sheet date. The realised and change in unrealised exchange losses are recorded in the Profit and Loss Account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the Profit and Loss Account and the net unrealised exchange gains are not recognised.

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2014**  
**(Continued)**

**Note 3 - Financial Assets**

There were no financial assets for the year.

**Note 4 - Debtors**

All operating charges of the Company will be reimbursed by Barclays Bank PLC (the Arranger).

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Accounting and administration fees	-	33,005
Legal fees	-	87
CSSF fee	12,000	5,000
Audit fees	6,400	6,069
Corporate income tax	535	535
Chambre de commerce	140	-
Tax advances	1,262	-
Other	<u>11,772</u>	<u>3,975</u>
	<u>32,109</u>	<u>48,671</u>

**Note 5 – Capital and reserves**

The subscribed share capital is set at EUR 31,000 consisting of 31 ordinary shares in registered form with a par value of EUR 1,000 each.

There were no movements on the "Subscribed capital" during the year.

**Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 31st December 2013 no legal reserve was created by the Company as no accounting profit is recognised by the Company.

**Movements for the year in capital and reserves**

The movements in capital and reserves for the year are as follows:

	<b>Subscribed Capital</b>	<b>Legal reserve</b>	<b>Profit or (loss) brought forward</b>	<b>Profit or (loss) for the financial year</b>
<b>As at 31st December 2013</b>	31,000		(11,928)	11,857
Allocation of prior year's profit or loss	-	-	11,857	(11,857)
Profit or loss of the year	-	-		(77)
<b>As at 31st December 2014</b>	31,000	-	(71)	(77)

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2014**  
**(Continued)**

**Note 6 - Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the Balance Sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the Balance Sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

**Note 7 – Non subordinated debts**

Non subordinated debts, are comprised as follows:

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Accounting and administration fees	-	33,005
Other Fees	11,043	8,945
Tax	-	565
Excess share capital received	500	500
	<u>11,543</u>	<u>43,015</u>

**Note 8 – Other external charges**

The position is composed of the following external charges:

	<b>2014</b>	<b>2013</b>
	<b>EUR</b>	<b>EUR</b>
Accounting and administration fees	35,583	33,005
Audit fees	6,634	6,069
Bank charges	77	65
CSSF fees	12,000	12,000
Other charges	140	300
	<u>54,434</u>	<u>51,439</u>

**Note 9 - Tax**

The Company is subject to the minimum annual Corporate Income Tax applicable in Luxembourg.

The Company is a fully taxable Company subject to all Luxembourg direct annual taxes applicable to securitisation vehicles. The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

**Note 10 – Other operating income**

Other operating income relates to the reimbursement of the Company's expense in accordance with the Programme expenses letter dated 20 August 2012 whereby the Arranger agrees to pay to the Company on demand specified fee and expenses.

**Note 11 – Advances and loans granted to the members of the administrative, managerial and supervisory body**

There were no advances or loans granted to management during the year ended on 31st December 2014.

**Note 12 – Personnel**

During the year ended 31st December, 2014, the Company did not employ any personnel and, consequently, no payment of wages, salaries or social securities were made.

**Note 13 – Subsequent events**

There were no subsequent events after year end which may have an impact on the annual accounts.

**Willow No. 1 (Luxembourg) S.A.  
Société Anonyme**

**Annual Accounts  
and Report of the Réviseur d'entreprises agréé  
for the year ended 31st December, 2015  
(Audited)**



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**Willow No. 1 (Luxembourg) S.A.**  
**R.C.S. Luxembourg: B 167.397**

**Company Information**

**Directors**

Dylan Davies  
Cédric Bradfer  
Ronan Carroll

**Corporate Administrator**

MaplesFS (Luxembourg) S.A.  
6D route de Trèves,  
L-2633 Senningerberg,  
Luxembourg

**Bank**

Société Generale Bank & Trust S.A.  
11, avenue Emile Reuter,  
L-2420 Luxembourg

**Auditors**

Deloitte Audit S.à r.l  
560, rue de Neudorf,  
L-2220 Luxembourg

**WILLOW NO. 1 (LUXEMBOURG) S.A.**  
**Société Anonyme**  
**(the « Company »)**  
**R.C.S. Luxembourg: B 0167 397**  
**6D, route de Trèves, L-2633 Senningerberg**

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**REPORT OF THE BOARD OF DIRECTORS**  
**FOR THE YEAR ENDED 31<sup>st</sup> DECEMBER, 2015**

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Dear Sole Shareholder,

Pursuant to the Luxembourg Law dated 11<sup>th</sup> January 2008 implementing the European Directive referenced 2004/109 dated 15<sup>th</sup> December 2004 related to the harmonisation of transparency requirements, the Board of Directors wishes to report as follows on the activities for the year ended 31<sup>st</sup> December 2015.

With reference to the mandate given to us as Board of Directors, we are pleased to submit to you the Company's annual accounts for the year ended 31<sup>st</sup> December 2015.

As at 31<sup>st</sup> December 2015, the total balance sheet amounts to EUR 38,678.82.

As at 31<sup>st</sup> December 2015, the Company shows a loss amounting to EUR 213.

<u><b>Investments</b></u>
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There were no investments during the financial year ended 31<sup>st</sup> December 2015.

<u><b>Business developments</b></u>
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The Company established a securitization platform under which Citicorp Trustee Company Limited acts as trustee and under which the Company can issue secured notes (the "Citi Notes") which it may offer to the public on a continuous basis and enter into related swap transactions. As at the date of this report, the agreements have not been signed yet.

On February 2014, the Company established a second securitization platform under which HSBC Corporate Trustee Company (UK) Limited will act as trustee and under which the Company can issue secured notes (the "HSBC Notes") which it may offer to the public on a continuous basis and enter into related swap transactions.

## Corporate Governance

The Board of Directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process.

### Annual General Meeting of Sole Shareholder

Subject to all other powers reserved to the Boards of Directors by the Law or the articles of incorporation, the meeting of Sole Shareholder has the broadest powers to carry out or ratify acts relating to the operations of the company.

### Board of Directors

The Company is managed by a Board composed of at least three directors who need to be independent of the Company. The members of the Board are elected for a term not exceeding six years and shall be re-eligible.

The directors are elected by the General Meeting. The Sole Shareholder of the Company shall also determine the number of directors, their remuneration and the term of their office. A director may be removed with or without cause and/or replaced, at any time, by resolution adopted by the General Meeting.

In the event of vacancy in the office of a director because of death, retirement or otherwise, the remaining directors may elect, by a majority vote, a director to fill such vacancy until the next General Meeting.

The Board is vested with the broadest powers to perform or cause to be performed all acts of disposition and administration in the Company's interest, including the power to transfer, assign or dispose of the assets of the Company in accordance with the Securitisation Law 2004 and the relevant issue documentation. All powers not expressly reserved by the Companies Law 1915 as amended or by the Articles to the General Meeting fall within the competence of the Board.

The Board may appoint a person (délégué à la gestion journalière), either a shareholder or not, or a member of the Board or not, who shall have full authority to act on behalf of the Company in all matters concerned with the daily management and affairs of the Company.

The Board may appoint a person, either a shareholder or not, either a director or not, as permanent representative for any entity in which the Company is appointed as member of the board of directors. This permanent representative will act with all discretion, but in the name and on behalf of the Company, and may bind the Company in its capacity as member of the board of directors of any such entity.

The Board is also authorised to appoint a person, either director or not, for the purposes of performing specific functions at every level within the Company.

The Company is bound towards third parties in all matters (including the daily management) by (i) the joint signatures of any two members of the Board, or (ii) in the case of a sole director, the sole signature of the sole director or (iii) the joint signatures of any persons or sole signature of the person to whom such signatory power has been granted by the Board or the sole director, but only within the limits of such power.

### Audit committee

The sole business of the Company relates to the issuing of asset-backed securities as defined in Article 2(5) of Commission Regulation (EC) No 809/2004. The Company also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches. Under the Law of 18<sup>th</sup> December 2009 on the Audit Profession as amended art. 74.6.c), such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the contractual obligations of the Administrator, the limited recourse nature of the securities issued by the Company, and the independency of all the Directors, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Board of Directors resolved to have the entire Board assuming the functions of an audit committee.

### Other information

The Company was incorporated on 24<sup>th</sup> February 2012 as Securitisation Vehicle for the purpose of the acquisition of assets backed Securities.

The Company did not acquire any of its own shares during the period under review.

The Company has no activity relating to the Research and Development as at 31<sup>st</sup> December 2015.

The Company has no branch as at 31<sup>st</sup> December 2015.

The activities undertaken by the Company are in line with its corporate objects.

The Board of directors examined the annual accounts of the Company as at 31<sup>st</sup> December 2015.

The Boards of Directors of the Company declares that, to its knowledge, the condensed set of annual accounts as of 31<sup>st</sup> December 2015 which has been prepared in accordance with the applicable set of accounting standards gives a true and fair value of the assets, liabilities, financial situation and profit or loss of the issuer, and that the management report includes a fair review of the information required under Article 3 of the Transparency law dated 11<sup>th</sup> January, 2008, as amended. The management report presents the evolution accurately, the results and the situation of the Company.

With reference to the mandate given to us as Board of Directors, we are pleased to submit to you the Company's audited annual accounts as of 31<sup>st</sup> December 2015.

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Dylan Davies  
Director

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Cedric Bradfer  
Director

**WILLOW NO. 1 (LUXEMBOURG) S.A.**  
**Société Anonyme**  
**R.C.S. Luxembourg: B 0167 397**  
**6D, route de Trèves, L-2633 Senningerberg**

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**RESPONSIBILITY STATEMENT OF THE COMPANY**  
**AS OF 31<sup>st</sup> December 2015**

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To whom it may concern

We are referring to the Luxembourg Law of 11<sup>th</sup> January 2008 on transparency requirements in relation to information about issuers whose securities are admitting to trading on a regulated market.

We hereby state that to our best knowledge, the condensed set of annual accounts as of 31<sup>st</sup> December 2015 which has been prepared in accordance with the applicable set of accounting standards gives a true and fair value of the assets, liabilities, financial situation and profit or loss of the issuer, and that the management report includes a fair review of the information required under Article 3 of the above mentioned Luxembourg Law.

Date: April 15<sup>th</sup>, 2016

Place: Senningerberg

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Dylan Davies  
*Director*

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Cedric Bradfer  
*Director*

To the Sole Shareholder of  
Willow No. 1 (Luxembourg) S.A.  
6D, route de Trèves  
L-2633 Senningerberg  
Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

Following our appointment by the Annual General Meeting of the Sole shareholder dated July 13, 2015, we have audited the accompanying annual accounts of Willow No. 1 (Luxembourg) S.A., which comprise the balance sheet as at 31<sup>st</sup> December 2015 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Responsibility of the Board of Directors' for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend of the *réviseur d'entreprises agréé*'s judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of Willow No. 1 (Luxembourg) S.A., as of 31<sup>st</sup> December 2015, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

### **Report on other legal and regulatory requirements**

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

For Deloitte Audit, *Cabinet de révision agréé*

Ekaterina Volotovskaya, *Réviseur d'entreprises agréé*  
Partner

April 15, 2016



**Annual Accounts Helpdesk :**

**Tel. :** (+352) 247 88 494  
**Email :** centralebilans@statec.etat.lu

RCSL Nr.: B167397

Matricule : 2012 2203 205

eCDF entry date :

**ABRIDGED BALANCE SHEET**
**Financial year from** <sup>01</sup> 01/01/2015 **to** <sup>02</sup> 31/12/2015 (in <sup>03</sup> EUR )

Willow No. 1 (Luxembourg) S.A.

6D, Route de Trèves  
 L-2633 Senningerberg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 _____	110 _____
I. Intangible fixed assets	1111 _____	111 _____	112 _____
II. Tangible fixed assets	1125 _____	125 _____	126 _____
III. Financial fixed assets	1135 _____	135 _____	136 _____
<b>D. Current assets</b>	1151 _____	151 <u>38.678,82</u>	152 <u>48.794,55</u>
I. Inventories	1153 _____	153 _____	154 _____
II. Debtors	1163 <u>Note 4</u>	163 <u>7.909,07</u>	164 <u>32.109,20</u>
a) becoming due and payable within one year	1203 _____	203 <u>7.909,07</u>	204 <u>32.109,20</u>
b) becoming due and payable after more than one year	1205 _____	205 _____	206 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>30.769,75</u>	198 <u>16.685,35</u>
<b>E. Prepayments</b>	1199 _____	199 _____	200 _____
<b>TOTAL (ASSETS)</b>		201 <u>38.678,82</u>	202 <u>48.794,55</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B167397

Matricule : 2012 2203 205

**LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>Note 5</u>	301 <u>30.638,82</u>	302 <u>30.851,82</u>
I. Subscribed capital	1303 _____	303 <u>31.000,00</u>	304 <u>31.000,00</u>
II. Share premium and similar premiums	1305 _____	305 _____	306 _____
III. Revaluation reserves	1307 _____	307 _____	308 _____
IV. Reserves	1309 _____	309 _____	310 _____
V. Profit or loss brought forward	1319 _____	319 <u>-148,18</u>	320 <u>-71,18</u>
VI. Profit or loss for the financial year	1321 _____	321 <u>-213,00</u>	322 <u>-77,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
IX. Temporarily not taxable capital gains	1327 _____	327 _____	328 _____
<b>B. Subordinated debts</b>	1329 _____	329 _____	330 _____
a) becoming due and payable within one year	1425 _____	425 _____	426 _____
b) becoming due and payable after more than one year	1427 _____	427 _____	428 _____
<b>C. Provisions</b>	1331 <u>Note 6</u>	331 <u>7.400,00</u>	332 <u>6.400,00</u>
<b>D. Non subordinated debts</b>	1339 <u>Note 7</u>	339 <u>640,00</u>	340 <u>11.542,73</u>
a) becoming due and payable within one year	1407 _____	407 <u>640,00</u>	408 <u>11.542,73</u>
b) becoming due and payable after more than one year	1409 _____	409 _____	410 _____
<b>E. Deferred income</b>	1403 _____	403 _____	404 _____
<b>TOTAL (LIABILITIES)</b>		405 <u>38.678,82</u>	406 <u>48.794,55</u>

**Annual Accounts Helpdesk :**

Tel. : (+352) 247 88 494  
Email : centralebilans@statec.etat.lu

RCSL Nr.: B167397

Matricule : 2012 2203 205

eCDF entry date :

**ABRIDGED PROFIT AND LOSS ACCOUNT**Financial year from <sup>01</sup> 01/01/2015 to <sup>02</sup> 31/12/2015 (in <sup>03</sup> EUR )

Willow No. 1 (Luxembourg) S.A.

6D, Route de Trèves  
L-2633 Senningerberg

**A. CHARGES**

	Reference(s)	Current year	Previous year
<b>1. to 2. Gross loss (less B.1 to B.3 and B.5)</b>	1643 <u>Note 8</u>	643 <u>54.897,97</u>	644 <u>54.433,50</u>
<b>3. Staff costs</b>	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
<b>4. Value adjustments</b>	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
<b>5. Other operating charges</b>	1621 _____	621 _____	622 _____
<b>6. Value adjustments and fair value adjustments on financial fixed assets</b>	1623 _____	623 _____	624 _____
<b>7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities</b>	1625 _____	625 _____	626 _____
<b>8. Interest and other financial charges</b>	1627 _____	627 <u>0,00</u>	628 <u>77,40</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 _____	631 <u>0,00</u>	632 <u>77,40</u>
<b>9. Share of losses of undertakings accounted for under the equity method</b>	1649 _____	649 _____	650 _____

RCSL Nr.: B167397

Matricule : 2012 2203 205

	Reference(s)	Current year	Previous year
<b>10. Extraordinary charges</b>	1633 _____	633 _____	634 _____
<b>11. Income tax</b>	1635 _____ <u>Note 9</u>	635 _____ <u>535,00</u>	636 _____ <u>535,00</u>
<b>12. Other taxes not included in the previous caption</b>	1637 _____	637 _____	638 _____
<b>13. Profit for the financial year</b>	1639 _____	639 _____ <u>0,00</u>	640 _____ <u>0,00</u>
<b>TOTAL CHARGES</b>		641 _____ <u>55.432,97</u>	642 _____ <u>55.045,90</u>

RCSL Nr.: B167397

Matricule : 2012 2203 205

**B. INCOME**

	Reference(s)	Current year	Previous year
<b>1. to 3. and 5. Gross profit (less A.1 and A.2)</b>	1739 _____	739 _____	740 _____
<b>4. Reversal of value adjustments</b>	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
<b>6. Income from financial fixed assets</b>	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
<b>7. Income from financial current assets</b>	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
<b>8. Other interest and other financial income</b>	1727 _____ <b>Note 10</b>	727 _____ <b>55.219,97</b>	728 _____ <b>54.968,90</b>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____ <b>55.219,97</b>	732 _____ <b>54.968,90</b>
<b>9. Share of profits of undertakings accounted for under the equity method</b>	1745 _____	745 _____	746 _____
<b>10. Extraordinary income</b>	1733 _____	733 _____	734 _____
<b>13. Loss for the financial year</b>	1735 _____	735 _____ <b>213,00</b>	736 _____ <b>77,00</b>
<b>TOTAL INCOME</b>		737 _____ <b>55.432,97</b>	738 _____ <b>55.045,90</b>

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2015**

**Note 1 - General Information**

Willow No. 1 (Luxembourg) S.A. (the "Company"), was incorporated in Luxembourg on 24th February 2012 for an unlimited duration as a public limited-liability company "Societe Anonyme" (S.A.).

The Company has its registered address at 6D, route de Trèves, L-2633 Senningerberg and is registered at the Luxembourg Commercial Register under number R.C.S. Luxembourg n° 167.397.

The corporate object of the Company is to acquire or assume, directly or through another undertaking, risks relating to receivables, other assets, or obligations assumed by third parties or intrinsic to all or part of the activities of third parties, and to issue securities whose value or yield depends on such risks.

It may in particular:

- acquire by way of subscription, purchase, exchange or in any other manner any assets, hold and dispose of any assets in any manner and/or assume risks relating to any assets;
- exercise all rights whatsoever attached to these assets and risks;
- give guarantees and/or grant security interests over its assets to the extent permitted by the Securitisation Law;
- make deposits at banks or with other depositaries;
- raise funds, issue bonds, notes and other debt securities and any financial instruments, in order to carry out its activity within the frame of its corporate object;
- enter into and maintain swaps, options, forwards, futures, derivatives, foreign exchange transactions and other instruments or arrangements in order to hedge individually or on a portfolio basis a transaction;
- in compliance with article 61 (1) of the Securitisation Law, transfer any of its assets against due consideration and/or in accordance with the relevant issue documentation;
- raise temporary and/or ancillary financings for securitisation transactions.

The above enumeration is indicative and not exhaustive, and is subject to the provisions of the Securitisation Law.

The Company may carry out any transactions which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law to which the Company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.

**Note 2 – Summary of significant accounting policies**

**2.1 Basis of preparation**

The annual accounts are prepared in accordance with Luxembourg Law and Generally Accepted Accounting Principles (Lux GAAP). Accounting policies and valuation rules are, besides the ones laid down by the Law of 19th December 2002, as amended, determined and applied by the Board of Directors.

The presentation of these annual accounts is made as required by articles 35 and 47 of the Law of 19th December 2002, as amended.

**Willow No. 1 (Luxembourg) S.A.**

**Société Anonyme**

**Notes to the Annual Accounts  
as at 31st December 2015  
(Continued)**

**2.2 Significant accounting policies**

The main valuation rules applied by the Company are the following:

**2.2.1 Transferable Securities held as Fixed Assets**

**Valuation at "market value"**

Shares in affiliated undertakings are valued at the market value. A value adjustment is recorded where the market value is lower than the nominal value.

Market value corresponds to:

- The last available quote on the valuation day for securities listed on a stock exchange or dealt in on another regulated market;
- The probable market or recovery value estimated with care and in good faith by the Board of Directors, without compensation between individual gains and losses in value, for unlisted securities or securities that are not dealt in on another regulated market, for securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative as well as for the loans shown under "Assets".

**2.2.2 Transferable securities**

Transferable securities are valued at the market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The market value corresponds to :

- The last available quote on the valuation day for transferable securities listed on a stock exchange or dealt in on another regulated market;
- The probable realisation value estimated with care and in good faith by the Board of Directors for transferable securities not listed on a stock exchange or not dealt in on another regulated market and for transferable securities listed on a stock exchange or dealt in on another regulated market where the latest quote is not representative.

**2.2.3 Debts**

Debts are recorded at their nominal value. Where the amount repayable on account is greater or lower than the amount receivable, the difference is shown in the Profit and Loss Account when the debt is issued.

**2.2.4 Foreign currency translation**

The functional currency of the Company is Euro ("EUR").

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the Balance Sheet date. Exchange losses and gains are recorded in the Profit and Loss Account of the year.

Other assets and liabilities are translated separately respectively at the lower (for assets) or at the higher (for liabilities) of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the Balance Sheet date. The realised and change in unrealised exchange losses are recorded in the Profit and Loss Account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the Profit and Loss Account and the net unrealised exchange gains are not recognised.

**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2015**  
**(Continued)**

**Note 3 - Financial Assets**

There were no financial assets for the year.

**Note 4 - Debtors**

All operating charges of the Company will be reimbursed by Barclays Bank PLC (the Arranger).

	2015	2014
	EUR	EUR
CSSF fee	-	12,000.00
Audit fees	7,400.00	6,400.00
Corporate income tax	282.41	535.00
Chambre de commerce	140.00	140.00
Tax advances	-	1,262.10
Other	86.66	11,772.10
	<u>7,909.07</u>	<u>32,109.20</u>

**Note 5 – Capital and reserves**

The subscribed share capital is set at EUR 31,000 consisting of 31 ordinary shares in registered form with a par value of EUR 1,000 each.

There were no movements on the "Subscribed capital" during the year.

**Legal reserve**

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at 31st December 2015 no legal reserve was created by the Company as no accounting profit is recognised by the Company.

**Movements for the year in capital and reserves**

The movements in capital and reserves for the year are as follows:

	Subscribed Capital	Legal reserve	Profit or (loss) brought forward	Profit or (loss) for the financial year
<b>As at 31st December 2014</b>	31,000.00		(71.18)	77.00
Allocation of prior year's profit or loss	-	-	(77.00)	(77.00)
Profit or loss of the year	-	-	-	(213.00)
<b>As at 31st December 2015</b>	31,000.00	-	(148.18)	(213.00)



**Willow No. 1 (Luxembourg) S.A.**  
**Société Anonyme**  
**Notes to the Annual Accounts**  
**as at 31st December 2015**  
**(Continued)**

**Note 6 - Provisions**

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the Balance Sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the Balance Sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

**Note 7 – Non subordinated debts**

Non subordinated debts, are comprised as follows:

	2015	2014
	EUR	EUR
Other Fees	140.00	11,042.73
Excess share capital received	500.00	500.00
	<u>640.00</u>	<u>11,542.73</u>

**Note 8 – Gross loss**

The position is composed of the following external charges:

	2015	2014
	EUR	EUR
Accounting and administration fees	34,381.54	35,583.00
Audit fees	8,303.43	6,633.50
Bank charges	73.00	77.00
CSSF fees	12,000.00	12,000.00
Other charges	140.00	140.00
	<u>54,897.97</u>	<u>54,433.50</u>

**Note 9 - Tax**

The Company is subject to the minimum annual Corporate Income Tax applicable in Luxembourg.

The Company is a fully taxable Company subject to all Luxembourg direct annual taxes applicable to securitisation vehicles. The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

**Note 10 – Interest and other financial income**

Other operating income relates to the reimbursement of the Company's expense in accordance with the Programme expenses letter dated 20 August 2012 whereby the Arranger agrees to pay to the Company on demand specified fee and expenses.

**Note 11 – Advances and loans granted to the members of the administrative, managerial and supervisory body**

There were no advances or loans granted to management during the year ended on 31st December 2015.

**Note 12 – Personnel**

During the year ended 31st December, 2015, the Company did not employ any personnel and, consequently, no payment of wages, salaries or social securities were made.

**Note 13 – Subsequent events**

There were no subsequent events after year end which may have an impact on the annual accounts.



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