Base Prospectus

"Novus"

Structured Issuance Programme

This document (as may be amended, updated and supplemented from time to time, this **"Base Prospectus"**) constitutes a base prospectus for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the **"Prospectus Directive"**) relating to the issue of notes (**"Notes"**) by the Issuers under the "Novus" Structured Issuance Programme (the **"Programme"**) upon the terms and conditions of the Notes as completed by a series prospectus (the **"Series Prospectus"**). For the avoidance of doubt, Notes will not be issued pursuant to final terms as provided for in Article 5(4) of the Prospectus Directive.

This Base Prospectus has been approved by the Central Bank of Ireland (the **"Central Bank"**), as 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 the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange Limited (the **"Irish Stock Exchange"**) or other regulated markets for the purposes of Directive 2004/39/EC (**"MIFID"**) or which are to be offered to the public in any Member State of the European Economic Area. The Central Bank has neither reviewed nor approved this Base Prospectus in relation to any other Obligations (as defined in the Overview of the Programme) of this Base Prospectus.

Application has been be made to the Irish Stock Exchange for Notes issued under the Programme to be admitted to the Official List and trading on its regulated market. There is no guarantee that such application will be successful.

The Issuers will not issue any Notes having a denomination of less than EUR 100,000 (or its equivalent in any currency) under the Programme, unless such Notes (i) are not the subject of a public offer which requires the publication of a prospectus under the Prospectus Directive, and (ii) are not listed on the Official List of the Irish Stock Exchange and are not admitted to trading on the regulated market of the Irish Stock Exchange or on any other regulated market. References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Irish Stock Exchange's regulated market and have been admitted to the Official List.

The regulated market of the Irish Stock Exchange is a regulated market for the purposes of MIFID. Notes may be issued pursuant to the Programme which are listed on another stock exchange and/or admitted to trading on another market (which may or may not be regulated) and/or unlisted and/or not admitted to trading on any market, in each case as specified in the relevant Series Prospectus.

Copies of each Series Prospectus will be available at the specified office set out below of the Note Trustee and each of the Paying Agents. In addition, a copy of each Series Prospectus in respect of a Series admitted to trading on the Irish Stock Exchange's regulated market will be filed with the Central Bank. In respect of any Issuer (as defined in the Overview of the Programme) incorporated in Ireland, a copy of this Base Prospectus will be filed with the Irish Companies Registration Office within 14 days of approval as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) (the **"Irish Prospectus Regulations"**).

Permanent Arranger and Permanent Dealer

Nomura International plc

21 October 2014

Responsibility: Each Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of each Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Nomura International plc accepts responsibility for the information contained in Section 4: Nomura International plc and Nomura Holdings, Inc. To the best of the knowledge and belief of Nomura International plc, having taken all reasonable care to ensure that such is the case, the information contained in Section 4: Nomura International plc and Nomura Holdings, Inc. is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the fullest extent permitted by law, none of the Dealers or the Arrangers (other than in respect of Section 4: Nomura International plc and Nomura Holdings, Inc.) or the Note Trustee or the Security Trustee accept any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by an Arranger or a Dealer or the Note Trustee or the Security Trustee or on any of their behalves in connection with any Issuer or the issue and offering of the Notes. Each Arranger, each Dealer, the Note Trustee and the Security Trustee accordingly disclaim 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.

Exempt Offers: This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by certain terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive provided that any such prospectus has subsequently been completed by terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

No Representations: No person has been authorised to give any information or to make any representations other than those contained in this Base Prospectus or any documents incorporated by reference herein in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any Issuer, any Dealer, any Arranger, the Note Trustee or the Security Trustee. Neither the delivery of this Base Prospectus nor any Series Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that:

(a) there has been no change in the affairs of any Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented; or

(b) that there has been no adverse change in the financial position of any Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented; or

(c) that any other information supplied in connection with the Notes 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.

No Financial Review: None of the Dealers, the Arrangers, the Note Trustee or the Security Trustee undertakes to review the financial condition or affairs of any Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

Base Prospectus Not an Offer: This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of, any Issuer or any Dealer to subscribe for, or purchase, any Notes.

Selling Restrictions: The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **"Securities Act"**) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in the U.S. Internal Revenue Code for 1986, as amended, and regulations thereunder. For a description of certain further restrictions on offers and sales of Notes and distribution of this Base Prospectus, see Section 11: Subscription and Sale.

Summary Information: The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summaries are qualified by reference to and are subject to the provisions of such documentation.

Currency Symbols: In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to **"€"** and **"EUR"** are to the Euro, **"U.S.$"** and **"USD"** are to U.S. dollars, **"GBP"** and **"£"** are to pounds sterling and **"yen"** are to Japanese yen.

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

Prospective investors should have regard to the factors described under Section 1: Risk Factors.

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OVERVIEW

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. The following overview does not purport to be complete and should be read in conjunction with the remainder of this Base Prospectus and, in relation to any particular Series of Notes, the relevant Series Prospectus and the terms of the relevant Issue Deed (as defined below) relating to such Notes.

For the purpose of construing this Base Prospectus as it relates to any particular Series of Notes (each as defined below), references to any relevant party are references to the entity acting as such in relation to that Series.

1. PARTIES TO THE PROGRAMME

1.1 The Issuers

The issuers under the Programme are Novus Capital p.l.c., Novus Capital Luxembourg S.A., Honu Finance Limited, Waipio Finance Limited and Lani Finance Limited (the **"Initial Issuers"** and each an **"Initial Issuer"**). The Initial Issuers are described more fully at Section 3: Issuer Disclosure. Further issuers may from time to time accede to the Programme; such further issuers will be described in an update to this Base Prospectus or in a separate base prospectus. References to the **"Issuers"** in this Base Prospectus shall be construed as references to the Initial Issuers and such further issuers under the Programme. References to the **"Issuer"** in relation to any particular Series are to the issuer of such Series.

1.2 The Note Trustee and the Security Trustee

Unless otherwise specified in the Issue Deed (as defined below), Citicorp Trustee Company Limited will act as both note trustee (the **"Note Trustee"**) and security trustee (the **"Security Trustee"**, and together with the Note Trustee, the **"Trustees"** and each a **"Trustee"**) in respect of each Series.

1.3 The Counterparties

In connection with each Series, the Issuer may enter into Derivative Agreements, Repurchase Agreements, Deposit Agreements and/or Securities Lending Agreements (each as defined below) with Nomura International plc or any other party specified in the relevant Issue Deed as counterparty (in such capacity, the **"Counterparty"**).

1.4 The Arranger and Dealers

The Programme is arranged by Nomura International plc (the **"Permanent Arranger"**), which has agreed to fund certain general operating expenses of the Issuers.

In connection with each Series, Nomura International plc acts as dealer (the **"Dealer"**) and arranger (the **"Arranger"**) unless otherwise specified in the Issue Deed.

1.5 The Agents

In connection with each Series unless otherwise specified in the Issue Deed, the Principal Paying Agent, Acquisition and Disposal Agent, Custodian and Interest Calculation Agent is Citibank, N.A., London Branch (except for series issued by Novus Capital Luxembourg S.A., in which case the Custodian is Citibank International plc (Luxembourg Branch)), the Registrar and Transfer Agent (if the Notes are in registered form) is Citigroup Global Markets Deutschland AG and the Calculation Agent and Acquisition and Disposal Agent is Nomura International plc.

2. NOTES AND OTHER OBLIGATIONS

The Issuers may from time to time issue Notes, *Schuldscheine* or other debt or payment obligations on limited recourse terms (together, the **"Obligations"**) under the Programme. Obligations will be issued or created in series (**"Series"**). Each Series may be comprised of one or more tranches (the **"Tranches"**) and/or classes (**"Classes"**). This Base Prospectus relates to the issuance of Notes only.

The principal amount outstanding of all Obligations issued or created from time to time by any Issuer under the Programme shall not exceed an amount agreed between such Issuer and the relevant Arranger (the **"Issuer Limit"**). The Issuer Limit in relation to each of the Initial Issuers is EUR 10,000,000,000. The Issuer Limit in respect of any Issuer may be varied from time to time by agreement with the relevant Arranger.

In connection with each Series the Issuer will enter into an issue deed (the **"Issue Deed"**). The Issue Deed will incorporate specified master trust terms (the **"Trust Terms"** which, together with relevant sections of the Issue Deed will comprise the **"Trust Deed"**). Each Series will be constituted and secured by an Issue Deed and Trust Deed. Each Series of Notes will be issued on the base terms and conditions (the **"Conditions"**) set out in this Base Prospectus, as supplemented and/or modified by the relevant additional conditions (the "**Additional Conditions**") as set out in the Issue Deed relating to such Notes.

Each Series will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, Nomura International plc or any Trustee.

3. SERIES PROSPECTUS

Where any Series of Notes is listed on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market (or are listed on another stock exchange, and admitted to trading on another regulated market), Notes will be issued under the Programme on the basis of a Series Prospectus, which must be read in conjunction with this Base Prospectus. Such Series Prospectus will be published by being made available as described in Section 12: General Information.

4. FORM OF NOTES

Notes may be issued in bearer form (**"Bearer Notes"**) or in registered form (the **"Registered Notes"**). Each Tranche of Bearer Notes will be represented on issue by a temporary global note (each, a **"Temporary Global Note"**) or a permanent global note (each, a **"Permanent Global Note"**). Registered Notes will be represented by registered global Notes (each, a **"Registered Global Note"**), one Registered Global Note being issued in respect of each holder's entire holding of Registered Notes of one Series. Temporary Global Notes, Permanent Global Notes and Registered Global Notes (together, the **"Global Notes"**) may, in certain limited circumstances, be exchangeable for Notes in definitive form (**"Definitive Notes"**).

Notes may be issued in new global note (**"NGN"**) form.

5. DERIVATIVE AGREEMENTS, REPURCHASE AGREEMENTS, DEPOSIT AGREEMENTS AND SECURITIES LENDING AGREEMENTS

In connection with each Series, any Issuer may enter into derivative agreements (each, a **"Derivative Agreement"**), sale-and-repurchase agreements (each a **"Repurchase Agreement"**), deposit agreements (each a **"Deposit Agreement"**) and/or securities lending agreements (each a **"Securities Lending Agreement"**) with Nomura International plc or any other person as may be specified in the applicable Issue Deed as

Counterparty. Any Derivative Agreements, Repurchase Agreements, Deposit Agreements and/or Securities Lending Agreements are referred to in respect of each Series as **"Charged Agreements"**. Any Counterparty may be guaranteed by one or more guarantors (each, a **"Counterparty Guarantor"**) under a guarantee (a **"Counterparty Guarantee"**).

Derivative Agreements will be documented on the basis of one or more derivative confirmations and a 2002 ISDA Master Agreement (and Schedule thereto).

Repurchase Agreements will be documented on the basis of one or more repo confirmations and a TBMA/ISMA Global Master Repurchase Agreement (2000 version) (and Annex I thereto).

Deposit Agreements may be documented on the basis of one or more deposit confirmations and specified deposit terms.

Securities Lending Agreements will be documented on the basis of one or more loan confirmations and an ISLA Global Master Securities Lending Agreement (and Schedule thereto).

6. CURRENCY

Subject to compliance with all relevant laws, regulations and directives, each Series may be denominated in the currency of any country as may be agreed by the Issuer and the relevant Dealer(s) on a case by case basis.

7. STATUS AND LIMITED RECOURSE

Each Series will comprise secured, limited recourse obligations of the Issuer and will rank *pari passu* without any preference among themselves.

Claims in respect of any shortfall remaining after enforcement of the Security for any Series and application of the proceeds thereof in accordance with the Trust Deed and the Conditions (as supplemented and/or modified by the relevant Additional Conditions) shall be extinguished and failure by the Issuer to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under such Series or under any other Series.

8. SECURITY

The obligations of the Issuer in respect of each Series, any Charged Agreement and any other document relating to the issue of such Series (each an **"Issue Document"**) will be secured by, inter alia, a charge, assignment, pledge or other security interest (the **"Security Interests"**) in favour of the Security Trustee over the assets of the Issuer specified as such in the relevant Additional Conditions (the **"Collateral Assets"**), the Issuer's rights under each Charged Agreement and all other assets and/or rights of the Issuer which are specified to be the subject of the security (the **"Security"**) in respect of that Series (together, the **"Charged Assets"**). The secured creditors in respect of a Series of Notes (the **"Secured Creditors"**) comprise the Security Trustee, the Note Trustee, each Counterparty, the holders of the Series and, in relation to any reimbursements of advances made pursuant to the Agency Agreement or the Custody Agreement, the Principal Paying Agent or Registrar, as applicable, the Custodian and any other relevant Paying Agent. For a detailed summary of the security provisions, see Section 8: Trust Terms.

9. INTEREST

Each Series will bear interest, if any, as specified in the Additional Conditions.

10. REDEMPTION

The redemption amounts payable in respect of each Series may be par or set by reference to an index or formula or as otherwise provided in the relevant Additional Conditions.

The Additional Conditions for each Series will state whether such Series may be redeemed prior to its stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.

Any Series may be redeemed prior to its stated maturity on termination of any Charged Agreement or on imposition of any tax in respect of payments under any Charged Assets relating to such Series.

11. RATING

Any Series may be rated. The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the **"CRA Regulation"**) as having been issued by Moody's Investors Service. Inc. (**"Moody's"**) and/or Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**"Standard & Poor's"**) and/or Fitch Ratings Limited (**"Fitch"**). Fitch is established in the European Union and has been registered in accordance with the CRA Regulation. Standard & Poor's and Moody's are not established in the European Union and have not applied for registration under the CRA Regulation, as set out in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority (the **"ESMA"**). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union (an **"EU CRA"**) and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. The EU affiliates of Standard & Poor's and Moody's are registered EU CRAs on the official list, available at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs. The ESMA has approved the endorsement by such EU affiliates of credit ratings issued by S&P and Moody's. Accordingly, credit ratings issued by Standard & Poor's and Moody's may be used for regulatory purposes in the EU. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to any Series may adversely affect the market price of any Series.

12. TAX

Payments of principal and interest in respect of any Series will be made subject to withholding tax (if any) applicable to such Series without the Issuer being obliged to pay further amounts as a consequence. See Section 6: Taxation for more information.

13. GOVERNING LAW

The governing law of each Series of Notes, as well as of each of the relevant Issue Deed and Trust Deed, will be English law.

14. LISTING AND ADMISSION TO TRADING

Notes may be admitted to the Official List of the Irish Stock Exchange and to trading on its regulated market or as otherwise specified in the relevant Series Prospectus. Any Series, Tranche or Class may not be listed on any stock exchange, or may be listed on one or more stock exchanges other than the Irish Stock Exchange.

15. USE OF PROCEEDS

The net proceeds of issue of each Series will be used by the Issuer in:

(a) acquiring the relevant Collateral Assets specified in the Issue Deed and identified in the Additional Conditions, which shall form all or part of the Charged Assets on the date of issue of such Notes; and/or

(b) making payments to the Counterparty under any Charged Agreement.

The expenses for each issue of Notes will be identified in the relevant Series Prospectus.

16. RISK FACTORS

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. See Section 1: Risk Factors for further information.

SECTION 1: RISK FACTORS

The following is a summary and is not intended to be an exhaustive description of all of the risks and investment considerations. Each prospective investor must determine, based on its own independent review and on the basis of professional legal advice that its acquisition of the Notes:

(a) *is fully consistent with its financial needs, objectives and condition;*

(b) *complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it; and*

(c) *is a fit, proper and suitable investment for it.*

Each prospective purchaser of Notes is solely responsible for making its own independent appraisal of all such matters in determining whether to purchase Notes.

The following factors, may reduce the return on the Notes and could result in the loss of all or a portion of an investor's investment in the Notes.

References below to "the Issuer" are, unless where specified, to the issuer of the relevant Notes.

1. RISKS RELATING TO THE NOTES

1.1 Limited Recourse

The Notes will be limited recourse obligations of the Issuer secured on the Charged Assets and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. The Issuer is a special purpose company established, inter alia, for the purpose of issuing the Notes. The holders of the Notes will have no recourse to the Issuer beyond the moneys derived by or on behalf of the Issuer in respect of the Charged Assets. Any shortfall on realisation of the Security will be borne by the holders of the Notes.

Further, neither the Note Trustee nor the Security Trustee nor the holders of the Notes will be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer. No person other than the Issuer will be obliged to make payments on the Notes.

1.2 No representation or warranty

None of the Counterparties, any Counterparty Guarantor, the Trustees or the Issuer or any of their respective directors, officers or employees makes any representation or warranty in relation to the creditworthiness of any company or other entity in respect of any securities designated from time to time as forming part of the Charged Assets.

1.3 Reliance on creditworthiness of other parties

The ability of the Issuer to meet its obligations under the Notes will depend on each Counterparty and/or any Counterparty Guarantor performing its obligations under each Charged Agreement. Consequently, the Issuer is exposed to the ability of each Counterparty and any Counterparty Guarantor to perform their obligations under the Charged Agreements.

The receipt by the Issuer of payments under any Charged Agreement may also be dependent on the timely payment by the Issuer of its obligations under such agreement and any other relevant agreement. The ability of the Issuer to make timely payment of its obligations under any Charged Agreement may depend on receipt by it of the scheduled payments under the Collateral Assets. Consequently, the Issuer is also exposed to the

ability of the obligors of the Collateral Assets to perform their respective payment obligations.

The enforcement of the Issuer's rights under any Charged Agreement or Collateral Assets may be prevented or rendered more difficult or subject to delay as a result of mandatory provisions of any applicable insolvency regime. In the event of the insolvency of any Secured Creditor (including any Counterparty), a relevant insolvency official may seek to interfere with the disposition of any of the Issuer's assets. In particular, the purported subordination of a Counterparty on its insolvency may not be enforceable.

The ability of the Issuer to meet its obligations in respect of a Series and/or to remain solvent may be impaired if, in the event of the insolvency of the Permanent Arranger, the Issuer's operating expenses remain unpaid by the Permanent Arranger and the holders of the Notes do not elect to fund the payment of such fees and expenses.

The Collateral Assets will be held in an account of, and in the name of, the Custodian. It may be difficult to access the Collateral Assets in the event of the insolvency of the Custodian. Where the Charged Assets consist of assets other than securities, they may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Security Trustee. The Custodian will hold any cash as banker. The Custodian may be responsible under the Custody Agreement for receiving payments on the Collateral Assets and remitting them to the relevant other creditors or the Principal Paying Agent, as the case may be.

Neither Trustee is obliged to take any action in relation to the Notes (including in relation to the enforcement of the Security for the Notes) unless instructed to do so in writing by the holders of the Notes or any Secured Creditor and unless indemnified and/or secured and/or pre-funded to its satisfaction. Holders of Notes are obliged to enforce their rights through the Note Trustee and are accordingly exposed to the willingness of the Note Trustee to exercise such rights and/or their ability or competence to do so, even if properly instructed and indemnified. In some circumstances the holders of the Notes or the Controlling Secured Creditor may take action in respect of the Notes in the name of the Note Trustee or Security Trustee, as applicable, in the event that the Note Trustee or Security Trustee has failed to act within 30 calendar days of becoming bound to do so.

The insolvency of any Agent (in particular the Calculation Agent) may lead to delay in making determinations. Lack of access to any proprietary indices or a failure to maintain or disclose appropriate records may give rise to difficulties in valuing the Series or determining termination payments in respect of any Derivative Agreement.

1.4 **Subordination of the Notes to payments under the Charged Agreements**

If Counterparty Priority or Modified Counterparty Priority is specified in the relevant Additional Conditions then on an enforcement of the Security granted by the Issuer in favour of the Security Trustee, the rights of the holders of the Notes to be paid amounts due under the Notes may be subordinated to payments due to each Counterparty on termination of each Charged Agreement. The rights of the holders of Notes to be paid amounts due under the Notes will in all circumstances be subordinated to all amounts due and payable to, amongst others, the Note Trustee and the Security Trustee including expenses incurred in the enforcement of the Security, and to fees, costs and expenses incurred by the Principal Paying Agent, Custodian, Registrar, Paying Agents, Transfer Agents and other agents.

1.5 **Early termination of a Charged Agreement**

If any Charged Agreement (or any transaction entered thereunder) is terminated and not replaced, the Notes will be subject to redemption.

If there is an early termination of a Charged Agreement, the relevant Issuer, or the relevant Counterparty, may be liable to make a termination payment to the other (if applicable, regardless of which of such parties may have caused such termination). Such termination payment may be calculated by the relevant Counterparty and may take into account, without limitation, loss of bargain, cost of funding and the cost of terminating, liquidating, obtaining or re-establishing any relevant hedge. Alternatively, the Counterparty may determine such termination payment by reference to market quotations obtained from dealers; such quotations may be unreasonable or may not reflect the intrinsic value of the relevant transaction. Where such termination payment falls to be made by the Issuer or, following enforcement of the Security, by a Trustee, costs may be incurred in relation to the appointment of a third party agent for the purpose of determining such termination payment. Where the Issuer, a Trustee or any relevant agent seek market quotations, such quotations may not be reasonable or may reflect the nature of the Issuer as a limited recourse counterparty.

If there is an early termination of a Charged Agreement and a resulting early redemption of the Notes then regardless of which party makes the determination of the termination payment (if any) there is no assurance that the proceeds from the Collateral Assets plus or minus, as the case may be, such termination payment will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts due in respect thereof.

1.6 **Early redemption for Mandatory Redemption Events**

The Issuer will, if either:

- any of the Collateral Assets become repayable prior to their scheduled maturity for any reason;
- there is a payment default in respect of any Collateral Asset;
- any of the transactions or series of transactions entered into pursuant to a Charged Agreement is or are terminated prior to its scheduled maturity date and is not replaced;
- an event occurs whereby the currency in which the obligor of the Collateral Assets pays or is required to pay interest or principal on the Collateral Assets or any Counterparty to the Charged Agreement pays or is required to pay amounts due thereunder is redenominated, substituted or otherwise changed from its originally scheduled currency and amendments to the terms of the Conditions of the Notes and/or the Charged Agreement proposed by the Counterparty to preserve the economic effect of the Notes are not agreed within 60 calendar days as between the Counterparty, Issuer and the Noteholders; or
- as a result of action taken or announcement made by a governmental authority pursuant to, or by means of, a restructuring or resolution law or regulation applicable to any relevant obligor and certain binding changes are made with respect to the relevant Collateral Assets (including, without limitation, a reduction in the rate or amount (as applicable) of interest, principal or premium payable when due, a postponement or other deferral of the date or dates for payment of interest, principal or premium, a change in the ranking in priority of payment of any obligation causing subordination of such Collateral Assets, a mandatory change to the beneficial holders of the Collateral Assets, or a mandatory cancellation, conversion or exchange) and amendments to the terms of the Conditions of the Notes and/or the Charged Agreement proposed by the Counterparty to preserve the economic effect of the Notes are not agreed within 60 calendar days as between the Counterparty, Issuer and the Noteholders,

and upon giving notice to the holders, redeem the Notes prior to the Maturity Date. In such circumstances, the Early Redemption Amount may be less than the original purchase price and could be as low as zero.

Following early redemption of the Notes, the Noteholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Notes being redeemed and may only be able to do so at a significantly lower rate. Investors in the Notes should consider such reinvestment risk in light of other investments available at that time.

1.7 **Early redemption for tax**

The Issuer may, for specified tax reasons, upon giving notice to holders, redeem the Notes prior to the Maturity Date. In such circumstances, the Early Redemption Amount may be less than the original purchase price and could be as low as zero.

Following early redemption of the Notes, the Noteholders may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Notes being redeemed and may only be able to do so at a significantly lower rate. Investors in the Notes should consider such reinvestment risk in light of other investments available at that time.

1.8 **Early redemption at the option of the Issuer**

The Notes may be redeemed at the option of the Issuer if, and during the period, specified in the Conditions. This feature is likely to limit their market value.

1.9 **No tax gross-up**

Payments on the Notes will be made subject to withholding tax (if any) applicable to the Notes, without the Issuer being obliged to pay additional amounts in respect of the Notes.

1.10 **New U.S. Tax Law**

Under U.S. tax legislation commonly referred to as the Foreign Account Tax Compliance Act, non-U.S. legislation enacted in furtherance of an intergovernmental agreement in respect of such U.S. tax legislation or an agreement entered into with a taxing authority in respect of such U.S. legislation (collectively referred to as **"FATCA"**), an Issuer (or the financial institution, broker, agent or other intermediary (collectively, **"Intermediaries"**) through which a beneficial owner of a Note purchases or holds its Note) may be required to deduct a withholding tax of up to 30 per cent. on payments to Noteholders that do not comply with the relevant requirements under FATCA. To the extent withholding is required, the tax may apply to payments on a Note made since July 1, 2014, and to proceeds from the disposition of a Note on or after January 1, 2017, depending on the particular circumstances of the relevant Issuer, the Note, an Intermediary, and the Noteholders or beneficial owners thereof. No Issuer will make any additional payments to compensate a Noteholder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that FATCA may require an Issuer or Intermediary to redeem early Notes held by certain Noteholders and beneficial owners. The proceeds from any such redemption may be an amount less than the then current fair market value of the Notes.

Very generally, FATCA imposes a 30 per cent. withholding tax on certain payments to certain non-U.S. financial institutions (including entities such as the Issuers) that do not enter into, and comply with, a reporting and withholding agreement with the U.S. Internal Revenue Service (**"IRS"**) or, if applicable, that fail to comply with provisions of local law intended to implement an intergovernmental agreement entered into in connection with FATCA. To avoid the withholding tax, each Issuer intends to either enter into, and comply with, an agreement with the IRS (an **"FFI Agreement"**) or comply with provisions of local law intended to implement an intergovernmental agreement entered into in connection with FATCA.

Under an FFI Agreement, it is expected that an Issuer will be required to (i) obtain (or effectively cause an Intermediary to obtain) information regarding each Noteholder or beneficial owner of its Notes as is necessary to determine which, if any, such Noteholders or beneficial owners are U.S. persons or U.S. owned foreign entities, (ii) provide (or effectively cause an Intermediary to provide) to the applicable taxing authority identifying and financial information with respect to Noteholders and beneficial owners of Notes that are U.S. persons and certain Noteholders and beneficial owners of Notes that are U.S. owned foreign entities and (iii) comply with withholding and other requirements. In addition, an Issuer will be required to withhold (or effectively cause an Intermediary to withhold) 30 per cent. on payments (including the proceeds from a sale) made to (i) a Noteholder that fails to properly comply with the Issuer's or Intermediary's requests for valid and correct U.S. tax certifications and identifying information or a waiver of non-U.S. law prohibiting the reporting of such information or (ii) a Noteholder that is itself a "foreign financial institution" (as defined under FATCA) and does not have in place an effective FFI Agreement (together, **"Recalcitrant Noteholders"**), unless such Noteholder is exempt from the requirement to enter into an FFI Agreement.

In lieu of entering into an FFI Agreement, an Issuer may become subject to provisions of local law intended to implement an intergovernmental agreement (**"IGA"**) entered into in connection with FATCA. Ireland, Luxembourg and the Cayman Islands have each entered into in a "Model 1" IGA with the U.S. in respect of FATCA.

Under the Ireland-U.S. IGA, the Irish Issuer will not be required to enter an agreement with the IRS, but would instead be required to register with the IRS to obtain a Global Intermediary Identification Number and comply with the Financial Accounts Reporting (United States of America) Regulation 2014, the Irish legislation implemented to give effect to the Ireland-U.S. IGA (the "**Irish Regulations**"). The Irish Regulations require the Irish Issuer to report account information directly to the Irish taxing authorities, which will forward such information to the IRS under the terms of the IGA. Withholding will not be imposed on payments made to the Irish Issuer unless the IRS has specifically listed the Irish Issuer as a non-participating financial institution. In addition, the Irish Issuer will not be required to withhold on payments it makes unless the Irish Issuer has otherwise assumed responsibility for withholding under U.S. tax law.

Under the Luxembourg-U.S. IGA, the Luxembourg Issuer would be required to report account information directly to the Luxembourg tax authorities, which will forward such information to the IRS under the terms of the Luxembourg-U.S. IGA.

On 29 November 2013, the Cayman Islands government entered into a model 1 inter-governmental agreement with the United States (the "**Cayman IGA**") in connection with the implementation of FATCA. The Cayman IGA is intended to result in the automatic exchange of tax information under FATCA. The two governments have also signed a Tax Information Exchange Agreement which outlines the legal channels through which tax information will automatically be exchanged.

On 4 July 2014, the Cayman Islands government issued The Tax Information Authority (International Tax Compliance) (United States of America) Regulations, 2014 (the "**US FATCA Regulations**") to accompany The Tax Information Authority Law (2013 Revision) (the "**TIA Law**"). The US FATCA Regulations implement the provisions of the Cayman IGA. The US FATCA Regulations provide for the identification of and reporting on certain direct and indirect United States investors.

In general the Cayman IGA requires, among other things, that an Issuer incorporated in the Cayman Islands (a "**Cayman Issuer**"), collects and provides to the Cayman Islands government substantial information regarding direct and indirect holders of Notes and withhold (or instruct paying agents to withhold) 30% of certain payments to certain holders of Notes (as described below).

Each Cayman Issuer intends to comply with its obligations under the Cayman IGA, the TIA Law, the US FATCA Regulations and FATCA. However, in some cases, the ability to comply and avoid FATCA withholding tax could depend on factors outside of the relevant Cayman Issuer's control. For example, a Cayman Issuer may not be considered to comply with FATCA if more than 50% of any class of Notes treated as equity for U.S. federal income tax purposes are owned by a person that is, or is affiliated with, a foreign financial institution that is not itself compliant with FATCA. The terms of the Cayman IGA require a Cayman Issuer to comply with the TIA Law and US FATCA Regulations. Unless it qualifies as a Non-Reporting Cayman Islands Financial Institution, the Cayman Issuer will report information about its holders to the Cayman Islands Tax Information Authority, which will exchange such information with the IRS under the terms of the Cayman IGA. Withholding will not be imposed on payments made to a Cayman Issuer, or, other than with respect to certain payments made to a non-compliant foreign financial institution, on payments made by a Cayman Issuer, unless the IRS has specifically listed that Cayman Issuer as a non-participating financial institution or the relevant Cayman Issuer is unable to comply with FATCA as a result of factors outside of its control, as described above. The rules under FATCA or the Cayman IGA may change in the future.

No amounts deducted from payments to a Recalcitrant Noteholder in connection with FATCA will be grossed-up. Because Noteholders of Notes that are non-U.S. financial institutions and that are not FATCA compliant may also be subject to withholding on payments made by the Issuer, payments to beneficial owners that hold their Notes through such a non-U.S. financial institution may be reduced to reflect such withholding taxes. There can be no assurance that (i) payments to the Issuers in respect of their assets, including the Charged Assets or (ii) payments on an Obligation will not be subject to withholding under the New U.S. Tax Law or FATCA. If payments to any Issuer in respect of its assets, including the Charged Assets are subject to withholding, this will result in the early redemption of the Notes in the manner described in Condition 5.2 (Tax Event). In addition, even if a beneficial owner of a payment complies with requests for identifying information, the ultimate payment to such beneficial owner could be subject to withholding if an Intermediary is subject to withholding for its failure to comply with FATCA.

The provisions of FATCA are particularly complex. Nothing in this section constitute tax advice and Noteholders are not entitled to rely on any provision set out in this section for purposes of making any investment decision, tax decision or otherwise. Each investor should consult its own tax adviser to obtain a more detailed explanation of the FATCA provisions and to learn how this legislation might affect it in its particular circumstance.

1.11 **Financial Transaction Tax ("FTT")**

In February 2013 the European Commission published a proposal for a Council Directive implementing enhanced cooperation for a FTT requested by Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal Spain, Slovakia and Slovenia, (the "**Participating Member States**").

In its current form, the proposed FTT 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, or the financial instrument in which the parties are dealing is issued in a Participating Member State. The FTT will apply to both transaction parties where one of these circumstances applies.

Certain aspects of the current proposal are controversial and, if the FTT is progressed, may be altered prior to any implementation, for which no firm date has yet been set. Additional Member States may also decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT and its potential impact on their dealings in the Notes before investing.

The FTT may also apply to dealings in the Collateral Assets to the extent the Collateral Assets constitute financial instruments within its scope, such as bonds. In such circumstances, there will be no gross-up by any party to the transaction and amounts due to Noteholders may be adversely affected.

1.12 **Modification and waiver**

The Trust Terms contain provisions for calling meetings of holders of Notes to consider matters affecting their interests generally, including modifications to or waivers of the terms of the Notes. These provisions permit defined majorities to bind all such holders including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.

The Trust Terms also provide that the Note Trustee may, without the consent of holders of Notes, and the Security Trustee, without the consent of the Secured Creditors, agree to:

(a) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes; or

(b) (in the case of the Note Trustee) determine without the consent of the holders that any Event of Default or Potential Event of Default shall not be treated as such.

1.13 **Market, liquidity and yield considerations**

Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market.

1.14 **Legality of purchase**

None of any of the Issuers, any Trustee, any Arranger, any Dealer or any Counterparty has or assumes responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law or regulatory policy applicable to it. A prospective purchaser of Notes may not rely on the Issuers, any Trustee, any Arranger, any Dealer or any Counterparty in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

1.15 **No investigations**

No investigations, searches or other enquiries have been made by or on behalf of the Issuers or any Trustee (including for the avoidance of doubt, by any Arranger, Dealer, Acquisition and Disposal Agent or any other Agent of the Issuer, and any person acting on their behalf) in respect of the Collateral Assets. No representations or warranties, express or implied, have been given by any Issuer, Arranger, Dealer, Trustee or any other person on their behalf in respect of the Collateral Assets.

1.16 **Collateral Assets**

Holders of Notes may be exposed to the market price of the Collateral Assets. The Issuer may have to fund its payments by the sale of the Collateral Assets at a market value and the nominal amount of the Collateral Assets will be reduced by the principal amount of the Collateral Assets sold. The market price of the Collateral 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 issuer of the Collateral Assets. Holders of Notes may be exposed to the risk that some or all of the Collateral Assets cannot be sold. Other risks with respect to the Collateral Assets include risks of unenforceability of transaction documentation and/or security interest documentation with respect to the Collateral Assets, as well as regulatory, force majeure, fraud or other risks that may not be apparent to an investor at the Trade Date or Issue Date of the relevant Series.

The Dealer(s) and Arranger(s) may have acquired, or during the terms of the Notes may acquire, confidential information with respect to any Collateral Assets and it shall not be under any duty to disclose such confidential information to any holder of Notes.

1.17 **Custody arrangements**

Where the Collateral Assets are held by a sub-custodian on behalf of the Custodian they will be held pursuant to separate agreements which may vary in relation to any particular Custodian and/or sub-custodian and which may not be governed by English law and Security Interests (if any) in respect of the Collateral Assets may be created pursuant to separate agreements which may not be governed by English law. The Custodian will not

necessarily be responsible for the acts, omissions, insolvency or dissolution of a sub-custodian.

1.18 **Credit ratings**

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

1.19 **Denomination/Minimum Principal Amount**

Notes will be in such denominations as may be specified in the relevant Additional Conditions. In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the Specified Denomination (or its equivalent) that are not integral multiples the Specified Denomination. In such a case, a holder who, as a result of trading such amounts, holds a principal amount of less than the Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

1.20 **Reform of LIBOR, EURIBOR and other 'benchmarks'**

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other indices which are deemed "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted.

In September 2013, the European Commission published a proposed regulation (the "**Proposed Benchmark Regulation**") on indices used as "benchmarks" in certain financial instruments, financial contracts and investment funds. If passed in its current form, the Proposed Benchmark Regulation would apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and would (i) require benchmark administrators to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and to comply with extensive requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Proposed Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many interest rate and foreign exchange rate indices, equity indices and other indices (including "proprietary" indices or strategies) where referenced in listed financial instruments, financial contracts and investment funds.

It is presently unclear whether the Proposed Benchmark Regulation will be passed in its current form (including its broad scope) and, if so, when it would be effective. However, if so enacted, it could have a material impact on any listed Securities linked to a "benchmark" index, including in any of the following circumstances:

- an index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which does not have equivalent regulation. In such event, depending on the particular "benchmark" and the applicable terms of the Securities, the Securities could be de-listed, adjusted, terminated or otherwise impacted; and

- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Proposed Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Securities including Calculation Agent determination of the rate or level in its discretion.

Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other "benchmark" index, whether as a result of the implementation of the Proposed Benchmark Regulation or of other international, national or other proposals for reform, could have a material adverse effect on the value of, and the amount payable (or deliverable) under, any Securities linked to such "benchmark".

More generally, "benchmarks" remain under close scrutiny. For example, there are ongoing global investigations into the setting of foreign exchange rate "benchmarks", which may result in further regulation around the setting of foreign exchange rates.

Commodities markets may also be affected. For example, the London silver fix benchmark was terminated in August 2014 following the withdrawal of one of the members of the price setting panel.

Further, in June 2014, the UK HM Treasury announced a review in relation to the way in which wholesale financial markets operate. AS part of this review new legislation may be

introduced deeming foreign exchange, fixed income and certain commodities markets as "regulated benchmarks" in the UK.

2. RISK FACTORS RELATED TO CREDIT-LINKED NOTES

The following risk factors apply in relation to Notes, repayments of principal and/or payments of interest in respect of which are linked to one or more "Reference Entities" and/or "Reference Obligations".

2.1 Credit risk on Reference Entities

In relation to a Series which is credit-linked and cash settled, the occurrence of a "Credit Event" in relation to any Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero, and, (if applicable) in a reduction of the amount on which interest is calculated. In relation to a Series which is credit-linked and physically settled, the occurrence of a Credit Event may result in the redemption of the Notes by delivery of certain direct or indirect obligations of the affected Reference Entity, which obligations are likely to have a market value which is substantially less than their par amount.

Investors in the Notes are accordingly exposed, as to both principal and (if applicable) interest, to the credit risk of the Reference Entity or Reference Entities. The maximum loss to an investor in the Notes is 100 per cent. of their initial principal investment, together with (if applicable) any interest amounts.

2.2 Credit observation period

Where Notes are credit-linked Notes, holders of the Notes may suffer a loss of some or all of the principal amount of the Notes in respect of one or more Credit Events that occur on or after the date falling 60 days prior to the Trade Date. Neither the Calculation Agent, the Issuer nor any of their respective affiliates has any responsibility to avoid or mitigate the effects of a Credit Event that has taken place prior to the Trade Date (being a date specified in the Additional Conditions and being, generally, the date on which the initial investor(s) in any Series of Notes commit to purchase such Notes) or the Issue Date.

2.3 Increased credit risk in "nth-to-default", leveraged or tranched credit-linked Notes

Where the Notes are "nth-to-default", leveraged or tranched credit-linked Notes, the Notes will be subject to redemption as described above upon the occurrence of a Credit Event in relation to the nth Reference Entity or upon exhaustion of the subordination.

2.4 Concentration of credit risk

Where the Notes are "nth-to-default" or "basket" credit-linked Notes, the credit risk to investors in the Notes may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks.

2.5 Rights of the Counterparty and Calculation Agent

The Counterparty will exercise its rights under the terms of the Notes and the Derivative Agreement, including in particular the right to designate a Credit Event and the right to select obligations of the affected Reference Entity for valuation or delivery, in the interests of itself and of its affiliates, and not in the interests of investors in the Notes. The exercise of such rights in such manner, for example by the selection of the eligible obligation of the Reference Entity having the lowest possible market value, may result in an increased credit loss for holders of the Notes.

In making any determinations expressed to be made by it, for example as to substitute "Reference Obligations" or "Successors", the Calculation Agent is under no obligation to the holders of the Notes, and will not be liable to account for any profit or other benefit which may accrue to it as a result of such determination.

2.6 **Actions of Reference Entities**

Actions of Reference Entities (for example, merger or demerger or the repayment or transfer of indebtedness) may adversely affect the value of the Notes. The views of market participants and/or legal counsel may differ as to how the terms of market standard credit default swaps, and corresponding terms of the Notes and the Derivative Agreement, should be interpreted in the context of such actions, or such terms may operate in a manner contrary to the expectations of market participants and/or adversely to the interests of holders of the Notes. Holders of the Notes should be aware that the Reference Entities to which the value of the Notes is exposed, and the terms of such exposure, may change over the terms of the Notes.

2.7 **Deferral of payments**

In certain circumstances - for example where a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, or, if applicable, where a potential Credit Event exists as at the scheduled maturity of the Notes, payment of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to the holders of the Notes.

2.8 **Determinations Committee and Market Auctions**

The institutions on the Credit Derivatives Determinations Committee owe no duty to the holders and have the ability to make determinations that may materially affect the holders, such as the occurrence of a Credit Event or a Succession Event. The Credit Derivatives Determinations Committee will be able to make determinations without action or knowledge of the holders.

Holders will have no role in the composition of the Credit Derivatives Determinations Committee. Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committee and the holders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committee will change from time to time in accordance with the Rules, as the term of an institution may expire or an institution may be required to be replaced. The holders will have no control over the process of selecting institutions to participate on the Credit Derivatives Determinations Committee and, to the extent provided for in the Notes will be subject to the determinations made by such selected institutions in accordance with the Rules.

Holders will have no recourse against either the institutions serving on the Credit Derivatives Determinations Committee or the external reviewers. Institutions serving on the Credit Derivatives Determinations Committee and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice under the Rules, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the institutions on the Credit Derivatives Determinations Committee do not owe any duty to the holders and the holders will be prevented from pursuing claims with respect to actions taken by such institutions under the Rules.

Holders should also be aware that institutions serving on the Credit Derivatives Determinations Committee have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the Credit Derivatives Determinations Committee is not obligated to follow previous determinations and,

therefore, could reach a conflicting determination on a similar set of facts. If the Issuer or the Calculation Agent or any of their respective affiliates serve as a member of the Credit Derivatives Determinations Committee at any time, then they will act without regard to the interests of the holders.

The Calculation Agent or any of its affiliates may serve as a member of the Credit Derivatives Determinations Committee and, in such case, the interests of the Calculation Agent may be opposed to the interests of the holders and the Calculation Agent will be entitled to and will act without regard to the interests of the holders.

Holders are responsible for obtaining information relating to deliberations of the Credit Derivatives Determinations Committee. Notices of questions referred to the Credit Derivatives Determinations Committee, meetings held to deliberate such questions and the results of binding votes will be published on the ISDA website and neither the Issuer, the Calculation Agent nor any of their respective affiliates shall be obliged to inform the holders of such information (other than as expressly provided in respect of the Notes). Failure by the holders to be aware of information relating to deliberations of a Credit Derivatives Determinations Committee will have no effect under the Notes and holders are solely responsible for obtaining any such information.

Investors should read the Credit Derivatives Determinations Committees Rules set as they exist as of the date of this Prospectus, and reach their own views prior to making any investment decisions. Investors should however note that the Rules may be amended from time to time without the consent or input of the holders and the powers of the Credit Derivatives Determinations Committee may be expanded or modified as a result.

If a Credit Derivatives Determinations Committee publishes auction settlement terms in respect of a Reference Entity (and the relevant seniority of the Reference Obligation), then the Calculation Agent may be required to or may be asked to elect to determine the Final Price of the Reference Obligation in accordance with such auction settlement terms and to amend any other terms of the Derivative Agreement to be consistent with the provisions of such auction settlement terms. The losses determined pursuant to a market auction process may be greater than the losses which would have been determined in the absence of the auction. In particular, the auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. Auctions may be conducted by ISDA or by a relevant third party. Neither the Calculation Agent, the Issuer nor any of their respective affiliates has 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. If the Calculation Agent or the Issuer or any of their respective affiliate thereof participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

2.9 **Cash Settlement**

If the Notes are cash settled credit-linked Notes, then, following the occurrence of a Credit Event, the Calculation Agent may be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained will be "bid-side" - that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations will be deemed to be zero in the event that no such quotations are available.

Where credit losses are determined on the basis of a market auction, such losses may be greater than the losses which would have been determined in the absence of such auction. If the Counterparty or any affiliate thereof participates in any auction for the purposes of such an auction, then it will do so without regard to the interests of the holders of the Notes. Such participation may have a material effect on the outcome of the relevant auction.

2.10 **"Cheapest-to-deliver" risk**

Since the Counterparty, as buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest market value that are permitted to be selected pursuant to the Notes and the Derivative Agreement. This could result in a lower recovery value and hence greater losses for investors in the Notes.

2.11 **No information**

None of the Counterparty, the Issuer or the Calculation Agent is obliged to disclose to holders of the Notes any information which it may have at the Issue Date of the Notes or receive thereafter in relation any Reference Entity.

2.12 **No need for loss**

Where the Notes are cash settled credit-linked Notes, credit losses will be calculated for the purposes of the Notes and the Derivative Agreement irrespective of whether the Counterparty or its affiliates or the Issuer has suffered an actual loss in relation to the Reference Entity or any obligations thereof. Neither the Counterparty nor the Issuer is obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations.

2.13 **No interest in obligations of Reference Entities**

The Notes and the Derivative Agreement do not constitute an acquisition by the holders of the Notes of any interest in any obligation of a Reference Entity. Neither the Counterparty nor the Issuer grants any Security Interest over any such obligation.

2.14 **Absence of benchmarks for valuation**

In determining the value of the Notes, dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the Notes may be adversely affected.

2.15 **Historical performance may not predict future performance**

Individual credits may not perform as indicated by the historical performance of similar credits. Even if future performance is similar to that of historic performance for the entire market, each prospective purchaser of Notes must make its own determination as to whether the performance of the Notes will reflect such experience. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Notes and the Derivative Agreement.

2.16 **Limited provision of information about the Reference Entities**

This Base Prospectus does not provide any information with respect to the Reference Entities. As the occurrence of a Credit Event will result in the redemption of credit-linked Notes at an amount determined by reference to the Final Price (which may be significantly

less than the principal amount of the Notes) and a cessation of the accrual of interest on the Interest Payment Date on the occurrence of the Credit Event, the investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of a Succession Event or Credit Event.

Reference Entities may not be subject to regular reporting requirements under United Kingdom or other securities laws. The Reference Entities may report information in accordance with different disclosure and accounting standards. Consequently, the information available for such Reference Entities may be different from, and in some cases less than, the information available for entities that are subject to the reporting requirements under the United Kingdom securities laws. None of the Issuer, any Counterparty, the Calculation Agent or any of their respective affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the Issuer, any Counterparty, the Calculation Agent or any of their respective affiliates will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event or a Succession Event with respect to the Reference Entities.

2.17 **Modification of the terms of the Notes**

With respect to any Series of Notes which is credit-linked, the Calculation Agent may (but shall not be obligated to) make any modification to the terms of the Notes from time-to-time (including, without limitation, the maturity of the Notes, the principal amount outstanding of the Notes, the calculation or determination of any amounts paid or payable in respect of such Notes (whether interest, principal or otherwise) and any date of calculation or determination of any such amounts) which may be necessary to ensure consistency with prevailing market standards or market trading conventions, which are, pursuant to the agreement of the leading dealers in the credit derivatives market or any relevant committee established by ISDA, a market-wide protocol, any applicable law or regulation or the rules of any applicable exchange or clearing system, applicable to any hedging transaction entered into by the Counterparty. The Calculation Agent shall notify the Issuer and the holders as soon as reasonably practicable upon making any such determination.

2.18 **Notes linked to emerging markets entities may be particularly risky**

A Reference Entity may be an entity which is located in an emerging market. Emerging markets are located in countries that possess one or more of the following characteristics: a certain degree of political instability, relatively unpredictable financial markets and economic growth patterns, a financial market that is still at the development state or a weak economy. Emerging markets investments usually result in higher risks such as event risk, political risk, economic risk, credit risk, currency rate risk, market risk, regulatory/legal risk and trade settlement, processing and clearing risks as further described below. Investors should note that the risk of occurrence and the severity of the consequences of such risks may be greater than they would otherwise be in relation to more developed countries.

- *Event Risk*: On occasion, a country or region will suffer an unforeseen catastrophic event (for example, a natural disaster) which causes disturbances in its financial markets, including rapid movements in its currency, that will affect the value of securities in, or which relate to, that country. Furthermore, a Reference Entity can be affected by global events, including events (political, economic or otherwise) occurring in a country other than that in which such Reference Entity is located.

- *Political Risk*: Many emerging markets countries are undergoing, or have undergone in recent years, significant political change which has affected government policy, including the regulation of industry, trade, financial markets and foreign and domestic investment. The relative inexperience with such policies and instability of these political systems leaves them more vulnerable to economic hardship, public unrest or popular dissatisfaction with reform, political or diplomatic developments, social, ethnic or religious instability or changes in government policies. Such circumstances, in turn, could lead to a reversal of some or all political reforms, a backlash against foreign investment, and possibly even a turn away from a market-oriented economy. For Noteholders, the results may include confiscatory taxation, exchange controls, compulsory re-acquisition, nationalisation or expropriation of foreign-owned assets without adequate compensation or the restructuring of particular industry sectors in a way that could adversely affect investments in those sectors. Any perceived, actual or expected disruptions or changes in government policies of a country, by elections or otherwise, can have a major impact on a Reference Entity located in such countries.

- *Economic Risk*: The economies of emerging markets countries are by their nature in early or intermediate stages of economic development, and are therefore more vulnerable to rising interest rates and inflation. In fact, in many countries, high interest and inflation rates are the norm. Rates of economic growth, corporate

profits, domestic and international flows of funds, external and sovereign debt, dependence on international trades and sensitivity to world commodity prices play key roles in economic development, yet vary greatly from country to country. Businesses and governments in these countries may have a limited history of operating under market conditions. Accordingly, when compared to more developed countries, businesses and governments of emerging markets countries are relatively inexperienced in dealing with market conditions and have a limited capital base from which to borrow funds and develop their operations and economies. In addition, the lack of an economically feasible tax regime in certain countries poses the risk of sudden imposition of arbitrary or excessive taxes, which could adversely affect foreign Noteholders. Furthermore, many emerging markets countries lack a strong infrastructure and banks and other financial institutions may not be well-developed or well-regulated. All of the above factors, among others, can affect the proper functioning of the economy and have a corresponding adverse effect on the performance of a Reference Entity located in a particular emerging market.

- *Credit Risk*: Emerging markets sovereign and corporate debt tends to be riskier than sovereign and corporate debt in established markets. Issuers and obligors of debt in these countries are more likely to be unable to make timely coupon or principal payments, thereby causing the underlying debt or loan to go into default. The sovereign debt of some countries is currently in technical default and there are no guarantees that such debt will eventually be restructured allowing for a more liquid market in that debt. The measure of a company's or government's ability to repay its debt affects not only the market for that particular debt, but also the market for all securities related to that company or country. Additionally, evaluating credit risk for foreign bonds involves greater uncertainty because credit rating agencies throughout the world have different standards, making comparisons across countries difficult. Many debt securities are simply unrated and may already be in default or considered distressed. There is often less publicly available business and financial information about foreign issuers than those in developed countries. Furthermore, foreign companies are often not subject to uniform accounting, auditing and financial reporting standards. Also, some emerging markets countries may have accounting standards that bear little or no resemblance to, or may not even be reconcilable with, U.S. generally accepted accounting principles.

- *Market Risk*: The emerging equity and debt markets of many emerging markets countries, like their economies, are in the early stages of development. These financial markets generally lack the level of transparency, liquidity, efficiency and regulation found in more developed markets. It is important, therefore, to be familiar with secondary market trading in emerging markets securities and the terminology and conventions applicable to transactions in these markets. Price volatility in many of these markets can be extreme. Price discrepancies can be common and market dislocation is not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. These markets also might not have regulations governing manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. It may be difficult to employ certain risk management practices for emerging markets securities, such as forward currency exchange contracts, stock options, currency options, stock and stock index options, futures contracts and options on futures contracts.

- *Regulatory/Legal Risk*: In emerging markets countries there is generally less government supervision and regulation of business and industry practices, stock

exchanges, over-the-counter markets, brokers, dealers and issuers than in more developed countries. Whatever supervision is in place may be subject to manipulation or control. Many emerging markets countries have mature legal systems comparable to those of more developed countries, while others do not. The process of regulatory and legal reform may not proceed at the same pace as market developments, which could result in confusion and uncertainty and, ultimately, increased investment risk. Legislation to safeguard the rights of private ownership may not yet be in place in certain areas, and there may be the risk of conflict among local, regional and national requirements. In certain areas, the laws and regulations governing investments in securities may not exist or may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that a foreign Noteholder would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. A Noteholder may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in foreign courts.

- *Trade Settlement, Processing and Clearing Risk*: Many emerging markets have different clearance and settlement procedures from those in more developed countries. For many emerging markets securities, there is no central clearing mechanism for settling trades and no central depository or custodian for the safekeeping of securities. Custodians can include domestic and foreign custodian banks and depositaries, among others. The registration, record-keeping and transfer of Notes may be carried out manually, which may cause delays in the recording of ownership. Where applicable, the relevant Issuers will settle trades in emerging markets securities in accordance with the current market practice developed for such transactions by the Emerging Markets Traders Association. Otherwise, the transaction may be settled in accordance with the practice and procedure (to the extent applicable) of the relevant market. There are times when settlement dates are extended, and during the interim the market price of any obligations and in turn the value of the Notes, may change. Moreover, certain markets have experienced times when settlements did not keep pace with the volume of transactions resulting in settlement difficulties. Because of the lack of standardised settlement procedures, settlement risk is more prominent than in more mature markets. In addition, Noteholders may be subject to operational risks in the event that Noteholders do not have in place appropriate internal systems and controls to monitor the various risks, funding and other requirements to which Noteholders may be subject by virtue of their activities with respect to emerging market securities.

- *Sanctions Risk*: There is a general risk relating to emerging markets jurisdictions that countries or organisations outside of that emerging market jurisdiction impose sanctions against that emerging market jurisdiction. These sanctions could affect, without limitation, various sectors of the economy and could impact on the business of the relevant Reference Entity.

2.19 **European Market Infrastructure Regulation ("EMIR")**

The European Market Infrastructure Regulation EU 648/2012 ("**EMIR**") and its corresponding regulations impose certain obligations on parties to OTC derivative contracts according to whether they are "financial counterparties" such as investment

firms, alternative investment funds, credit institutions and insurance companies, or other entities which are "non-financial counterparties".

Financial counterparties are subject to a general obligation (the "**Clearing Obligation**") to clear through a duly authorised or recognised central counterparty all "eligible" OTC derivative contracts entered into with other counterparties subject to the clearing obligation. They must also report the details of all derivative contracts to a trade repository (the "**Reporting Obligation**") and undertake certain risk-mitigation techniques in respect of OTC derivative contracts which are not cleared by a central counterparty such as timely confirmation of terms, portfolio reconciliation and compression and the implementation of dispute resolution procedures (the "**Risk Mitigation Obligations**").

Non-financial counterparties are also subject to the Reporting Obligation and generally, the Risk Mitigation Obligation but they will be excluded from the Clearing Obligation and certain of the Risk Mitigation Obligations provided the gross notional value of all derivative contracts entered into by the non-financial counterparty and other non-financial counterparties within its "group", excluding eligible hedging transactions, does not exceed certain thresholds. If the Issuer is considered to be a member of such a "group" and if the notional value of derivative contracts entered into by the issuer or other non-financial counterparties within any such group exceeds the applicable threshold, the Issuer would be subject to the Clearing Obligation. Whilst the swaps entered into by the Issuer are expected to be treated as hedging transactions and deducted from the total in assessing whether the notional value of derivative contracts entered by the Issuer or its "group", the regulator may take a different view. In the event that the Issuer or to the extent applicable the Issuer's "group" exceed the applicable clearing thresholds, it would also be subject to the full set of Risk Mitigation Obligations and would be required to post collateral in respect of non-cleared OTC derivative contracts. Counterparties to the Charged Agreement may also be unable to enter into hedge transactions with the Issuer.

Prospective investors should be aware that the regulatory changes arising from EMIR may in due course significantly increase the cost of entering into derivative contracts. These include the potential for non-financial counterparties such as the Issuer to become subject to marking to market and collateral posting requirements in respect of non-cleared OTC derivatives. The extent to which collateral posting requirements will affect entities such as the Issuer is currently unclear. Regulatory technical standards have been published in draft form only and are yet to be adopted by the European Commission. These changes may adversely affect the Issuer’s ability to enter the derivative transactions. As a result of such increased costs and/or additional regulatory requirements, investors may receive significantly less or no interest or return, as the case may be. Investors should consult their own independent advisers and make their own assessment about the potential risks posed by EMIR in making any investment decision in respect of the Notes.

3. CONFLICTS OF INTEREST

3.1 General

Nomura International plc (**"Nomura"**) and any of its affiliates (together with Nomura, the **"Nomura Companies"**) are acting or may act in a number of capacities in connection with any issue of Notes. The Nomura Companies acting in such capacities shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity. They shall not, by virtue of their acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

3.2 Confidential information

The Nomura Companies may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to:

(a) the obligor in respect of the Collateral Assets; or

(b) (if applicable) any Reference Entity,

which information and/or opinions might, if known by a holder of Notes, affect decisions made by it with respect to its investment in the Notes. Notwithstanding this, none of the Nomura Companies shall have any duty or obligation to notify the holders of the Notes or the Issuer, the Arrangers, the Dealer(s), the Trustees, the Counterparties (or any Counterparty Guarantor), the Custodian or any other Agent of such information.

3.3 **Other business dealings**

The Nomura Companies may enter into business dealings, including the acquisition of the Notes, from which they may derive revenues and profits without any duty to account for such revenues and profits.

As a counterparty under swaps and other derivative agreements, any of the Nomura Companies may take actions adverse to the interests of the Issuer, including, but not limited to, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof.

In making and administering loans and other obligations, any of the Nomura Companies may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, the relevant obligations in bankruptcy or demanding payment on a loan guarantee or under other credit enhancement.

The Issuer's acquisition, holding and sale of Collateral Assets may enhance the profitability or value of investments made by the Nomura Companies in the issuers thereof or obligors in respect thereof. As a result of all such transactions or arrangements between the Nomura Companies and issuers of, and obligors with respect to, obligations or their respective affiliates, Nomura and any of its affiliates may have interests that are contrary to the interests of the Issuer and the holders of the Notes.

3.4 **Dealings in relation to Reference Entities or obligors in respect of Collateral Assets**

The Nomura Companies may deal with the obligor in respect of the Collateral Assets or (if applicable) in any obligations of any Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the obligor in respect of the Collateral Assets or any Reference Entity and may act with respect to such transactions in the same manner as if the Charged Agreements and the Notes of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the obligor in respect of the Collateral Assets, any Reference Entity, the Issuer or the holders of the Notes of the relevant Series.

If any of the Nomura Companies act as a trustee, paying agent or in other service capacities with respect to the Collateral Assets and/or any obligation of any Reference Entity, the relevant Nomura Companies may be entitled to fees and expenses senior in priority to payments on such obligations. When so acting, the relevant Nomura Companies will owe fiduciary duties to the holders of such obligations, and may take actions that are adverse to the holders (including the Issuers) of such obligations.

3.5 **Acting as market maker**

The Nomura Companies may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by the Nomura Companies may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Notes, any outstanding charged assets or any reference obligations. Notwithstanding this, none of the Nomura Companies shall have any duty or obligation to take into account the interests of any party in relation to any Notes when effecting transactions in such markets.

3.6 **Counterparty**

Prospective investors should be aware that, where any Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of a Charged Agreement (including any right to terminate the Charged Agreement(s)), such Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the holders of the Notes or any other person. In exercising its discretion or deciding upon a course of action, the Counterparty shall attempt to maximise the beneficial outcome for itself and will not be liable to account to the holders of the Notes or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

4. RISKS RELATING TO THE ISSUER

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

The Issuer's primary business is the raising of money by issuing or entering into Series of Obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. 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 each Series or other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which such Series are secured.

4.2 **No regulation of the Issuer by any regulatory authority**

With the exception of any Issuer which is incorporated in Luxembourg and is required to be licenced under applicable laws, the Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of Notes.

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

The following risk factors at 4.3 to 4.9 below apply only in relation to any Issuer which is incorporated in Ireland.

4.3 **Fixed/floating security**

Under Irish law, for a charge to be characterised as a fixed charge, it must be expressed to be such and the charge holder must be entitled to and must in practice exercise the

requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. A Security Interest expressed to be of a fixed nature may be re-characterised as floating by an Irish court if the court determines that all of the above features are not present throughout the life of the arrangements.

Although certain of the Security to be granted by the relevant Issuer over the Charged Assets in respect of a Series in favour of the Security Trustee pursuant to the Trust Terms will be expressed to be of a fixed nature, there can be no assurance that a court would not nevertheless re-characterise such Security as floating. Floating charges have certain weaknesses, including the following:

(a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

(b) they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;

(c) they rank after certain insolvency remuneration expenses and liabilities;

(d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(e) they rank after fixed charges.

4.4 **Preferred creditors under Irish law**

Under Irish law, upon an insolvency or examinership of an Irish company such as Novus Capital plc, when applying the proceeds of assets subject to fixed security which have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which includes any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts. The interest of secured creditors in property and assets of an Irish company over which there is a floating charge only will rank behind the claims of certain preferential creditors on enforcement of such security. Preferential creditors include the Irish Revenue Commissioners, statutory redundancy payments due to employees (including where those employees have been made redundant as a result of the liquidation of the borrower) and money due to be paid by the Irish company in respect of employers' contributions under any pension scheme.

The holder of a fixed security over the book debts of an Irish tax resident company (which would include Novus Capital plc) may be required by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which 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 an Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

4.5 **Examinership**

Examinership is a court moratorium/protection procedure available under Irish company law. An examiner may be appointed to a company which is likely to be insolvent if the court is satisfied that there is a reasonable prospect of the survival of the company and all or part of its undertaking as a going concern. During the examinership period (70 days, or longer in certain circumstances), the company is protected from most forms of enforcement procedure and the rights of its secured creditors are largely suspended. Accordingly, if an examiner is appointed to the Issuer, the Security Trustee would be precluded from enforcing the Security over any Charged Assets during the period of the examinership. However, in the case of the Issuer, if the Security Trustee represented the majority in number and value of claims within the secured creditor class, the Security Trustee would be in a position to reject any proposal not in favour of the holders of the Notes. The Security Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the holders of the Notes, especially if such proposals included a writing down to the value of amounts due by the Issuer to the holders of the Notes. An examiner has various powers during the examinership period, including power to deal with charged property of the company, repudiate certain contracts and incur borrowing costs and other expenses, some of which will take priority over rights of secured creditors. If the examiner concludes that it would facilitate the survival of the company as a going concern, he must formulate proposals for a compromise or scheme of arrangement in relation to the company. The members and creditors of the company will have an opportunity to consider any such proposals, and the proposals require court approval. The primary risks to the holders of Notes if an examiner were appointed to the Issuer are as follows:

(a) the potential for a compromise or scheme of arrangement being approved, which would be binding on creditors (including secured creditors), involving the writing down or rescheduling of the debt due by the Issuer to the holders of the Notes as secured by the Issue Deed;

(b) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and

(c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Creditors under the Notes or the Issue Documents.

4.6 **Introduction of International Financial Reporting Standards ("IFRS")**

For the purposes of this paragraph "Issuer" refers only to Novus Capital plc. The Issuer's Irish corporation tax position depends to a significant extent on the accounting treatment applicable to the Issuer. The accounts of the Issuer are required to comply with IFRS or

with generally accepted accounting principles in Ireland (**"Irish GAAP"**) which has been substantially aligned with IFRS. Companies such as the Issuer might, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value may generally be brought into the charge to tax (if not relieved) as a company's tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act, 1997, as amended (the business of the Issuer has been structured so that the Issuer should meet the conditions to be such a company) is based on the profits that would have arisen to the company had its accounts been prepared under Irish GAAP as it existed at 31 December 2004. It is possible to elect out of such treatment and such election, if made, is irrevocable. If the Issuer makes such an election, then taxable profits or losses could arise to the Issuer as a result of the application of IFRS or current Irish GAAP that are not contemplated in the cash-flows for a Series of Notes and as such may have a negative effect on the Issuer and its ability to make payments to the holders of Notes. The Issuer does not intend to make any such election if its cashflows would be adversely affected thereby.

4.7 **European Union Directive on Taxation of Savings Income**

Under the EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State (the member states constituting the European Union, collectively, the **"Member States"** and, each, a **"Member State"**). However, for a transitional period, Luxembourg and Austria may instead be required (unless during that period they elect otherwise and subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). From 1 January 2015, Luxembourg will change from operating withholding tax to the exchange of information system. A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to this Directive.

An amended version of the Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and applied from 1 January 2017, will extend the scope of the Directive to (i) broadly, payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest

4.8 **Not a bank deposit**

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuers are not regulated by the Central Bank by virtue of the issue of the Notes.

4.9 **Priority of Payments**

The validity and enforceability of certain provisions in contractual priorities of payments which purport to alter the priority in which a particular secured creditor is paid as a result of the occurrence of one or more specified trigger events, including the insolvency of such creditor (**"Flip Clauses"**), have been challenged recently in the English and U.S. courts on the basis that the operation of a flip clause as a result of such creditor's insolvency breaches the "anti-deprivation" principles of English and U.S. insolvency law. This principle prevents a party from agreeing to a provision that deprives its creditors of an asset upon its insolvency.

Whereas the English courts have upheld the validity of a Flip Clause, the U.S. courts have held that such a provision is unenforceable under the U.S. Bankruptcy Code. The flip clause examined in the English and American courts is similar in substance to the provisions in the Priorities of Payments, in particular with respect to "Modified Counterparty Priority" but as a result of the conflicting statements of the English and New York courts there is uncertainty as to whether the English courts will give any effect to any New York court judgement. Similarly, if the Priorities of Payments are the subject of litigation in any jurisdiction outside England and Wales and such litigation results in a conflicting judgment in respect of the binding nature of the Priorities of Payments it is possible that termination payments due to the Swap Counterparty would not be subordinated as envisaged by the Priorities of Payments and as a result, the Issuer's ability to repay the holders in full may be adversely affected. There is a particular risk of conflicting judgments where a Swap Counterparty is the subject of bankruptcy or insolvency proceedings outside of England and Wales.

The following risk factors at 4.10 to 4.13 below apply only in relation to any Issuer which is incorporated in Luxembourg.

4.10 **Limitations on Recourse to other Compartments of the Issuer**

The Issuer is established as a securitisation company (*société de titrisation*) within the meaning of the law of 22 March 2004 on securitisation, as amended, (the "**Luxembourg Securitisation Law**") which provides that the rights of creditors against the Issuer whose claims have arisen in relation to a specific Compartment (as defined below) of the Issuer are, as a general rule, strictly limited to the moneys derived by or on behalf of the Issuer in respect of the Charged Assets of such Compartment without any recourse to the assets of any other Compartment of the Issuer or any other assets of the Issuer.

The board of directors of the Issuer (the "**Board**") may establish one or more compartments (together the "**Compartments**" and each a "**Compartment**"), each of which is a separate and distinct part of the Issuer's estate (*patrimoine*) and which may be distinguished by the nature of acquired risks or assets and the Conditions as supplemented and/or modified by the Additional Conditions, reference currency or other distinguishing characteristics. Each Series will be issued through a separate Compartment.

Pursuant to the Luxembourg Securitisation Law, the assets of a Compartment are, as a general rule, available only for distribution to creditors whose claims have arisen in connection with the creation, the operation or the liquidation of that specific Compartment or have been properly allocated thereto. A creditor of the Issuer may have claims against the Issuer in respect of liabilities or obligations, which arise in connection with more than one Compartment, in which case the claims in respect of each individual Compartment will be limited to the assets of such Compartment only.

Fees, expenses and other liabilities incurred on behalf of the Issuer but which do not relate specifically to any Compartment shall be general liabilities of the Issuer and shall not be payable out of the assets of any Compartment. The Board shall ensure that

creditors of such liabilities waive recourse to the assets of any Compartment. If such creditors do not waive recourse and such general liabilities cannot be otherwise funded, they shall be apportioned pro rata among the Compartments of the Issuer upon a decision of the Board.

4.11 **Insolvency of the Issuer**

Although the Issuer will contract on a "limited recourse" basis as noted above, it cannot be excluded as a risk that the Issuer's assets (that is, its aggregate Charged Assets plus any other assets it may possess) will become subject to insolvency proceedings. The Issuer is a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg and managed by its Board. Accordingly, insolvency proceedings with respect to the Issuer would likely proceed under, and be governed by, the insolvency laws of Luxembourg.

Under Luxembourg law, a company is insolvent (*en faillte*) when it is unable to meet its current liabilities and when its creditworthiness is impaired. The Issuer can be declared bankrupt upon petition by a creditor of the Issuer or at the initiative of the court or at the request of the Issuer in accordance with the relevant provisions of Luxembourg insolvency law. If granted, the Luxembourg court will appoint a bankruptcy trustee (*curateur*) who shall be obliged to take such action as he deems to be in the best interests of the Issuer and of all creditors of the Issuer. Certain preferred creditors of the Issuer (including the Luxembourg tax authorities) may rank senior in right of payment to the Secured Creditors (including holders) in such circumstances. Other insolvency proceedings under Luxembourg law include controlled management and moratorium of payments (*gestion controlée et sursis de paiement*) of the Issuer, composition proceedings (*concordat*) and judicial liquidation proceedings (*liquidation judicaire*).

In the event of such insolvency proceedings taking place, holders bear the risk of a delay in the settlement of any claims that might have against the Issuer or receiving, in respect of their claims, the residual amount following realisation of the Issuer's assets after preferred creditors have been paid, with the result that they may lose their initial investment.

4.12 **Consequences of Insolvency Proceedings**

If the Issuer fails for any reason to meet its obligations or liabilities (that is, if the Issuer is unable to pay its debts and may obtain no further credit), a creditor, who has not (and cannot be deemed to have) accepted non-petition and limited recourse provisions in respect of the Issuer, will be entitled to make an application for the commencement of insolvency proceedings against the Issuer. In that case, such creditor would, however, not have recourse to the assets of any Compartment (in the case that the Issuer has created one or more Compartments) but would have to exercise its rights on the general assets of the Issuer unless its rights would arise in connection with the "creation, operation or liquidation" of a Compartment, in which case, the creditor would have recourse to the assets allocated to that Compartment but would not have recourse to the assets of any other Compartment. Furthermore, the commencement of such proceedings may in certain conditions, entitle creditors, (including the relevant counterparties) to terminate contracts with the Issuer (including the Issue Documents) and claim damages for any loss created by such early termination. The Issuer will seek to contract only with parties who agree not to make application for the commencement of winding-up, liquidation and bankruptcy or similar proceedings against the Issuer. Legal proceedings initiated against the Issuer in breach of these provisions shall, in principle, be declared inadmissible by a Luxembourg Court.

4.13 **Custody Arrangements**

If so specified in the applicable Additional Conditions for the relevant Series, Collateral Assets (together with any related Security) will be held by the Custodian on behalf of the Issuer pursuant to the Custody Terms. Assets held by the Custodian may not be immediately available to investors upon the bankruptcy of the Custodian and certain classes of creditors having general rights of preference stipulated by Luxembourg law, such as the preference rights for judiciary fees (including the fees and costs of a receiver/liquidator), unpaid salaries and various tax, excise and social security contributions, may take preference over secured creditors in bankruptcy proceedings.

5. OTHER RISKS

5.1 Market Crisis and Governmental Intervention

The global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention was in certain cases implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and/or substantially eliminated. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions were sometimes unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies.

It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets. However, as there is a high likelihood of significantly increased regulation of the global financial markets, such increased regulation could have a material effect on the performance of the Notes.

5.2 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 is to be implemented with effect in all European Member States by 1 January 2015, with the exception of the bail-in powers which must be implemented by 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.

Under the BRRD, a national supervisory authority is empowered to employ one or more resolution tools in relation to certain institutions where the authority determines that the institution is failing or likely to fail; it is not reasonably likely that any other action can be taking to avoid the failure of the institution; and the resolution action is in the public interest.

The resolution tools available to the national supervisory authority under the BRRD include a statutory "write-down and conversion power" – the so-called "bail-in" tool. The "bail-in" tool would give the relevant national supervisory authority the ability to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Notes) of a failing institution and/or convert certain debt claims (which could include the Notes) into another security, including ordinary shares of the surviving group entity, if any. In addition, under the BRRD, the national supervisory authority will have power to amend the maturity date and/or interest payment date of debt instruments or other eligible liabilities of the relevant institution and/or impose a temporary

suspension of payments. Other resolution tools include (i) sale of the relevant institution or the whole or part of its business; (ii) transfer all or part of the business of the relevant institution to a "bridge bank"; and (iii) transfer the impaired or problem asset of the relevant institution to an asset management vehicle.

The circumstances in which a national supervisory authority would exercise its powers and apply the resolution tools – in particular, the bail-in power- are uncertain. If these power were to be exercised (or if there was a suggestion that they could be exercised) in respect of each of the Issuer, such exercise would have a material adverse effect on the value of the Notes, including a potential loss of some or all of the investments.

5.3 **Euro and Eurozone Risk**

Market perceptions concerning the instability of the euro, the potential re-introduction of individual currencies within the Eurozone, or the potential dissolution of the euro entirely, could adversely affect the value of Notes.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the **"EFSF"**) and the European Financial Stability Mechanism (the **"EFSM"**) to provide funding to Eurozone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Eurozone countries to establish a permanent stability mechanism, the European Stability Mechanism (the **"ESM"**), which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Eurozone countries after June 2013.

Despite these measures, concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency given the diverse economic and political circumstances in individual Member States. These and other concerns could lead to the re-introduction of individual currencies in one or more Member States, or, in more extreme circumstances, the possible dissolution of the euro entirely. Should the euro dissolve entirely, the legal and contractual consequences for holders of euro denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Notes.

5.4 **Alternative Investment Fund Managers Directive**

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") was required to be transposed into national laws no later than July 22, 2013, although there are transitional provisions which expire one year later on July 22, 2014. AIFMD provides, among other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management. On November 8, 2013, in order to assist in limiting any uncertainty until definitive positions and practices are finalized, the Central Bank of Ireland published a fifth edition of its AIFMD Questions and Answers ("**Q&A**"), pursuant to which, financial vehicles engaged solely in activities where economic participation is by way of debt or other corresponding instruments which do not provide ownership rights in the financial vehicle (as are provided by the sale of its shares) are advised that they fall outside the scope of the AIFMD regime (unless the Central Bank of Ireland advises those entities otherwise in a replacement Q&A, which, according to the Q&A, it does not intend to do at least for so long as the European Securities and Markets Authority continues its current work on the matter).

The European Securities and Markets Authority has not yet given any formal guidance on the application of AIFMD to entities such as the Issuer which issue solely debt securities. If AIFMD were to apply to the Issuer, any relevant collateral manager would need to be

appropriately regulated. The Issuer would also be classified as a "financial counterparty" under EMIR and may be required to comply with clearing obligations or other risk mitigation techniques with respect to derivative transactions including obligations to post margin to any central clearing counterparty or market counterparty. See also "EMIR" at 2.19 above. In addition, the AIFMD would entail several consequences for the Issuer, notably:

- the Issuer would have to delegate the management of its assets to a duly licensed AIFM (the "**Issuer AIFM**");

- the Issuer AIFM would have to implement procedures in order to identify, prevent, manage, monitor and disclose conflict of interests;

- adequate risk management systems would need to be implemented by the Issuer AIFM to identify, measure, manage and monitor appropriately all risks relevant to the Issuer's investment strategy and to which the Issuer is or can be exposed (including appropriate stress testing procedures);

- valuation procedures would need to be designed at the Issuer level;

- a depositary would have to be appointed in relation to the Issuer's assets; and

- the Issuer and the Issuer AIFM would be subject to certain reporting and disclosure obligations.

From the Issuer's perspective, if the Issuer were considered to be an AIF and could not benefit from the SSPE Exemption provided in the AIFMD, the AIFMD would require any relevant collateral manager and/or the Issuer to seek authorization to become an AIFM under the AIFMD. If any such collateral manager or the Issuer were to fail to, or be unable to, obtain such authorization, such collateral manager may not be able to continue to manage the Issuer's assets, or its ability to do so may be impaired. Any regulatory changes arising from implementation of the AIFMD (or otherwise) that impairs the ability of any such collateral manager to manage the Issuer's assets may adversely affect the Issuer's ability to service the Notes.

SECTION 2: CONDITIONS OF THE NOTES

The following is the text of the terms and conditions (the **"Conditions"**) which will be attached to and form part of the Notes of each Series in definitive form (if any) and will apply to the Global Notes, save as modified by the terms of the Global Notes. The Additional Conditions in relation to any Series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of such Series. The Additional Conditions (or the relevant provisions thereof) will be attached to each Global Note and Definitive Note.

References in these Conditions to (a) "Notes" means the Notes or Note (as the case may be) as defined in the Note which incorporates these Conditions or to which these Conditions are attached, and (b) "Series", "Class" or "Tranche" shall be to the Series, Class or Tranche, as applicable, of which the Notes form part (and shall include any related Receipts, Coupons and Talons).

1. DEFINITIONS

These Conditions incorporate the definitions set out in the Definitions and Common Provisions dated 21 October 2014 and signed for the purposes of identification by Nomura International plc and Citicorp Trustee Company Limited (the **"Definitions and Common Provisions"**). In particular, the provisions of clause 4 (Limited Recourse and Non-Petition) of such Definitions and Common Provisions shall prevail over any provision to the contrary in these Conditions.

2. FORM, TITLE, STATUS, RANKING

2.1 Form

The Series is comprised of Bearer Notes or Registered Notes, as specified in the Additional Conditions.

2.2 Title

Title to Bearer Notes, Receipts, Coupons and Talons (if any) passes by delivery and in accordance with applicable law. Title to Registered Notes passes by registration in the Register which the Registrar has agreed in the Agency Agreement to keep, and in the case of a Luxembourg Issuer, the Duplicate Register. In case of Registered Notes issued by a Luxembourg Issuer, the Registrar shall send a copy of the relevant Register to the relevant Luxembourg Issuer who will update the relevant Duplicate Register accordingly. In the case of Bearer Notes, the bearer of any Note, Coupon or Talon will (except as otherwise provided by law) be treated as its absolute owner for all purposes and no person shall be liable for so treating such bearer.

2.3 Status

The obligations of each Series constitute secured limited recourse obligations of the Issuer.

2.4 Ranking

(a) Unless the Series is comprised of more than one Class (as specified in the Additional Conditions), the Notes comprised in the Series rank *pari passu* amongst themselves.

(b) If the Series is comprised of more than one Class, then:

(i) each Class of Notes will rank in relation to each other Class of Notes as specified in the Additional Conditions; and

(ii) the Notes comprised in each Class rank *pari passu* amongst themselves.

3. INTEREST

3.1 Application

This Condition 3 applies only to Notes which are interest bearing (save for Conditions 3.3(b) and 3.3(c) (Accrual), which apply additionally to Zero Coupon Notes).

3.2 Interest Rate

(a) **Interest**: Interest on each Note accrues at the Interest Rate from time to time.

(b) **Fixed Rate Obligations**: If the Notes are Fixed Rate Obligations, the Interest Rate is the rate specified as such in the Additional Conditions.

(c) **Floating Rate Obligations**: If the Notes are Floating Rate Obligations, the Interest Rate for each Interest Period will be the sum of:

(i) the applicable Margin; and

(ii) the relevant ISDA Rate for such Interest Period.

(d) **Indexed Obligations and Structured Rate Obligations**: If the Notes are Indexed Obligations or Structured Rate Obligations, the Interest Rate for each Interest Period will be determined in the manner specified in the Additional Conditions.

(e) **Maximum or Minimum Interest Rates**: If "Maximum Rate of Interest"/"Minimum Rate of Interest" is specified to be applicable in the Additional Conditions, then the Interest Rate shall in no event be:

(i) greater than the "Maximum Rate of Interest" so specified; or

(ii) less than the "Minimum Rate of Interest" so specified.

3.3 Accrual

(a) Interest will start to accrue on each Note from and including its Interest Commencement Date and will cease to accrue on each Note on the due date for redemption in full thereof.

(b) If the Issuer fails to redeem any Note in full upon due presentation thereof (or of the related Receipt or Coupon) on the due date therefor, interest will continue to accrue as set out above until the date on which such Note is redeemed in full.

(c) Paragraph (b) above shall apply to Zero Coupon Notes, provided that the Interest Rate for such purpose shall be the related Zero Coupon Yield (and any such Note shall otherwise be treated as a Fixed Rate Obligation for such purpose, having 30/360 as the applicable Day Count Fraction).

3.4 Interest Payment Dates

Interest will be payable on each Note in arrear on each Interest Payment Date.

3.5 Interest Amount

The amount of interest payable in respect of any Note of the Specified Denomination for each Interest Period (the **"Interest Amount"**) shall be the product of:

(a) the applicable Interest Rate;

(b) (unless otherwise specified in the Additional Conditions), the Specified Denomination of such Note for that Interest Period; and

(c) the applicable Day Count Fraction.

4. SCHEDULED REDEMPTION

4.1 Redemption at maturity

The Issuer shall redeem each Note at its Redemption Amount (as defined in Condition 4.2 (Redemption Amount) below) on the related Maturity Date, being the date specified as such in the Additional Conditions.

4.2 Redemption Amount

The **"Redemption Amount"** of each Note, unless otherwise specified in the Additional Conditions, is the aggregate of:

(a) its principal amount outstanding on the applicable date of redemption; and

(b) any Premium Amount specified in the Additional Conditions.

4.3 Redemption by instalments

If the Notes are Instalment Obligations, the Issuer shall redeem each Note in part on each Instalment Date by the related Instalment Amount. The principal amount outstanding of each Note will be reduced for all purposes with effect from each such date and by such amount, unless the Issuer fails to pay any such amount upon due presentation of the relevant Note (or the related Receipt).

4.4 Physical Settlement

Where the Additional Conditions specify that Physical Settlement applies:

(a) **Delivery**: Upon satisfaction of the pre-conditions to delivery set out in paragraph (c) below, the Issuer will cause to be delivered, on the Asset Delivery Date, the Physical Redemption Amount for the Notes specified in the relevant Delivery Instruction Certificate, in accordance with the instructions contained therein.

(b) **Physical Redemption Amount**: The **"Physical Redemption Amount"** means, in relation to any Delivery Instruction Certificate:

(i) a portion, determined by the Calculation Agent in its sole discretion, of the Collateral Assets corresponding to the portion of the Series subject to that Delivery Instruction Certificate but rounded down to, where the Collateral Assets comprise securities, the nearest whole number of Collateral Assets and where the Collateral Assets comprise other debt obligations, the nearest minimum transfer value of the Collateral Assets; less

(ii) any portion of such Collateral Assets required to be realised to make payment of any amounts which would rank prior to payments to the holders of the Notes in accordance with the Priority of Payments on an enforcement of the Security; together with

(iii) a cash amount equal to the sum of:

(A) the net proceeds of that fraction of the Collateral Assets that was the subject of rounding down; and

(B) where the net sum of all termination payments determined in respect of any Charged Agreement relating to the Series is payable to the Issuer, a pro rata portion of such net sum.

(c) **Pre-Conditions to Delivery**: A holder of any Note will not be entitled to any Physical Redemption Amount unless it has:

(i) presented or surrendered (as is appropriate) the relevant Note;

(ii) delivered a Delivery Instruction Certificate at the Principal Paying Agent's (or Registrar's or Transfer Agent's) Specified Office; and

(iii) paid or procured payment of any costs, fees, taxes or duties incurred by or for the account of the Issuer in connection with such delivery.

As receipt for such Note the Principal Paying Agent (or Registrar or Transfer Agent) will issue the holder with a stamped, dated copy of such Delivery Instruction Certificate. The records of the Principal Paying Agent (or Registrar or Transfer Agent) will be conclusive evidence of the entitlement of the holder of any Note to a Physical Redemption Amount.

(d) **Clearing systems**: For so long as the Notes are subject to clearing, any communication from any relevant clearing system on behalf of the holder of any Note containing the information required in a Delivery Instruction Certificate will be treated as a Delivery Instruction Certificate.

(e) **Global Notes**: For as long as Bearer Notes are represented by a Global Note, surrender of Notes, together with a Delivery Instruction Certificate will be effected by presentation of the Global Note and its endorsement to note the principal amount of Notes to which the relevant Delivery Instruction Certificate relates.

(f) **Settlement Disruption**: The Issuer will not be liable to pay any additional amount as a result of any delay in the delivery of any Collateral Assets for reasons which are outside its control (including any delay in the delivery of such Collateral Assets to the Issuer by any relevant Counterparty or any other person).

5. MANDATORY AND OPTIONAL EARLY REDEMPTION

5.1 Mandatory Redemption Events

(a) If either:

(i) any of the Collateral Assets become repayable prior to their scheduled maturity for any reason; or

(ii) there is a payment default in respect of any Collateral Asset; or

(iii) any transaction or series of transactions entered into pursuant to any Charged Agreement is terminated prior to its scheduled maturity unless such transaction or series of transactions has been or is simultaneously replaced on terms and with a Counterparty which are approved in writing by the Note Trustee (at the direction of the holders of the Series or, if applicable, the most senior Class thereof, acting by Extraordinary

Resolution) and the Security Trustee (acting at the direction of the Controlling Secured Creditor); or

(iv) a Collateral Restructuring Event (as defined below) occurs, and the Counterparty (in its sole and absolute discretion) elects to propose, by notice in writing to the Issuer and the Noteholders (such notice, a "Collateral Restructuring Event Notice") an amendment to the Conditions of the Notes and/or the Charged Agreements to preserve the economic effect of the Notes following the occurrence of such Collateral Restructuring Event and provided that the Issuer, the Counterparty and the Noteholders do not agree (each acting reasonably) to amend the Conditions of the Notes and/or the Charged Agreements by the date nominated by the Counterparty in the Collateral Restructuring Event Notice (such date being up to 60 calendar days from the delivery of the Collateral Restructuring Event Notice),

the Issuer will notify (or procure the notification of) the holders of the Series, the Note Trustee and each Agent accordingly (each event in paragraph (i), (ii), (iii) and (iv) above a **"Mandatory Redemption Event"**).

(b) The Issuer shall thereupon procure that the Acquisition and Disposal Agent (or any successor acquisition and disposal agent):

(i) disposes of the Collateral Assets; and

(ii) where the termination payment in respect of any Charged Agreement falls to be determined by the Issuer, determines the amount of such payment,

in each case on behalf of the Issuer in accordance with the Agency Agreement.

(c) Upon receipt by the Issuer (or by the Custodian on behalf of the Issuer) of the net proceeds of liquidation of the Collateral Assets, the Issuer (or the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) acting on behalf of the Issuer) will notify the holders of the Series, the Note Trustee and each Agent designating a date for early redemption (being a date not fewer than three Business Days and not more than 10 Business Days following such receipt) and, upon such date, the Issuer shall redeem each Note at its Early Redemption Amount (as defined in Condition 5.5 (Early Redemption Amount)).

(d) If the Notes are rated by any Rating Agency, paragraphs (i) and (ii) of Condition 5.1(a) shall not apply in respect of any Collateral Assets acquired by the Issuer under a Repurchase Agreement.

(e) For the purposes of this Condition 5.1, "**Collateral Restructuring Event**" shall mean the occurrence of one of the following:

(i) the currency in which the obligor of the Collateral Assets pays or is required to pay interest or principal on the Collateral Asset or any Counterparty to a Charged Agreement pays or is required to pay amounts due thereunder is redenominated, substituted or otherwise changed from its originally scheduled currency as at the Trade Date of the Notes; or

(ii) any one or more of the following events occur in respect of any Collateral Assets as a result of action taken or announcement made by a governmental authority pursuant to, or by means of, a restructuring or resolution law or regulation (or any other similar law or regulation), in each case, applicable to any relevant obligor in a form which is binding, irrespective of whether such event is expressly provided for under the terms of the relevant Collateral Assets:

(A) any event which would affect the rights of the holders of such Collateral Assets so as to cause:

(aa) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;

(bb) a reduction in the amount of principal or premium payable at redemption;

(cc) a postponement or other deferral of a date or dates for either the payment or accrual of interest or the payment of principal or premium; or

(dd) a change in the ranking in priority of the Collateral Assets causing subordination of such Collateral Assets;

(B) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Collateral Assets;

(C) a mandatory cancellation, conversion or exchange; or

(D) any event which has an analogous effect to any of the events described in (A) to (C) above.

5.2 **Tax event**

(a) Subject to paragraphs (b) and (c) below, if:

(i) the Issuer would, on the next payment date in respect of the Notes, be required to withhold or account for any tax in the jurisdiction of incorporation of the Issuer, the Registrar or any Paying Agent; or

(ii) the Issuer would suffer tax (including by means of a withholding or deduction of tax by the relevant Counterparty) in respect of any payment to be made to it under any Charged Agreement or in respect of the Collateral Assets,

in each case, due to (1) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after the Issue Date of the Notes (regardless of whether such action is taken or brought with respect to the Issuer) or (2) any change in any law (or in the application of any law) that occurs after the Issue Date of the Notes and as evidenced by an opinion addressed to the Issuer obtained from legal advisers to the Issuer of recognised standing in the relevant jurisdiction, then the Issuer shall notify the holders of the Notes, the Note Trustee and each Agent accordingly.

(b) Upon any such notification, the provisions of paragraphs (b) and (c) of Condition 5.1 (Mandatory Redemption Events) shall apply provided that the Issuer has used all reasonable efforts, during a period not exceeding 30 calendar days, to avoid or mitigate the effect of the relevant tax, including, without limitation, by:

(i) seeking to substitute itself with another issuer that would not be the subject of such tax;

(ii) proposing to the relevant Counterparty that the office or branch out of which any transaction entered into under any Charged Agreement is booked is changed to another jurisdiction; or

(iii) completing and filing any forms required by the relevant taxing authority, court or law.

Any substitution of the Issuer as such or change in the booking jurisdiction of any transaction entered into under any Charged Agreement shall be subject to the written confirmation of the Note Trustee that it is satisfied that such substitution is not materially prejudicial to the interests of the holders. The Issuer shall not be obliged to incur any material cost in connection with such avoidance or mitigation.

(c) This Condition 5.2 shall not apply in relation to any Holder Tax.

(d) If the Issuer reasonably expects that it is or will become subject to U.S. withholding tax under section 1471 or section 1472 of the U.S. Internal Revenue Code or reasonably expects that it is or will be in violation of a reporting and withholding agreement entered into with the U.S. Internal Revenue Service on account of non-compliance by the Noteholders with respect to requests for identifying information and other certifications, the Issuer may give notice to the Trustee and the Noteholders in accordance with Condition 15 (Notices) that all the Notes (or such part of the Notes as specified by the Issuer) are due and repayable in accordance with Condition 5.1 (Mandatory Redemption Events) (unless otherwise specified in the relevant Additional Conditions) at any time following such event or circumstance.

5.3 **Redemption at the option of holders and exercise of holders' options**

(a) If so provided in the Additional Conditions, the Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided (such date(s) of redemption to be no earlier than the last date of any minimum notice period required by the relevant Clearing System) at its Redemption Amount (or, as specified in the Additional Conditions, Physical Redemption Amount) together with interest accrued to the date fixed for redemption.

(b) To exercise any option referred to above or any other holders' option which may be set out in the Additional Conditions, the holder of any Notes in definitive form must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or with the Registrar or any Transfer Agent (in the case of Registered Notes) at its Specified Office, together with a duly completed option notice within the period specified in the Additional Conditions. No Note so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer and any relevant Counterparty.

(c) To exercise any option referred to above or any other holders' option which may be set out in the Additional Conditions in relation to any Notes in global form, the holder must give written notice within the period specified in the Additional Conditions of such exercise to the Principal Paying Agent, specifying the principal amount of Notes in respect of which the option is being exercised. Any such notice will be irrevocable and may not be withdrawn without the prior consent of the Issuer and any Counterparty.

5.4 **Redemption at the option of the Issuer**

If "Issuer Call Option" is specified to be applicable in the Additional Conditions, the Issuer may, on giving not less than 5 Business Days' irrevocable notice to the holders of the Notes, substantially in the form set out in Schedule 5 (Form of Call Option Exercise Notice) to the Trust Terms (the "**Call Option Exercise Notice**") (or such other notice period as may be specified in the Additional Conditions) and to the Note Trustee, redeem all or, if so provided, some of the Notes on the relevant Optional Redemption Date(s). Each Note so redeemed shall be redeemed at its Issuer Call Option Redemption Amount.

Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Additional Conditions, and no greater than the Maximum Redemption Amount to be redeemed specified in the Additional Conditions.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in the relevant Call Option Exercise Notice in accordance with this Condition 5.4.

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

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 the Republic of 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 outstanding aggregate nominal amount of the Notes and a list of the Notes drawn for redemption but not surrendered.

5.5 **Early Redemption Amount**

(a) The **"Early Redemption Amount"** in respect of each Note, unless otherwise specified in the Additional Conditions, shall be an amount equal to the lesser of:

(i) its pro rata portion of the amount which would be available for distribution in respect of the Series, Tranche or, if applicable, Class, after payment of all prior ranking amounts, if the Priority of Payments were to apply; and

(ii) the Redemption Amount of such Note (or, in the case of Zero Coupon Notes, the Discounted Redemption Amount).

(b) The **"Discounted Redemption Amount"** in respect of any Zero Coupon Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Zero Coupon Yield compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified for such purpose in the Additional Conditions (or if none is specified a Day Count Fraction of 30/360).

5.6 **Physical Delivery of Collateral Assets**

If:

(a) any transaction entered into under any Charged Agreement has been terminated prior to its scheduled maturity by reason of an Event of Default (as defined therein) of the relevant Counterparty; and

(b) a holder of all of the Series so elects by notice to the Issuer, on or prior to the date falling 2 Business Days prior to the date fixed for redemption of the Series, with a copy of such notice provided to the Note Trustee, the Security Trustee and each Agent, attaching evidence reasonably satisfactory to the Issuer of its holding of the Series,

then Condition 4.4 (Physical Settlement) shall apply.

6. EVENTS OF DEFAULT AND ACCELERATION

6.1 Each of the following events is an "**Event of Default**" in relation to the Series:

(a) the Issuer fails to pay any sum due in respect of the Series on the due date therefor and such failure continues for a period of three Business Days following notice of such failure from any interested party; or

(b) the Issuer fails to perform any of its other obligations in respect of the Series and either:

(i) the Note Trustee considers in its absolute discretion that such failure is incapable of remedy; or

(ii) such failure continues for a period of 30 days following the service by any interested party on the Issuer of notice requiring the same to be remedied; or

(c) an Issuer Insolvency occurs; or

(d) following the occurrence of a Permanent Arranger Insolvency, the directors of the Issuer, the Corporate Administrator of the Issuer or any other Agent of the Issuer fails to confirm within 30 calendar days of receipt of written enquiry from the Note Trustee that they continue to act in their designated capacity in respect of the relevant Series or, if any such parties have been removed, have resigned or their appointment has been otherwise terminated, such party or parties have not been replaced within 30 calendar days of such resignation, removal or termination of appointment.

6.2 **Acceleration**

If an Event of Default occurs, then the Note Trustee may in its discretion or shall (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction) if requested (where there is only one Class of Notes then outstanding) in writing by the holders of at least one-fifth in principal amount of the Notes then outstanding or by an Extraordinary Resolution of such holders (and where the Series comprises more than one Class, so directed by the holders of at least one-fifth in principal amount of the most senior ranking Class or by an Extraordinary Resolution of such holders) declare the Series, and each Note of the Series shall become, immediately due and payable at the related Early Redemption Amount.

7. TAXATION

All payments in respect of the Notes or Coupons (if any) by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless such deduction or withholding is required by applicable law or pursuant to the terms of an agreement entered into with a taxing authority. In that event, the Issuer shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. The Issuer will not be obliged to make any additional payments to the holders of the Series in respect of such withholding or deduction.

8. CALCULATIONS

8.1 Calculation or determination by Note Trustee

If the Calculation Agent or Interest Calculation Agent does not at any time for any reason make any calculation or determination, or obtain any quotation, required to be made or obtained under the Conditions, and such failure continues for three Business Days after notice thereof from any interested party, the Note Trustee (or any delegate or agent thereof appointed in accordance with the Trust Terms) shall make such calculation or determination, or obtain such quotation, in its absolute discretion and each such calculation or determination shall be deemed to have been made by, and each such quotation shall be deemed to have been obtained by, the Calculation Agent or, as applicable the Interest Calculation Agent and the Note Trustee shall not be responsible for any Liabilities incurred in doing so.

8.2 Amendments to calculations or determinations

Any calculation or determination made by the Calculation Agent, Interest Calculation Agent or the Note Trustee (or any delegate or agent thereof appointed in accordance with the Trust Terms) (as the case may be) under these Conditions or the Additional Conditions may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of a shortening or lengthening of the relevant Interest Period or otherwise to take account of events after such calculation or determination was made, whether or not the original calculation or determination has been notified to the holders of the Series.

8.3 Calculations and determinations binding

Any calculation or determination made, and any quotation obtained, by the Calculation Agent, the Interest Calculation Agent or the Note Trustee (as the case may be) under these Conditions or the Additional Conditions shall (in the absence of manifest error) be final and binding upon the Issuer and the holders of the Series.

8.4 Rounding

For the purposes of any calculations required pursuant to these Conditions or the Additional Conditions:

(a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);

(b) all figures will be rounded to seven significant figures (with halves being rounded up); and

(c) for the purpose of any calculations of monetary amounts payable in respect of the Notes, such amounts will be rounded to the nearest unit of the applicable currency (with halves being rounded up).

9. PAYMENTS

9.1 Bearer Notes

If the Notes are Bearer Notes:

(a) Presentation and surrender of Notes: payments by the Issuer of amounts due and payable to the holders will only be made:

(i) in the case of principal and premium (if applicable), against presentation and (upon redemption) surrender of the Notes or, as applicable, Receipts; and

(ii) in the case of interest, against presentation of the applicable Coupon (if any),

in each case at the Specified Office of any Paying Agent;

(b) Method of payment: payments by the Issuer of amounts due and payable to a holder of a Note, Receipt or Coupon will only be made by transfer to an account maintained by such holder with a bank in the principal financial centre of the country of the currency concerned, provided the relevant holder has given notice of the details of such account to the Principal Paying Agent at its Specified Office not less than ten days before the relevant payment date; and

(c) Global Notes:

(i) the holder of a Global Note shall be the only person entitled to receive payments on such Global Note and the Issuer will be discharged by payment to, or to the order of, such holder in respect of each amount paid; and

(ii) payments in respect of Bearer Notes when represented by a Global Note will be made against presentation by the common depositary and (upon redemption) surrender of the Global Note at the Specified Office of the Principal Paying Agent.

9.2 **Registered Notes**

If the Notes are Registered Notes:

(a) Presentation and surrender of Registered Notes: payments by the Issuer of amounts of principal and premium (if applicable) due and payable to the holders will only be made against presentation and (upon redemption) surrender of the relevant Registered Note at the Specified Office of the Registrar;

(b) Interest: payments by the Issuer of amounts of interest (if any) due and payable to the holders of the Coupons on any Interest Payment Date will be paid to the persons shown on the Register on the Record Date (subject as provided below) and, if the due date for payment of interest is a date on which the Series is to be redeemed in full, upon presentation and (upon redemption) surrender of the Notes;

(c) Method of payment: payments by the Issuer of amounts due and payable to a holder of any Coupon will only be made by transfer to an account maintained by such holder with a bank in the principal financial centre of the currency concerned, provided that the relevant holder has given notice of the details of such account to the Registrar at its Specified Office at least ten days before the relevant payment date; and

(d) Payment to holder of Note only: the holder of a Registered Note shall be the only person entitled to receive payments on such Registered Note and the Issuer will be discharged by payment to, or to the order of, such holder in respect of each amount paid.

9.3 **Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, the Issuer may make payments in respect thereof at the Specified Office of any Paying Agent in New York City in the same manner as set out in this Condition 9 if:

(a) the Issuer has 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;

(b) 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

(c) such payment is then permitted by United States law (whether state or federal), without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

9.4 **Unmatured Coupons and unexchanged Talons**

(a) Upon the redemption date of any Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(b) Upon the redemption date of any Note, any unmatured Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(c) Where any Bearer Note is presented for redemption without all unmatured Coupons and/or any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

9.5 **Talons**

If the Notes are interest bearing Bearer Notes, then on or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the Specified Office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 13 (Prescription)).

9.6 **Business Day Convention**

If any date for payment in respect of any Note or Coupon is postponed in accordance with the applicable Business Day Convention, the holder shall not be entitled to payment until the applicable Business Day in accordance with the specified Business Day Convention nor to any interest or other sum in respect of such postponed payment, although in respect of any payment of interest, unless specified otherwise in the Additional Conditions, the relevant Interest Period shall be extended until such date.

10. PURCHASE AND CANCELLATION

10.1 Purchase by the Issuer

If:

(a) the Issuer has satisfied the Note Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Charged Assets and/or for the reduction in the notional amount of the Derivative Agreement, for the repurchase of a proportion of the Collateral Assets under the Repurchase Agreement, for the reduction in the amount of the Deposit under the Deposit Agreement and for the return of a proportion of the Collateral Assets under the Securities Lending Agreement in connection with the proposed purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof;

(b) no Event of Default has occurred and is continuing; and

(c) the Issuer has obtained the prior written consent of each Counterparty,

the Issuer may purchase the Notes (or any of them) on any date (provided that all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

10.2 Cancellation

All Notes purchased by or on behalf of the Issuer (whether pursuant to Condition 10.1 or otherwise) shall be surrendered for cancellation, in the case of Bearer Notes (if applicable), by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to or to the order of the Principal Paying Agent and, in the case of Registered Notes, by surrendering the certificate representing such Notes to or to the order of the Registrar and, in each case, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and all unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not thereafter be reissued or resold, and, after any outstanding payments have been made thereunder, the Issuer shall not have any further obligations in respect thereof.

11. ENFORCEMENT BY THE NOTE TRUSTEE AND THE HOLDERS

(a) Subject to paragraph (b) below, only the Note Trustee may enforce the rights of the holders of the Series.

(b) No holder of any Note, Receipt, Coupon or Talon may proceed directly against the Issuer or against any property or assets of the Issuer to enforce the obligations of the Issuer in relation to the Series unless the Note Trustee, having become bound to proceed in accordance with the trust constituted by the Trust Terms and the Issue Deed, fails to do so within 30 calendar days of becoming so bound and such failure or neglect is continuing.

12. LIMITED RECOURSE AND NON PETITION

12.1 Limited Recourse

In relation to any Series of Notes, each holder for such Series (each, a **"Relevant Holder"**) acknowledges that:

(a) the obligations of the Issuer in respect of a Series shall relate separately to such Series, as distinct from any other Series issued or incurred by the Issuer;

(b) the aggregate amount owed by the Issuer to the Relevant Holders shall be equal to the lesser of the amount due in respect of such Series (the **"Amount Due"**) and the actual amount received or recovered by or for the account of the Issuer in respect of the Charged Assets in respect of such Series (net of any sums which the Issuer is or may be obliged to pay to any person in priority to such party in accordance with the applicable Priority of Payments) (the **"Aggregate Available Amount"**); and

(c) if the applicable Amount Due exceeds the Aggregate Available Amount, the Issuer will not be obliged to pay, and the other assets (if any) of the Issuer will not be available for payment of such excess and the right of the Relevant Holders to claim payment of any excess shall be extinguished and the Relevant Holders, or any persons acting on their behalf, will not have any recourse to the Issuer or its assets in respect of such excess.

12.2 **Non-Petition**

Each Relevant Holder agrees that it, or any person acting on its behalf, will not, in relation to the Series, institute against, or join any person in instituting against, the Issuer, its officers or directors any bankruptcy, examinership, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law.

12.3 **Corporate obligations**

Each Relevant Holder acknowledges and agrees that the Issuer's obligations in respect of the Series and the Issue Deed are solely the corporate obligations of the Issuer.

12.4 **Survival of provisions**

The provisions of this Condition 12 shall survive the redemption or cancellation of the Series.

13. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes or (if applicable) Receipts or (if applicable) Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest, premium or other amount) from the due date for payment.

14. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

If any Bearer Note, Registered Note, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced (subject to all applicable laws and any other requirements specified by the Principal Paying Agent, Registrar or the Transfer Agent (as applicable)) at the Specified Office of the Principal Paying Agent (in the case of Bearer Notes, Coupons and Talons) or the Registrar or the Transfer Agent (in the case of Registered Notes), upon payment by the claimant of the costs and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer and/or Principal Paying Agent, Registrar and Transfer Agent (as applicable) may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

The replacement of Bearer Notes and Receipts, Coupons or Talons related thereto, in case of loss or theft, is subject to the procedure of the Luxembourg act dated 3 September

1996 on the involuntary dispossession of bearer securities, as amended (the **"Involuntary Dispossession Act 1996"**).

The Involuntary Dispossession Act 1996 requires that, in the event that (i) an opposition has been filed in relation to the Bearer Notes or the Receipts, Coupons or Talons related thereto and (ii) the Bearer Notes mature prior to becoming forfeited (as provided for in the Involuntary Dispossession Act 1996), any amount that is payable under the Bearer Notes, Receipts, Coupons or Talons, will be paid to the Caisse des Consignations in Luxembourg until the opposition has been withdrawn or the forfeiture of the Bearer Notes occurs.

15. NOTICES

15.1 Required notices

The Issuer shall, or shall procure that the Principal Paying Agent or the Registrar (as the case may be) will give the following notices to holders of Notes:

(a) **Interest**: notice of each Interest Rate and Interest Amount determined in respect of the Notes, provided that, if the Notes become due and payable following an Event of Default or Mandatory Redemption Event, no notification of the Interest Rate or the Interest Amount need be made unless otherwise required by the Note Trustee; and

(b) **Other**: any other notices referred to in the Additional Conditions.

15.2 Method of giving notice

(a) **Registered Notes**: Subject to paragraph (c) below, if the Notes are Registered Notes, notices to holders will be posted to holders at their respective addresses in the Register.

(b) **Bearer Notes**: Subject to paragraph (c) below, if the Notes are Bearer Notes which are not represented by Global Notes, notices to holders will be published in a leading daily newspaper having general circulation in London (which is expected to be The Financial Times) or, in the case of a Luxembourg Issuer, in Luxembourg (which is expected to be the Luxemburger Wort) or, if in the opinion of the Note Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe.

(c) **Global Notes**: If the Notes are represented by Global Notes, notices to holders may be given by delivery of the relevant notice to the relevant clearing system for communication by them to entitled accountholders in substitution for publication in any newspaper under paragraph (b) above.

(d) **Listed Notes**: If the Notes are listed, notices to holders will also be given to and published in any other manner required by the guidelines of the relevant stock exchange.

15.3 Effectiveness of notices

Notices shall be deemed to be effective on the later of the first date on which all required publications have been made in accordance with Condition 15.2(d) above (if applicable) or:

(a) in the case of Registered Notes which are not represented by a Global Note, on the fourth Business Day after the date of posting to the relevant holders under Condition 15.2(a) above;

(b) in the case of Bearer Notes which are not represented by Global Notes, on the date of publication of the relevant notice or, if required to be published more than once or on different dates, on the first date on which all required publications have been made, in each case in accordance with Condition 15.2(b) above; and

(c) in the case of Global Notes, on the date of delivery of the relevant notice to the relevant clearing system in accordance with Condition 15.2(c) above.

15.4 **Holders of Receipts, Coupons and Talons**

Holders of Receipts (if any), Coupons (if any) and Talons (if any) will be deemed for all purposes to have notice of the contents of any notice given to the holders of Notes in accordance with this Condition 15.

16. GOVERNING LAW AND JURISDICTION

16.1 **Governing law**

The Notes, Receipts (if any), Coupons (if any) and Talons (if any) (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to the Notes, Receipts (if any), Coupons (if any) and Talons (if any)) are governed by and shall be construed in accordance with English law.

16.2 **Jurisdiction**

(a) The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Issue Deed, the Notes, Receipts (if any), Coupons (if any) and Talons (if any) and accordingly any suit, action or proceedings (together referred to as **"Proceedings"**) arising out of or in connection with the Issue Deed, the Notes, Receipts (if any), Coupons (if any) and Talons (if any) may be brought in such courts.

(b) The Issuer submits to the jurisdiction of the courts of England and irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of the holders of the Notes and shall not affect the right of the holders of the Notes to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any court of competent jurisdiction preclude the holders of the Notes from taking Proceedings in any other court of competent jurisdiction (whether concurrently or not).

16.3 **Process agent**

The Issuer has irrevocably appointed the Issuer Process Agent as its agent in England to receive service of process in any Proceedings in England.

DEFINITIONS

This section of this Base Prospectus sets out certain definitions contained in the Definitions and Common Provisions dated 21 October 2014 and incorporated by reference in the Conditions.

"Acquisition and Disposal Agent" means, in relation to each Series, the entity appointed as such under the Issue Deed.

"Additional Conditions" means, in respect of any Series or otherwise, the terms specified as such in, and attached to, the Issue Deed.

"Agency Agreement" means, in respect of a Series, the agency agreement comprising the Agency Terms and the Issue Deed.

"Agency Terms" means the agency terms specified in the Issue Deed.

"Agent" means, in respect of a Series:

(a) each entity appointed as Calculation Agent, Interest Calculation Agent, Paying Agent, Acquisition and Disposal Agent, Principal Paying Agent, Registrar or Transfer Agent under the Issue Deed in its respective capacity as such in accordance with the Agency Agreement; and/or

(b) any other agent appointed under the Issue Deed or otherwise in accordance with the Agency Terms,

(together, the **"Agents"**).

"Arranger" means

(a) Nomura International plc as Permanent Arranger of the Programme; and

(b) in respect of a Series, each additional entity appointed as an "Arranger" pursuant to and in accordance with a Deed of Accession (as defined in the Programme Agreement)

(each, an **"Arranger"**).

"Asset Delivery Date" means, in connection with the delivery of Collateral Assets, the earliest date, following receipt of a Delivery Instruction Certificate from a holder of any Obligation, that the Issuer can practicably deliver the Assets to such holder through any applicable clearing system or otherwise as specified in the relevant Delivery Instruction Certificate.

"Base Prospectus" means, at any time, the base prospectus relating to the "Novus" Structured Issuance Programme as updated and supplemented as of such time.

"Bearer Note" means a Note in bearer form. The form of the Notes of any Series will be specified opposite "Form of Obligations" in the Additional Conditions.

"Business Day" means, in relation to each Series, a day on which commercial banks and foreign exchange markets are generally open to settle payments in each financial centre specified under "Business Day" in the Additional Conditions. If "TARGET2" is specified it means a day on which the TARGET2 System is open.

"Business Day Convention" means, in relation to each Obligation, the convention specified as such in the related Additional Conditions. If a date is specified as being subject to adjustment in accordance with a Business Day Convention, it means that, if that date would otherwise fall on a day that is not a Business Day, it will be adjusted so that:

(a) if "Following" is specified opposite "Business Day Convention" in the related Additional Conditions, that date will be the first following day that is a Business Day;

(b) if "Modified Following" is specified opposite "Business Day Convention" in the Additional Conditions, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(c) if "Preceding" is specified opposite "Business Day Convention" in the Additional Conditions, that date will be the first preceding day that is a Business Day.

In the event that the last day of any period calculated by reference to calendar days in any document relating to any Series falls on a day that is not a Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

"Calculation Agent" means the entity or entities appointed as such under the Issue Deed, or subsequently in accordance with the Agency Terms, and any successors.

"Call Option Exercise Notice" has the meaning given to it in Condition 5.4 (Redemption at the option of the Issuer).

"Charged Agreement" means, in connection with any Series, any Derivative Agreement, Repurchase Agreement(s), Deposit Agreement(s) and/or Securities Lending Agreement(s) or any other agreement specified as such in the Issue Deed, entered into by the Issuer with Nomura International plc or any other person as may be specified in the applicable Issue Deed as the relevant Counterparty.

"Charged Assets" means, in respect of a Series, the Collateral Assets and all other assets and/or rights of the Issuer which are the subject of the Security in respect of that Series.

"Class" means all of the Obligations of any Series defined as a "Class" in the Additional Conditions.

"Clearing System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

"Collateral Assets" means, in relation to any Series, the assets specified as such in the Additional Conditions and (in the case of a Luxembourg Issuer incorporated under the Luxembourg Securitisation Law) allocated to a specific Compartment as the case may be, as may be replaced from time to time in accordance with the Conditions.

"Compartment" means a compartment of the Luxembourg Issuer within the meaning of the Luxembourg Securitisation Law set up in accordance with its articles of incorporation, by the resolution of the board of directors of the Luxembourg Issuer.

"Controlling Secured Creditor" means, in relation to the Series:

(a) the Counterparty (if more than one, in such order of priority as may be specified in the Issue Deed); or

(b) if either:

(i) the Issuer has no obligations, whether actual or contingent, to any Counterparty in relation to the Series; or

(ii) an event of default or potential event of default (howsoever defined) has occurred and is continuing with respect to any Counterparty under any Charged Agreement,

the holders of the Series (if such Series is comprised of more than one Class, in order of priority as between each Class as specified in the Issue Deed),

provided that no party shall be the Controlling Secured Creditor in respect of the rights of the Issuer as against such party.

Where paragraph (b) of this definition of "Controlling Secured Creditor" applies, the Security Trustee shall, in the absence of written instruction to the contrary by the holders of the Series, treat the Note Trustee as the Controlling Secured Creditor.

"Counterparty" means the counterparty to any Charged Agreement entered into by the Issuer in relation to a Series, as specified in the related Issue Deed.

"Coupon" means each bearer interest coupon (if any) in definitive form relating to any interest bearing Notes in definitive form, in the form agreed between the Issuer, the Note Trustee, the Principal Paying Agent and the relevant Dealer(s).

"Custodian" means, in respect of a Series, the entity or entities appointed as such under the Issue Deed, and any successors in relation to such Series.

"Day Count Fraction" means, in respect of a Series, the day count fraction specified under "Day Count Fraction" in the related Additional Conditions and for this purpose in respect of any Interest Period:

(a) if **"Actual/Actual"** is specified in the Additional Conditions, means the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(b) if **"Actual/365 (Fixed)"** is specified in the Additional Conditions, means the actual number of days in the Interest Period divided by 365;

(c) if **"Actual/360"** is specified in the Additional Conditions, means the actual number of days in the Interest Period divided by 360;

(d) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified in the Additional Conditions, means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(e) if **"30E/360"** or **"Eurobond Basis"** is specified in the Additional Conditions, means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30;

(f) if **"30E/360 (ISDA)"** is specified in the Additional Conditions, means the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; or

(g) if **"Actual/Actual-ICMA"** is specified in the Additional Conditions, means:

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

(ii) if the Interest Period is longer than one Determination Period, the sum of:

(A) the number of days in such Interest 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

(B) the number of days in such Interest 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,

where:

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

"Determination Date" means any day on which an Interest Amount is scheduled to be paid or as may otherwise be specified in the Additional Conditions.

"Dealers" means:

(a) the Permanent Dealer; and

(b) in respect of a Series, each additional entity appointed as a "Dealer" pursuant to and in accordance with a Deed of Accession (as defined in the Programme Agreement),

(each, a **"Dealer"**).

"Definitive Bearer Note" means a Bearer Note in definitive form.

"Definitive Note" means a Definitive Bearer Note and/or a Definitive Registered Note, as the context may require.

"Definitive Registered Note" means a Registered Note in definitive form.

"Delivery Instruction Certificate" means, in respect of any delivery of Collateral Assets, a delivery instruction certificate substantially in the form set out in Schedule 3 (Form of Delivery Instruction Certificate) to the Trust Terms, validly completed and executed.

"Deposit Agreement" means the deposit agreement (if any) entered into by the Issuer in relation to a Series on the basis of the Deposit Terms and a Confirmation (as defined therein) scheduled to the Issue Deed.

"Deposit Terms" means the deposit terms specified in the Issue Deed.

"Derivative Agreement" means the derivative agreement (if any) entered into by the Issuer in relation to a Series on the basis of the Derivatives Master Terms (as amended by the Issue Deed) and a Confirmation (as defined therein).

"Derivatives Master Terms" means the Derivatives Master Terms specified in the Issue Deed.

"Duplicate Register" means an up-to-date copy of the Register which shall be maintained by a Luxembourg Issuer at its registered office. In case of discrepancy between the Register and the Duplicate Register, the Duplicate Register shall prevail for Luxembourg law purposes.

"Extraordinary Resolution" has the meaning given to it in the Trust Terms.

"Fixed Rate Obligations" means any Series in respect of which "Fixed" is specified under "Interest Basis" in the Additional Conditions.

"Floating Rate Obligations" means any Series in respect of which "Floating" is specified under "Interest Basis" in the Additional Conditions.

"Global Note" means a Temporary Global Note, a Permanent Global Note and/or a Registered Global Note, as the context may require.

"holder" means:

(a) in relation to any Series of Notes, subject to paragraph (b) the person who is for the time being the holder of any Bearer Note, Coupon or Talon in respect of such Series and, in relation to any Registered Note, the person in whose name such Registered Note is registered in the Register;

(b) for so long as any of the Notes are represented by a Global Note held on behalf of any relevant clearing system and for all purposes other than payment, each person shown in the records of such clearing system as the holder of such Notes (in which regard any certificate or document issued by the relevant clearing system as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding save in the case of manifest error); and

(c) in relation to any Series of *Schuldscheine*, the person named as such on the *Schuldschein(e)* or in any declaration of assignment in respect of such Series received by the Issuer.

"Holder Tax" means, in respect of a Series, any tax which arises:

(a) owing to the connection of any holder, or any third party having a beneficial interest in such Series, with the place of incorporation or tax jurisdiction of the Issuer otherwise than by reason only of the holding of such Series or receiving principal, premium or interest in respect thereof;

(b) by reason of the failure by the relevant holder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax;

(c) where a withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive adopted by the EU Council of Economic and Finance Ministers on 3 June 2003 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(d) in respect of any Note, Receipt, Coupon or *Schuldschein* presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt, Coupon or *Schuldschein* to another Paying Agent in a Member State of the European Union.

"Indexed Obligations" means any Series in relation to which "Indexed" is specified under "Interest Basis" in the Additional Conditions.

"Instalment Amount" means each amount specified as such in the Additional Conditions.

"Instalment Date" means each date specified as such in the Additional Conditions.

"Instalment Obligations" means a Series of Obligations specified as such in the Additional Conditions.

"Interest Calculation Agent" means the entity or entities appointed as such under the Issue Deed or subsequently in accordance with the Agency Terms, and any successors.

"Interest Commencement Date" means the date specified as such in the Additional Conditions.

"Interest Payment Date" means:

(a) each date specified as such in the Additional Conditions in each year in the period commencing on (and including) the date specified as the first Interest Payment Date in the Additional Conditions and ending on (and including) the earlier of the Maturity Date and the date on which the relevant Series is redeemed or repaid in full, subject to adjustment in accordance with the applicable Business Day Convention; or

(b) if not a date specified in (a), the Maturity Date of such Series or, if earlier, the date on which the relevant Series is redeemed or repaid in full.

"Interest Period" means each of:

(a) the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date; and

(b) each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

"Interest Rate" means, in respect of a Series, the rate per annum determined in accordance with or specified as such in the Additional Conditions.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"ISDA Definitions" means the 2006 ISDA Definitions, as published by ISDA.

"ISDA Rate" means, in relation to any Interest Period, a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(a) the Calculation Period in respect of which the Floating Rate is being calculated is that Interest Period;

(b) the Floating Rate Option is as specified under "Floating Rate Option" in the Additional Conditions;

(c) the Designated Maturity is the scheduled duration of the Interest Period, unless otherwise specified in the Additional Conditions;

(d) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the Additional Conditions;

(e) if "Linear Interpolation" is specified in the Additional Conditions to be applicable in respect of that Interest Period, "Linear Interpolation" is specified to be applicable in respect of such Calculation Period; and

(f) the relevant "Reference Banks" are the Reference Banks determined in accordance with the ISDA Definitions for the relevant Floating Rate Option.

"Issue Date" means, in relation to a Series, the date specified as such in the Additional Conditions.

"Issue Deed" means, in relation to each Series, the document described as such relating to such Series substantially in the form attached as Schedule 1 (Form of Issue Deed) to the Trust Terms, and entered into between, amongst others, the Issuer, the Note Trustee and the Security Trustee.

"Issuer" means, in respect of any Series, the issuer of such Series, as specified in the Issue Deed.

"Issuer Call Option Redemption Amount" means the Specified Denomination of the Note unless otherwise specified in the Additional Conditions.

"Issuer Insolvency" means the Issuer:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms approved by the Security Trustee);

(b) makes a general assignment, arrangement or composition with or for the benefit of the holders of any obligations;

(c) either:

(i) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office (not being a receiver or manager appointed by the Security Trustee pursuant to the Issue Deed), a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examination or liquidation by it or such regulator, supervisor or similar official; or

(ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up, examination or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in paragraph (i) above (not being a receiver or manager appointed by the Security Trustee pursuant to the Issue Deed and not being any Counterparty); and either

(A) results in a judgment of insolvency, examination or bankruptcy or the entry of an order for relief or the making of an order for its winding-up, examination or liquidation; or

(B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

(d) has a resolution passed for its winding-up, examination, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger on terms approved by the Security Trustee);

(e) becomes subject to the appointment of an administrator, examiner, provisional liquidator, conservator, receiver, trustee, custodian or other similar official (not being a receiver or manager appointed by the Security Trustee pursuant to the Issue Deed) for it or for all or substantially all (in the opinion of the Note Trustee) its assets; or

(f) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (e) (inclusive) above.

"Issuer Process Agent" means, in relation to each Series, the agent specified as such in the related Issue Deed.

"Luxembourg" means the Grand Duchy of Luxembourg.

"Luxembourg Issuer" means an Issuer incorporated in Luxembourg acting through its relevant Compartment.

"Luxembourg Securitisation Law" means the Luxembourg law on securitisation of 22 March 2004, as amended.

"Margin" means the rate (as expressed as a percentage), if any, specified as such in the Additional Conditions.

"Maturity Date" means, in respect of a Series, the date specified as such in the Additional Conditions.

"Maximum Redemption Amount" has the meaning given in the Additional Conditions.

"Minimum Redemption Amount" has the meaning given in the Additional Conditions.

"Note Trustee" means the entity or entities specified as such in the Issue Deed or as may be replaced from time to time in accordance with the Trust Terms and the Issue Deed, and any successor(s) thereto.

"Optional Redemption Date" means the date specified as such in the Additional Conditions.

"Paying Agent" means, in respect of a Series:

(a) each entity appointed as Principal Paying Agent under the Issue Deed in accordance with the Agency Terms; and/or

(b) any other paying agent appointed under the Issue Deed or otherwise in accordance with the Agency Terms,

(together, the **"Paying Agents"**).

"Permanent Arranger" means Nomura International plc.

"Permanent Arranger Insolvency" means an event which would constitute "Bankruptcy" for the purposes of Section 4.2 of the 2003 ISDA Credit Derivatives Definitions, as published by ISDA, were the Permanent Arranger the "Reference Entity" for such purposes.

"Permanent Dealer" means Nomura International plc.

"Permanent Global Note" means a permanent global note in bearer form representing a Series of Bearer Notes, in the form agreed between the Issuer, the Note Trustee, the Principal Paying Agent and the relevant Dealer(s).

"Premium Amount" has the meaning given in the Additional Conditions.

"Principal Paying Agent" means the entity appointed as such in respect of the Series under the Issue Deed or subsequently in accordance with the Agency Terms, and any successors.

"Priority of Payments" means the priority of application of proceeds of enforcement of the Security for the Series, as specified in the Additional Conditions.

"Programme" means the "Novus" Structured Issuance Programme for the issue of limited recourse obligations pursuant to which any Series of Obligations is issued.

"Programme Agreement" means the programme agreement dated 26 June 2009 and amended and restated on 21 October 2014, and entered into between, amongst others, the Programme Dealer, Novus Capital p.l.c., Novus Capital Luxembourg S.A, Honu Finance Limited, Lani Finance Limited and Waipio Finance Limited.

"Programme Date" means 21 October 2014.

"Receipt" means instalment receipts appertaining to the payment of principal by instalments in respect of Instalment Obligations.

"Record Date" means:

(a) in the case of Registered Notes represented by a Global Note, close of business on the Clearing System Business Day prior to the relevant payment date; and

(b) in the case of Registered Notes in definitive form, close of business on the fifteenth day prior to the relevant payment date.

"Register" means, in relation to Registered Notes, the register of holders of Registered Notes maintained by the Registrar. In case of discrepancy between the Register and the Duplicate Register, the Duplicate Register shall prevail for Luxembourg law purposes.

"Registered Global Note" means a Registered Note which is in global form.

"Registered Note" means a Note in registered form. The form of the Notes of any Series will be specified opposite "Form of Obligations" in the Additional Conditions.

"Registrar" means the entity appointed as such in respect of the Series under the Issue Deed or subsequently in accordance with the Agency Terms, and any successor(s) thereto.

"Repo Master Terms" means the Repo Master Terms specified in the Issue Deed.

"Repurchase Agreement" means, the repurchase agreement (if any) entered into by the Issuer in relation to a Series on the basis of the Repo Master Terms (as amended by the Issue Deed) and a Confirmation (as defined therein) scheduled to the Issue Deed.

"Securities Lending Agreement" means the securities lending agreement (if any) entered into by the Issuer in relation to a Series on the basis of the Securities Lending Terms and a Confirmation (as defined therein) scheduled to the Issue Deed.

"Securities Lending Terms" means the securities lending terms specified in the Issue Deed.

"Security" means the Security Interests created in favour of the Security Trustee under or pursuant to the Security Documents.

"Security Documents" means each of:

(a) the Trust Deed; and

(b) any other document designated as such by agreement of the Issuer and the Security Trustee.

"Security Interest" means any mortgage, sub-mortgage, standard security, charge, sub-charge, assignment, assignation in security, pledge, lien, right of set-off or other encumbrance or security interest.

"Security Trustee" means the entity specified as such in the Issue Deed, as may be replaced from time to time in accordance with the Trust Terms and the Issue Deed, and any successor(s) thereto.

"Series" means a particular series of Obligations issued or incurred by the Issuer designated with the same "Series Number" in the Additional Conditions.

"Specified Office" of any Agent, means the office specified opposite its name in Schedule 2 (Specified Office and Notice Details) to the Definitions and Common Provisions or the office specified as such in the relevant appointment deed, as applicable, or such other office in the same city or town as such Agent may specify by notice to the Note Trustee.

"Structured Rate Obligations" means any Series in relation to which "Structured" is specified under "Interest Basis" in the Additional Conditions.

"Talon" means each talon (if any) relating to any interest bearing Notes in definitive form, in the form agreed between the Issuer, the Note Trustee, the Principal Paying Agent and the relevant Dealer(s).

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

"Temporary Global Note" means a temporary global note in bearer form representing a Series of Bearer Notes, in the form agreed between the Issuer, the Note Trustee, the Principal Paying Agent and the relevant Dealer(s).

"Trade Date" means, in relation to a Series, the date specified as such in the Additional Conditions.

"Tranche" means all Obligations of a Series (if the Obligations of such Series are not issued in Classes) or a Class (otherwise) issued or to be issued on the same date.

"Transfer Agent" means, in relation to each Series, the entity or entities appointed as such in respect of such Series under the Issue Deed or subsequently in accordance with the Agency Terms, and any successor(s) thereto.

"Trust Terms" means the trust terms specified in the Issue Deed.

"Zero Coupon Note" means a Note in respect of which there are no interest payments, specified as "Zero Coupon" under the heading "Interest Basis" in the Additional Conditions.

"Zero Coupon Yield" means such rate as would produce an amortised face amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date at such rate, or as otherwise specified in the Additional Conditions.

SECTION 3: ISSUER DISCLOSURE

1. NOVUS CAPITAL P.L.C.

1.1 General

Novus Capital p.l.c. was incorporated as a special purpose vehicle in Ireland (with registered number 470980) on 18 May 2009 as a public company limited by shares under the Companies Acts 1963 to 2009 (now the Companies Act 1963 to 2013) of Ireland. The authorised share capital of Novus Capital plc is EUR 38,100 divided into 38,100 ordinary shares of EUR 1 each, all of which have been issued at par, are fully paid and are held, directly or through its nominees, by Elian Nominee Holdings (Ireland) Limited (formerly Ogier Nominee Holdings (Ireland) Limited) (the **"Share Trustee"**) under the terms of a trust established under Irish law by a declaration of trust dated 19 May 2009 and made by the Share Trustee for the benefit of such charities as the Share Trustee may determine from time to time. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as trustee from holding such shares. The registered office of Novus Capital p.l.c. is 2nd Floor, 11/12 Warrington Place, Dublin 2 Ireland (Telephone number +353 1 775 2600). Novus Capital p.l.c. has no subsidiaries or subsidiary undertakings.

1.1 Directors and Secretary

The Directors of Novus Capital p.l.c. are:

Name	Business Address	Principal Activities
Roddy Stafford	11/12 Warrington Place, Dublin 2, Ireland	Company Director
Brian Buckley	11/12 Warrington Place, Dublin 2, Ireland	Company Director

The Directors have been nominated under the terms of the Corporate Administration Agreement (as defined below). Brian Buckley is an officer of the Corporate Administrator (as defined below).

The company secretary of Novus Capital p.l.c. is Elian Corporate Services (Ireland) Limited (formerly Ogier Corporate Services (Ireland) Limited), whose principal address is 2nd Floor, 11-12 Warrington Place, Dublin 2, Ireland.

1.2 Business

The principal objects of Novus Capital p.l.c. are, inter alia, to carry on the business of securitisation, including purchasing, acquiring, holding, discounting, financing, negotiating, managing, selling, disposing of and otherwise trading or dealing directly or indirectly in real or personal property of whatsoever nature (including, without limitation, securities, instruments or obligations of any nature whatsoever, howsoever described and financial assets of whatsoever nature however described and trade accounts, receivables and book debts of whatsoever nature howsoever described and currencies) and any proceeds arising there from or in relation thereto and any participation or interest (legal or equitable) therein and any certificates of participation or interest (whether legal or equitable) therein and any agreements in connection therewith.

Under the Trust Terms, Novus Capital p.l.c. will not undertake any business other than the issue of Obligations and entry into related transactions and will not (except as contemplated by the Trust Terms) declare any dividends in respect of its ordinary shares

without the consent of the Note Trustee. There is no intention to accumulate surpluses in Novus Capital p.l.c.. The Notes are obligations of Novus Capital p.l.c. alone and not of the Corporate Administrator (as defined below), the Trustees, the Counterparty, any Secured Creditor or the Custodian.

The only activities in which Novus Capital p.l.c. has engaged are those incidental to its incorporation and registration as a public limited company under the Companies Acts, 1963 to 2013 of Ireland, the authorisation of the issue of Obligations, the matters referred to or contemplated in this Base Prospectus and in any prospectus or other offering document relating to any Series issued by Novus Capital p.l.c. under the Programme prior to the date of this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing. Novus Capital p.l.c. has obtained all necessary consents, approvals and authorisations in Ireland in connection with the establishment of the Programme and the issue and performance of Notes under the Programme issued by it. The establishment of the Programme and the issue of Notes under the Programme was authorised by a resolution of the Board of Directors of Novus Capital p.l.c. passed on 25 June 2009. The update of the Programme and the issue of this Base Prospectus was approved by a resolution of the Board of Directors of Novus Capital p.l.c. passed on 17 October 2014.

The financial statements of Novus Capital p.l.c. for the periods ending 31 December 2012 and 31 December 2011 were filed with the Irish Stock Exchange and are hereby incorporated by reference. Such financial statements are available on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_0cf3dcd8-b84a-4e7d-962f-82efd24e0f7f.PDF and http://ise.ie/debt_documents/Accounts-311212-Novus_038c3907-6c55-49a5-a70f-15513ed49686.PDF.

Novus Capital p.l.c. is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Novus Capital p.l.c. is aware), which may have, or have had during the 12 months preceding the date of this Base Prospectus significant effects on Novus Capital p.l.c.'s financial position or profitability.

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2012.

1.3 **Corporate Administration**

Elian Fiduciary Services (Ireland) Limited (formerly known as Ogier Fiduciary Services (Ireland) Limited) (the **"Corporate Administrator"**) has entered into a corporate administration agreement dated 26 June 2009 with Novus Capital p.l.c. (the **"Corporate Administration Agreement"**). Its duties include the provision of certain administrative, secretarial and related services in Ireland. It has also nominated persons to act as directors of Novus Capital p.l.c.. The appointment of the Corporate Administrator may be terminated in the following circumstances:

(a) forthwith by Novus Capital p.l.c. or the Corporate Administrator on giving notice to the other party if the other party commits a material breach of any of the terms and/or conditions of the Corporate Administration Agreement and (if such breach shall be capable of remedy) fails to remedy the same within 30 days of being so required so to do; or

(b) forthwith by Novus Capital p.l.c. or the Corporate Administrator on giving notice to the other party if either party becomes insolvent or goes into liquidation (other than a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or a receiver or

examiner is appointed in respect of either party or if some event having equivalent effect occurs; or

(c) by Novus Capital p.l.c. or the Corporate Administrator by giving not less than 90 days' notice in writing to the other party (provided that any termination of appointment following the giving of notice by the Corporate Administrator shall not take effect until a replacement Corporate Administrator has been appointed upon the same, or substantially the same, terms).

Upon the delivery of notice of termination of the appointment of the Corporate Administrator, the Corporate Administrator shall use its best endeavours to ensure the effective transfer of its duties under the Corporate Administration Agreement and the transmission of all corporate documents and information in its possession in connection with Novus Capital p.l.c. to a newly appointed corporate services provider, and shall procure the prompt resignation of any directors of Novus Capital p.l.c. nominated by it and any secretary of the company nominated by it. Any termination of the appointment of the Corporate Administrator shall not take effect until a successor corporate services provider has been appointed upon terms substantially similar to the terms contained in the Corporate Administration Agreement.

1.4 **Assets**

Novus Capital p.l.c. has, and will have, no assets other than its rights over the Charged Assets in respect of each Series and its rights under any Charged Agreement and any other cash and securities held by it pursuant to transactions in accordance with such agreements or permitted by the Note Trustee, any assets on which any further Notes issued as part of the Series are secured and the sum of EUR 38,100 representing Novus Capital p.l.c.'s issued and paid-up share capital.

The only assets of Novus Capital p.l.c. available to meet the claims of the holders of the Notes will be the assets which comprise the Security for the Notes.

1.5 **Operating Expenses**

The Permanent Arranger will fund Novus Capital p.l.c.'s general operating expenses (including expenses relating to its corporate existence and good standing) pursuant to the Programme Agreement (as defined in Section 11: Subscription and Sale). Novus Capital p.l.c. has agreed to exercise any right of termination of the Corporate Administration Agreement, prior to the occurrence of a Permanent Arranger Insolvency (as defined in the Conditions) at the direction of the Permanent Arranger.

1.6 **Auditors**

The auditors of Novus Capital p.l.c. are Deloitte & Touche of Earlsfort Terrace, Dublin 2, Ireland who are chartered accountants, members of Chartered Accountants Ireland and are qualified to practise as auditors in Ireland.

2. **NOVUS CAPITAL LUXEMBOURG S.A. DISCLOSURE**

2.1 **General**

Novus Capital Luxembourg S.A. was incorporated in the Grand Duchy of Luxembourg as a public limited liability company (*société anonyme*) with unlimited duration on 26 January 2010 under the name Novus Capital Luxembourg S.A. (with registered number R.C.S. B 151 433). Novus Capital Luxembourg S.A. was incorporated as a special purpose vehicle and established as a securitisation undertaking (*société de titrisation*) within the meaning of the Luxembourg Securitisation Law in order to offer securities in accordance with the

provisions of such law and is authorised and supervised by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**").

The telephone number of Novus Capital Luxembourg S.A. is +352 2602 491 and the fax number of Novus Capital Luxembourg S.A. is +352 2645 9628.

The share capital of Novus Capital Luxembourg S.A. is EUR 31,000 divided into 3,100 shares in registered form of EUR 10, each (the "**Issuer Shares**"), all of which are fully paid. Each Issuer Share is entitled to one vote. All the shares in Novus Capital Luxembourg S.A. are held by Elian Nominee Holdings (Ireland) Limited (formerly Ogier Nominees Holdings (Ireland) Limited), a private company limited by shares duly incorporated and validly existing under the laws of the Republic of Ireland, having its registered office at 2nd Floor, 11-12 Warrington Place, Dublin 2, Ireland, and registered with the companies registration office under number 420220, (the **"Luxembourg Share Trustee"**) under the terms of a trust established under Irish law by a declaration of trust dated 24 July 2009 and made by the Luxembourg Share Trustee for the benefit of such charity as the Luxembourg Share Trustee may determine from time to time. The Luxembourg Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as trustee from holding such shares. Novus Capital Luxembourg S.A. is managed by the Board. The directors comprising the Board are appointed by the sole shareholder of Novus Capital Luxembourg S.A.. Novus Capital Luxembourg S.A. has no subsidiaries.

2.2 Corporate Purpose

Pursuant to Article 4 of its Articles, Novus Capital Luxembourg S.A. has as its business purpose to enter into, perform and serve as a vehicle for, any transactions permitted under the Luxembourg Securitisation Law. Novus Capital Luxembourg S.A. may issue securities of any nature and in any currency and, to the fullest extent permitted by the Luxembourg Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations. Novus Capital Luxembourg S.A. may enter into any agreement and perform any action necessary or useful for the purpose of carrying out transactions permitted under the Luxembourg Securitisation Law, including, without limitation, disposing of its assets in accordance with the relevant agreements. Novus Capital Luxembourg S.A. may only carry out the above activities if and to the extent that they are compatible with the Luxembourg Securitisation Law. Novus Capital Luxembourg S.A. has obtained all necessary consents, approvals and authorisations in connection with the Programme and the issue and performance of its obligations under the Notes issued by it under the Programme.

Novus Capital Luxembourg S.A. has not been, since the date of its incorporation, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Novus Capital Luxembourg S.A. is aware), which may have had in the recent past significant effects on Novus Capital Luxembourg S.A.'s financial position or profitability.

2.3 Compartments

The Board of Novus Capital Luxembourg S.A. may, in accordance with the terms of the Luxembourg Securitisation Law, create one or more Compartments. In respect of any Series, **"Compartment"** means the compartment under which such Series is issued. Each Compartment will, 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 in respect of the corresponding funding. More particularly, each Compartment will comprise a pool of Charged Assets of the Issuer separate from the pools of Charged Assets relating to other Compartments. Each Series may (if so stated in the Additional Conditions) be secured by Security Interests over such Charged Assets. The resolution of the Board

creating one or more Compartments, as well as any subsequent amendments thereto, will be binding as of the date of such resolution against any third party.

Each series of Notes will be issued through a separate Compartment and each such Compartment will be treated as a separate entity as between the holders. Rights of holders and any other creditor of Novus Capital Luxembourg S.A. that (i) have been designated as relating to a Compartment on the creation of a Compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a Compartment, are strictly limited to the assets of that Compartment which shall be exclusively available to satisfy such holders or creditors, unless otherwise provided for in the resolution of the Board which created the relevant Compartment. Holders and other creditors of Novus Capital Luxembourg S.A. whose rights are not related to a specific Compartment of Novus Capital Luxembourg S.A. shall have no rights to the assets of any such Compartment.

Unless otherwise provided for in the resolution of the Board creating such Compartment, no resolution of the Board may amend the resolution creating such Compartment or directly affect the rights of the holders or creditors whose rights relate to such Compartment without the prior approval of all of the holders and other creditors whose rights relate to such Compartment. Any decision of the Board taken in breach of this provision shall be void.

Without prejudice to the preceding paragraph, each Compartment may be separately liquidated without such liquidation resulting in the liquidation of another Compartment of Novus Capital Luxembourg S.A. or of Novus Capital Luxembourg S.A. itself.

The liabilities and obligations of Novus Capital Luxembourg S.A. incurred or arising in connection with a Compartment and all matters connected therewith will only be satisfied or discharged from the Charged Assets. The Charged Assets will be exclusively available to satisfy the rights of the holders and the other creditors of Novus Capital Luxembourg S.A. in respect of the Notes and all matters connected therewith, as provided therein, and (subject to mandatory law) no other creditors of Novus Capital Luxembourg S.A. will have any recourse against the Charged Assets of Novus Capital Luxembourg S.A..

Fees, costs, expenses and other liabilities incurred on behalf of Novus Capital Luxembourg S.A. as a whole shall be general liabilities of Novus Capital Luxembourg S.A. and shall not be payable out of the assets of any Compartment. If the aforementioned fees, costs, expenses and other liabilities cannot be otherwise funded, they shall be apportioned pro rata among the Compartments of Novus Capital Luxembourg S.A. upon a decision of the Board.

2.4 Novus Capital Luxembourg S.A. authorised by the CSSF

Novus Capital Luxembourg S.A. is a securitisation company authorised and supervised by the CSSF, pursuant to the Luxembourg Securitisation Law. Novus Capital Luxembourg S.A. is deemed to qualify as a securitisation undertaking, which will issue securities to the public on a continuous basis. According to the CSSF's administrative practice, more than three issues per year is to be regarded as being "on a continuous basis".

The CSSF has approved Novus Capital Luxembourg S.A. as a *société de titrisation* under the Luxembourg Securitisation Law and Novus Capital Luxembourg S.A. was authorised by the CSSF on 17 March 2010.

The CSSF has been informed of the members of the Board of Novus Capital Luxembourg S.A. and its sole shareholder. Novus Capital Luxembourg S.A. has provided, or as the case may be, will provide the CSSF with a copy of the Base Prospectus and executed copies of the following documents which relate to some or all Series: the Programme Agreement, Definitions and Common Provisions, Trust Terms, Custody Terms, Luxembourg Custody Terms, Agency Terms, Deposit Terms, Collateral Assets Sales Terms, Securities Lending

Terms, Derivatives Master Terms, Repo Master Terms and Conditions of the Notes and copies of the final form of each deed of accession to the Programme Agreement, a copy of the financial information prepared by the Issuer and a copy of the opening financial statements certified by Novus Capital Luxembourg S.A.'s auditor.

The Luxembourg Securitisation Law empowers the CSSF to continuously supervise Novus Capital Luxembourg S.A. and to comprehensively examine anything which may affect the interests of holders. For example, the CSSF can request regular interim reports on the status of Novus Capital Luxembourg S.A.'s assets and proceeds therefrom as well as any other documents relating to the operation of Novus Capital Luxembourg S.A., and can, under certain conditions, withdraw the authorisation of Novus Capital Luxembourg S.A..

Novus Capital Luxembourg S.A. is obliged to provide information to the CSSF on a semi-annual basis with respect to new Note issues, outstanding Note issues and Note issues that have been redeemed during the period under review. In connection therewith the nominal value of each Note issue, the type of securitisation and the investor profile must be reported.

2.5 Capitalisation

The following table sets out the capitalisation of Novus Capital Luxembourg S.A. as at the date of its accession to this Base Prospectus.

Shareholders' Funds:

Share capital (Shares of Novus Capital Luxembourg S.A.)	EUR 31,000
Total Capitalisation	EUR 31,000

2.6 Indebtedness

As at the date of this Base Prospectus, Novus Capital Luxembourg S.A. has no material indebtedness, contingent liabilities and/or guarantees other than that which Novus Capital Luxembourg S.A. has incurred or shall incur in relation to the transactions contemplated in this Base Prospectus.

2.7 Administration, management and supervisory bodies

The directors of Novus Capital Luxembourg S.A. are as follows:

Director	Business address	Principal outside activities
Bernard H. Hoftijzer	52-54, Avenue du X Septembre, L-2250 Luxembourg	Managing Director of Wilmington Trust SP Services (Amsterdam) BV
Zamyra H. Cammans	52-54, Avenue du X Septembre, L-2250 Luxembourg	Deputy Director of Wilmington Trust SP Services (Luxembourg) S.A.
Petronella J. S. Dunselman	52-54, Avenue du X Septembre, L-2250 Luxembourg	Managing Director of Wilmington Trust SP Services (Luxembourg) S.A.

Each of the directors confirms that there is no conflict of interest between his duties as a director of Novus Capital Luxembourg S.A. and his principal and/or other outside activities.

Wilmington Trust SP Services (Luxembourg) S.A., a limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg,

having its registered office at 52-54 Avenue du X Septembre, L-2550 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg trade and companies register under number B 58628, acts as corporate services provider to the Issuer (the "**Corporate Services Provider**"). Pursuant to the terms of the corporate services agreement dated 3rd February 2010 and entered into between the Corporate Services Provider and Novus Capital Luxembourg S.A., the Corporate Services Provider will provide a registered office and three directors as well as certain corporate administration services to Novus Capital Luxembourg S.A.. In consideration of the foregoing, the Corporate Services Provider will receive an annual fee as agreed with the Issuer. The appointment of the Corporate Services Provider may be terminated, in principle, by either Novus Capital Luxembourg S.A. or the Corporate Services Provider upon not less than three months prior written notice.

No corporate governance regime to which Novus Capital Luxembourg S.A. would be subject exists in Luxembourg as at the date of this Base Prospectus.

2.8 Financial Statements

The financial year of Novus Capital Luxembourg S.A. begins on 1 April and terminates on 31 March of each year, save that the first financial year began on the date of incorporation and terminated on 31 March 2011. The latest available audited financial statements of Novus Capital Luxembourg S.A. are for the financial year ended 31 March 2014 which have been approved and signed on 31 July 2014. The financial statements for the financial year ended 31 March 2013 and 31 March 2014 are incorporated by reference into this Base Prospectus and are available on the website of the London Stock Exchange at http://www.rns-pdf.londonstockexchange.com/rns/4106N_-2013-9-6.pdf,and http://www.rns-pdf.londonstockexchange.com/rns/6434T_-2014-10-7.pdf. There has been no material adverse change in the financial position or prospects of Novus Capital Luxembourg S.A. since 31 March 2014.

In accordance with articles 72, 74 and 75 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended, Novus Capital Luxembourg S.A. is obliged to publish its annual accounts on an annual basis following approval of the annual accounts by the annual general meeting of the shareholders. The annual general meeting of shareholders takes place each year on 31 May or, if such day is not a business day, the next following business day in Luxembourg at 10.00 a.m., at the place specified in the convening notice.

Any future published annual audited financial statements prepared for Novus Capital Luxembourg S.A. will be obtainable free of charge from the specified office of the Paying Agents and Novus Capital Luxembourg S.A., as described in "*General Information*".

2.9 Auditor

Novus Capital Luxembourg S.A. has appointed Deloitte Audit S.à r.l. of 560 rue de Neudorf, L-2220 Luxembourg as its auditor. Deloitte Audit S.à r.l. is an authorised audit firm (*Cabinet de révision agréé*) that carries out statutory audits of, among others, public-interest entities. It is a member of the *Institut des Réviseurs d'Entreprises* in Luxembourg.

3. HONU FINANCE LIMITED

3.1 General

Honu Finance Limited was incorporated as a special purpose vehicle on 11 April 2011 as an exempted company with limited liability in the Cayman Islands under the Companies Law (as amended) of the Cayman Islands with registered number 254694. The registered office of Honu Finance Limited is 190 Elgin Avenue, George Town, Grand Cayman KY1-

9005, Cayman Islands (Telephone number +345 943 3100). Honu Finance Limited has no subsidiaries or subsidiary undertakings.

The authorised share capital of Honu Finance Limited is U.S.$50,000 divided into 50,000 shares of U.S.$1 each (the "**Shares**") of which 1,000 are issued and fully paid and are directly or indirectly held by Intertrust SPV (Cayman) Limited (the "**Share Trustee**") under the terms of a declaration of trust dated 18 April 2011 as supplemented by a supplemental declaration of trust dated 23 June 2011 (as supplemented, the "**Declaration of Trust**") under which the Share Trustee holds the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares.

3.2 **Directors**

The Directors of Honu Finance Limited are:

Name	**Business Address**	**Principal Activities**
Rachael Rankin	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director
Ferona Bartley-Davis	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director

The Issuer is not required to have a company secretary under applicable laws and has no company secretary.

3.3 **Business**

The principal objects of Honu Finance Limited are set out in Clause 3 of its Memorandum of Association and are unrestricted so therefore permit, among other things, the issuance of Obligations, the entering into of any Issue Documents and generally enabling it to carry out the business of Honu Finance Limited as set out in the Trust Terms and described in this Base Prospectus. Under the Trust Terms, Honu Finance Limited will not undertake any business other than the issue of Obligations and entry into related transactions and will not (except as contemplated by the Trust Terms) declare any dividends in respect of its ordinary shares without the consent of the Note Trustee. There is no intention to accumulate surpluses in Honu Finance Limited. The Notes are obligations of Honu Finance Limited alone and not of the Administrator (as defined below), the Trustees, the Counterparty, any Secured Creditor or the Custodian.

The only activities in which Honu Finance Limited has engaged are those incidental to its incorporation and registration as a company with limited liability under the Companies Law (as amended) of the Cayman Islands, the authorisation of the issue of Obligations, the matters referred to or contemplated in this Base Prospectus and in any prospectus or other offering document relating to any Series issued by Honu Finance Limited under the Programme prior to the date of this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing. Honu Finance Limited has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the establishment of the Programme and the issue and performance of Notes under the Programme issued by it. Honu Finance Limited's accession to the Programme and the issue of Notes under the Programme was authorised by a resolution of its Board of Directors passed on 11 May 2011.

Since the date of incorporation, no financial statements of Honu Finance Limited have been prepared and Honu Finance Limited is not required to produce and has no intention of producing any financial statements.

Honu Finance Limited is not or has not been since the date of its incorporation involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Honu Finance Limited is aware), which may have had in the recent past significant effects on Honu Finance Limited's financial position or profitability.

3.4 Corporate administration

Intertrust SPV (Cayman) Limited (the "**Administrator**") are party to a management agreement dated 19 May 2011 with Honu Finance Limited (the "**Management Agreement**"). Its duties include the provision of certain administrative and related services in the Cayman Islands. It has also nominated persons to act as directors of Honu Finance Limited. In consideration of the foregoing, the Administrator will receive an annual fee, a set-up fee and additional fees for each issue of Obligations. The appointment of the Administrator may be terminated, in principle, by either the Administrator or Honu Finance Limited upon not less that 30 days' written notice by either party.

Upon termination of the appointment of the Administrator, the Administrator shall deliver to Honu Finance Limited, or as Honu Finance Limited directs, all books of account, records, registers, documents and all assets relating to the affairs of or belonging to Honu Finance Limited.

3.5 Assets

Honu Finance Limited has no assets at the date hereof other than its paid-up share capital and any fees received from time to time in connection with the issue of any Obligations, and has no liabilities at the date hereof (including no loan capital (issued or unissued), no term loans, no other borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees), other than in connection with the issue of any Obligations. In addition, Honu Finance Limited has not created any mortgages or charges other than in connection with the issue of any Obligations.

The only assets of Honu Finance Limited available to meet the claims of the holders of the Notes will be the assets which comprise the Security for the Notes.

3.6 Operating expenses

The Permanent Arranger will fund Honu Finance Limited's general operating expenses (including expenses relating to its corporate existence and good standing) pursuant to the Programme Agreement (as defined in Section 11: Subscription and Sale). Honu Finance Limited has agreed to exercise any right of termination of the Management Agreement, prior to the occurrence of a Permanent Arranger Insolvency (as defined in the Conditions) at the direction of the Permanent Arranger.

4. WAIPIO FINANCE LIMITED

4.1 General

Waipio Finance Limited was incorporated as a special purpose vehicle on 19 July 2011 as an exempted company with limited liability in the Cayman Islands under the Companies Law (as amended) of the Cayman Islands with registered number 259613. The registered office of Waipio Finance Limited is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands (Telephone number +345 943 3100). Waipio Finance Limited has no subsidiaries or subsidiary undertakings.

The authorised share capital of Waipio Finance Limited is U.S.$50,000 divided into 50,000 shares of U.S.$1 each (the "**Shares**") of which 1,000 are issued and fully paid and are directly or indirectly held by Intertrust SPV (Cayman) Limited (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 22 July 2011 under which the Share Trustee holds the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares.

4.2 **Directors**

The Directors of Waipio Finance Limited are:

Name	**Business Address**	**Principal Activities**
Rachael Rankin	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director
Ferona Bartley-Davis	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director

Waipio Finance Limited is not required to have a company secretary under applicable laws and has no company secretary.

4.3 **Business**

The principal objects of Waipio Finance Limited are set out in Clause 3 of its Memorandum of Association and are unrestricted so therefore permit, among other things, the issuance of Obligations, the entering into of any Issue Documents and generally enabling it to carry out the business of Waipio Finance Limited as set out in the Trust Terms and described in this Base Prospectus. Under the Trust Terms, Waipio Finance Limited will not undertake any business other than the issue of Obligations and entry into related transactions and will not (except as contemplated by the Trust Terms) declare any dividends in respect of its ordinary shares without the consent of the Note Trustee. There is no intention to accumulate surpluses in Waipio Finance Limited. The Notes are obligations Waipio Finance Limited alone and not of the Administrator (as defined below), the Trustees, the Counterparty, any Secured Creditor or the Custodian.

The only activities in which Waipio Finance Limited has engaged are those incidental to its incorporation and registration as a company with limited liability under the Companies Law (as amended) of the Cayman Islands, the authorisation of the issue of Obligations, the matters referred to or contemplated in this Base Prospectus and in any prospectus or other offering document relating to any Series issued by Waipio Finance Limited under the Programme prior to the date of this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing. Waipio Finance Limited has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the establishment of the Programme and the issue and performance of Notes under the Programme issued by it. Waipio Finance Limited's accession to the Programme and the issue of Notes under the Programme was authorised by a resolution of its Board of Directors passed on 25 July 2011.

Since the date of its incorporation no financial statements of Waipio Finance Limited have been prepared and Waipio Finance Limited is not required to produce and has no intention of producing any financial statements.

Waipio Finance Limited is not or has not been since the date of its incorporation involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Waipio Finance Limited is aware), which may have had in the recent past significant effects on Waipio Finance Limited's financial position or profitability.

4.4 Corporate administration

Intertrust SPV (Cayman) Limited (the "**Administrator**") are party to a management agreement dated 22 July 2011 with Waipio Finance Limited (the "**Management Agreement**"). Its duties include the provision of certain administrative and related services in the Cayman Islands. It has also nominated persons to act as directors of Waipio Finance Limited. In consideration of the foregoing, the Administrator will receive an annual fee, a set-up fee and additional fees for each issue of Obligations. The appointment of the Administrator may be terminated, in principle, by either the Administrator or Waipio Finance Limited upon not less than 30 days' written notice by either party.

Upon termination of the appointment of the Administrator, the Administrator shall deliver to Waipio Finance Limited, or as Waipio Finance Limited directs, all books of account, records, registers, documents and all assets relating to the affairs of or belonging to Waipio Finance Limited.

4.5 Assets

Waipio Finance Limited has no assets at the date hereof other than its paid-up share capital and any fees received from time to time in connection with the issue of any Obligations, and has no liabilities at the date hereof (including no loan capital (issued or unissued), no term loans, no other borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees), other than in connection with the issue of any Obligations. In addition, Waipio Finance Limited has not created any mortgages or charges other than in connection with the issue of any Obligations.

The only assets of Waipio Finance Limited available to meet the claims of the holders of the Notes will be the assets which comprise the Security for the Notes.

4.6 Operating Expenses

The Permanent Arranger will fund Waipio Finance Limited's general operating expenses (including expenses relating to its corporate existence and good standing) pursuant to the Programme Agreement (as defined in Section 11: Subscription and Sale). Waipio Finance Limited has agreed to exercise any right of termination of the Management Agreement, prior to the occurrence of a Permanent Arranger Insolvency (as defined in the Conditions) at the direction of the Permanent Arranger.

5. LANI FINANCE LIMITED

5.1 General

Lani Finance Limited was incorporated as a special purpose vehicle on 19 April 2013 as an exempted company with limited liability in the Cayman Islands under the Companies Law (as amended) of the Cayman Islands with registered number 277084. The registered office of Lani Finance Limited is 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands (telephone number +345 943 3100). Lani Finance Limited has no subsidiaries or subsidiary undertakings.

The authorized share capital of Lani Finance Limited is U.S.$50,000 divided into 50,000 shares of U.S.$1 each (the "**Shares**") of which 250 are issued and fully paid and are directly or indirectly held by Intertrust SPV (Cayman) Limited (the "**Share Trustee**") under the terms of a declaration of trust dated 2 May 2013 (the "**Declaration of Trust**") under which the Share Trustee holds the benefit of the shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit from its holding of the shares.

Under a deed of accession dated 3 May 2013, Lani Finance Limited has been added as a New Issuer (as defined in the Programme Agreement) under the Programme Agreement dated 5 September 2012 between the Issuers named therein and Nomura International plc as Permanent Arranger and Permanent Dealer (as supplemented and/or amended from time to time, the "**Programme Agreement**")

5.2 **Directors**

The Directors of Lani Finance Limited are:

Name	**Business Address**	**Principal Activities**
Rachael Rankin	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director
Otelia Scott	190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	Company Director

The secretary of Lani Finance Limited is Intertrust SPV (Cayman) Limited.

5.3 **Business**

The principal objects of Lani Finance Limited are set out in Clause 3 of its Memorandum of Association and are unrestricted so therefore permit, among other things, the issuance of Obligations, the entering into of any Issue Documents and generally enabling it to carry out the business of Lani Finance Limited as set out in the Trust Terms and described in this Base Prospectus. Under the Trust Terms, Lani Finance Limited will not undertake any business other than the issue of Obligations and entry into related transactions and will not (except as contemplated by the Trust Terms) declare any dividends in respect of its ordinary shares without the consent of the Note Trustee. There is no intention to accumulate surpluses in Lani Finance Limited. The Notes are obligations of Lani Finance Limited alone and not of the Administrator (as defined below), the Trustees, the Counterparty, any Secured Creditor or the Custodian.

The only activities in which Lani Finance Limited has engaged are those incidental to its incorporation and registration as a company with limited liability under the Companies Law (as amended) of the Cayman Islands, the authorisation of the issue of Obligations, the matters referred to or contemplated in this Base Prospectus and in any prospectus or other offering document relating to any Series issued by Lani Finance Limited under the Programme prior to the date of this Base Prospectus and the authorisation, execution, delivery and performance of the other documents referred to in this Base Prospectus to which it is a party and matters which are incidental or ancillary to the foregoing. Lani Finance Limited has obtained all necessary consents, approvals and authorisations in the Cayman Islands in connection with the establishment of the Programme and the issue and the performance of Notes under the Programme issued by it. Lani Finance Limited's accession to the Programme and the issue of Notes under the Programme was authorized by a resolution of its Board of Directors passed on 2 May 2013.

Since the date of incorporation, no financial statements of Lani Finance Limited have been prepared and Lani Finance Limited is not required to produce and has no intention of producing any financial statements.

Lani Finance Limited is not or has not been since the date of incorporation involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Lani Finance Limited is aware), which may have had in the recent past significant effects on Lani Finance Limited's financial position or profitability.

5.4 **Corporate administration**

Intertrust SPV (Cayman) Limited (the "**Administrator**") is party to a management agreement dated 2 May 2013 with Lani Finance Limited (the "**Management Agreement**"). Its duties include the provision of certain administrative and related services in the Cayman Islands. It has also nominated persons to act as directors of Lani Finance Limited. In consideration of the foregoing, the Administrator will receive an annual fee, a set-up fee and additional fees for each issue of Obligations. The appointment of the Administrator may be terminated, in principle, by either the Administrator or Lani Finance Limited upon not less than 30 days' written notice by either party.

Upon termination of the appointment of the Administrator, the Administrator shall deliver to Lani Finance Limited, or as Lani Finance Limited directs, all books of account, records, registers, documents and all assets relating to the affairs of or belonging to Lani Finance Limited.

5.5 **Assets**

Lani Finance Limited has no assets at the date hereof other than its paid-up share capital and any fees received from time to time in connection with the issue of any Obligations, and has no liabilities at the date hereof (including no loan capital (issued or unissued), no term loans, no other borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees), other than in connection with the issue of any Obligations. In addition, Lani Finance Limited has not created any mortgages or charges other than in connection with the issue of any Obligations.

The only assets of Lani Finance Limited available to meet the claims of the holders of the Notes will be the assets which comprise the Security for the Notes.

5.6 **Operating expenses**

The Permanent Arranger will fund Lani Finance Limited's general operating expenses (including expenses relating to its corporate existence and good standing) pursuant to the Programme Agreement (as defined in Section 11: Subscription and Sale). Lani Finance Limited has agreed to exercise any right of termination of the Management Agreement, prior to the occurrence of a Permanent Arranger Insolvency (as defined in the Conditions) at the direction of the Permanent Arranger.

SECTION 4: NOMURA INTERNATIONAL PLC

1. THE PERMANENT ARRANGER

Nomura International plc (**"NIP"**) was incorporated on 12 March 1981 and is registered as a public limited company (registration number 1550505) in England and Wales. NIP's registered office is situated at 1 Angel Lane, London EC4R 3AB.

NIP is a wholly owned subsidiary of Nomura Europe Holdings plc (**"NEHS"**), which in turn is a wholly owned subsidiary of Nomura Holdings, Inc. Nomura Holdings, Inc is a holding company which manages financial operations for its subsidiaries (together the **"Nomura Group"**). NIP is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

2. BUSINESS AND OPERATIONS

NIP is the London based securities broker/dealer operating company within the Nomura Group headed by Nomura Holdings, Inc.. The company activities include:

(a) trading and sales in fixed income and equity products, including related derivatives;

(b) investment banking services;

(c) asset and principal finance business; and

(d) corporate finance and private equity.

NIP has reported a loss on ordinary activities before tax of $465,629,000 in the financial year ending 31 March 2014 (2013: loss of $740,100,000). NIP's key financial and other performance indicators during the year were as follows:

	Year ended 31 March 2014	Year ended 31 March 2013	Movement
	£'000	£'000	%
Trading profit	1,631,989	1,882,336	(13)
Loss on ordinary activities before taxation	(465,629)	(740,100)	(37)
Loss on ordinary activities after taxation	(471,806)	(733,845)	(36)
Shareholders' funds	4,284,638	4,182,921	2
Average number of employees	2,521	2,630	(4)

Despite continued market challenges the Company's Wholesale division reported a reduced loss as funding costs, including subordinated debt costs, decreased versus the prior year, driven by the continued transfers of the Company's business portfolios to other Nomura Group companies. In addition, whilst the Company scaled back certain businesses, causing a reduction of both Trading Profit and Net Interest Payable, the former was positively impacted by a smaller loss attributable to the impact of tightening of Nomura Group own credit spreads, coupled with a gain from the tightening of counterparty credit spreads on positions held for trading purposes.

As a result of the cyclical pressures facing the industry and to support the stated goals of Nomura Holdings, Inc., who in August 2012 targeted to reduce costs by a total of $1 billion through "narrowing and deepening" of businesses, especially in overseas locations, the Company continued to implement a number of cost reduction initiatives.

The Company received an injection of ordinary share capital in December 2013 to support its capital position. While market and regulatory pressures remain challenging, the improved capital base will allow continued focus on client flow businesses and supplying liquidity to the market, whilst closely monitoring risk.

The auditors of NIP are Ernst & Young LLP. The audit of the financial statements for the year ended 31 March 2014 was conducted by the auditors in accordance with the International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board.

As at 9 October 2014 the financial rating of the ultimate parent company Nomura Holdings Inc. was long term rating BBB+ and short term rating A-2 (Standard & Poor's) and long term rating Baa1 (Moody's Investors Service, Inc.). The annual reports of Nomura Holdings Inc. as of 31 March 2014 are available at the website www.nomuraholdings.com.

Nomura Group is a leading financial services group and the preeminent Asian-based investment bank with worldwide reach. Nomura Group provides a broad range of innovative solutions tailored to the specific requirements of individual, institutional, corporate and government clients through an international network in over 30 countries. Based in Tokyo and with regional headquarters in Hong Kong, London and New York, Nomura Group employs over 27,000 staff worldwide. Nomura Group's unique understanding of Asia enables the company to make a difference for clients through three business divisions: retail, asset management, and wholesale (global markets and investment banking).

3. RISK MANAGEMENT

NIP's activities involve the assumption and transfer of certain risks, including market risk, credit risk (including counterparty credit risk), liquidity risk, cash flow interest rate risk and operational risk.

These risks are managed through sub-committees of the Board of NEHS. These include a Board Risk Committee, having oversight of and providing advice to the Board on the NEHS Group's risk profile, risk appetite, future risk strategy and maintenance of an appropriate risk control framework. Additionally there are committees dedicated to overseeing risks in relation to non-Europe Middle East and Africa (EMEA) business booked into certain European entities, including NIP.

SECTION 5: CHARGED AGREEMENTS

General

If so specified in the applicable Additional Conditions, the Issuer may enter into one or more Derivative Agreements, Repurchase Agreements, Deposit Agreements and/or Securities Lending Agreements with the Counterparty (each such agreement a "Charged Agreement"). To the extent that the Issuer does not enter into any of the Charged Agreements described below in relation to any Series, the description below shall be disregarded for the purposes of such Series. The following descriptions apply to any Charged Agreement entered into in relation to any Series. These descriptions consist of a summary of certain provisions of the Charged Agreements and are qualified by reference to the detailed provisions of the applicable Charged Agreements. The following summaries do not purport to be complete, and prospective investors must refer to the applicable Charged Agreements for detailed information regarding such agreements.

1. DERIVATIVE AGREEMENT

1.1 ISDA Master Agreement

Derivative Agreements will be entered into on the basis of the Derivatives Master Terms specified in the Issuer Deed and signed for the purposes of identification by Nomura International plc and Citicorp Trustee Company Limited, together with one or more Confirmations of derivative transactions. The Derivatives Master Terms will comprise an ISDA Master Agreement and schedule.

1.2 Assignment

The Counterparty will (if and to the extent specified in the applicable Derivative Agreement) be entitled to assign or transfer (including by way of novation) its rights and obligations under the Derivative Agreement.

1.3 Termination

The ISDA Master Agreement will include limited events of default such as bankruptcy of the Issuer or the Counterparty and failure to make payments or deliveries thereunder. Upon the occurrence of any such events of default in relation to any Series, each transaction relating thereto may be terminated. Additionally, each such transaction may be terminated in whole or part if, such Series or any relevant Class is redeemed early or repurchased in whole or part for any reason, or due to the occurrence of any changes in laws or regulations (or a change in the requirements under any such laws or regulations) that, after taking all reasonable measures, there is a resulting material adverse change in either party's regulatory treatment.

1.4 No gross-up

No party is required to pay any additional amount in respect of payments under the Derivative Agreement in the event of the imposition of a withholding or deduction on account of tax. If an event occurs which would constitute a Tax Event or Tax Event upon Merger under the Derivative Agreement, or would otherwise result in the redemption of the Series prior to the scheduled maturity thereof by reason of the imposition of tax on payments under the Charged Assets or in respect of such Series, the Counterparty may (but shall not be obliged to) elect to pay an additional amount to the Issuer so as to mitigate such event (and having so elected, may thereafter cease to make such payments). If and for so long as the Counterparty so elects, the relevant event shall not constitute a Tax Event or Tax Event upon Merger under the Derivative Agreement.

1.5 **Governing law**

The Derivative Agreement will be governed by English law.

2. THE REPURCHASE AGREEMENT

2.1 **Global Master Repurchase Agreement**

Repurchase Agreements will be entered into on the basis of the Repo Master Terms specified in the Issue Deed and signed for the purposes of identification by Nomura International plc and Citicorp Trustee Company Limited, together with one or more Confirmations of sale-and-repurchase transactions. The Repo Master Terms will comprise a Global Master Repurchase Agreement and annex.

2.2 **Purchase price**

On the Issue Date of the Series, the Issuer will enter into a repurchase transaction with the Counterparty in respect of the Series. The purchase price paid by the Issuer in respect of the repurchase transaction will be the issue proceeds of the Notes issued on the Issue Date. If a further Tranche of Notes is issued, the Issuer will pay to the Counterparty the issue proceeds of such further Tranche and the nominal amount of the repurchase transaction will be increased accordingly.

2.3 **Purchased securities**

The Counterparty will transfer to the Issuer certain eligible securities, as described in the Additional Conditions, having a market value equal to the applicable purchase price.

2.4 **Repurchase date & repurchase price**

The repurchase transaction will be for a term of three months and will be rolled for successive three month periods until the dated of final redemption of the Notes, unless an event resulting in the early redemption of all the Notes occurs. The repurchase price of the repurchase transaction will be determined by applying the repo rate to the purchase price for the term of the repurchase transaction.

2.5 **Termination**

The Global Master Repurchase Agreement will include limited events of default such as bankruptcy of the Issuer or the Counterparty, failure to comply with the margin maintenance and failure to make payments or deliveries thereunder. Upon the occurrence of any such events of default in relation to any Series of Notes, the repurchase transaction may be terminated. Additionally, the repurchase transaction will be terminated if the Notes are redeemed early or repurchased in full for any reason.

2.6 **No gross-up**

Unless otherwise agreed, all monies payable by one party to the other in respect of any repurchase transaction shall be paid free and clear of, and without withholding or deduction for or on account of any tax unless the withholding or deduction for or on account of such tax is required by law. If any such withholding or deduction is imposed on any payment from the Counterparty to the Issuer, the Counterparty may (but shall not be obliged to) elect to make additional payments to the Issuer so as to mitigate such event (and, having so elected, may thereafter cease to make such payments).

2.7 **Governing law**

The Repurchase Agreement will be governed by English law.

3. THE DEPOSIT

3.1 General

On the initial Issue Date, the Issuer may enter into a Deposit Agreement with the Counterparty in its capacity as Deposit Provider in respect of the Series of Notes issued on such date. The Deposit Agreement shall comprise the Deposit Terms specified in the Issue Deed and signed for the purposes of identification by Nomura International plc and Citicorp Trustee Company Limited and one or more deposit confirmations.

3.2 Initial investment

Pursuant to the Deposit Agreement, the Issuer will pay to the Deposit Provider the issue proceeds of the Notes issued on the Issue Date (the **"Deposit"**).

3.3 Return on deposit

The Deposit Provider will pay to the Issuer interest at the rate offered by the Deposit Provider on the principal amount of the Deposit.

3.4 Repayment on redemption date

On the redemption date of each Series of Notes, the Deposit Provider will repay an amount equal to the Deposit to the Issuer.

3.5 Termination

Following a default by the Deposit Provider in making payment of any amount due pursuant to the Deposit Agreement which default continues for a period of one Business Day following receipt by the Deposit Provider of notice from the Issuer, the Deposit Provider may be required to repay the Deposit in full to the Issuer (or as directed by the Issuer). Additionally, the Deposit Agreement will be required to be repaid if the Notes are redeemed early or repurchased in full for any reason.

3.6 No gross-up

No party is required to pay any additional amount in respect of payments under the Deposit Agreement in the event of the imposition of a withholding or deduction on account of tax.

3.7 Governing law

The Deposit Agreement will be governed by English law.

4. THE SECURITIES LENDING AGREEMENT

4.1 Global Master Securities Lending Agreement

Each Securities Lending Agreement will be entered into on the basis of the Securities Lending Terms specified in the Issue Deed, between the Counterparty and the Issuer. The Securities Lending Terms will comprise a Global Master Securities Lending Agreement and schedule.

4.2 Loan of securities

On the initial Issue Date, the Issuer in its capacity as Lender may enter into a Securities Lending Agreement with the Counterparty in its capacity as Borrower in respect of the Series of Notes issued on such date. Pursuant to the Securities Lending Agreement, the

Lender will transfer to the Borrower securities and other financial instruments without any obligation on the Borrower to transfer any collateral to the Lender.

4.3 **Delivery of loaned securities on Redemption Date**

On the redemption date of each Series of Notes, the Borrower will transfer securities equivalent to those transferred to it on the Issue Date to the Lender.

4.4 **Termination**

Following a default by the parties in making payment of any amount due or delivery of any securities pursuant to the Securities Lending Agreement, the Borrower may be required to deliver securities equivalent to those originally loaned to it back to the Lender (or as directed by the Lender). Additionally, the Securities Lending Agreement will be terminated if the Notes are redeemed early or repurchased in full for any reason.

4.5 **Governing law**

The Securities Lending Agreement will be governed by English law.

4.6 **Counterparty Guarantee**

The obligations of the Counterparty in respect of any Charged Agreement may be guaranteed pursuant to a guarantee or other credit support document(s) in respect of the obligations of the Counterparty under such charged Agreement by a Counterparty Guarantor under a Counterparty Guarantee.

SECTION 6: TAXATION

1. GENERAL

The following summary of the anticipated tax treatment in Ireland, Luxembourg and the Cayman Islands in relation to the payments on the Notes that may be issued by an Issuer is based on the taxation law and practice in force at the date of this document. It does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of such Notes. The summary relates only to the position of persons who are the absolute beneficial owners of such Notes and the interest on them. Particular rules may apply to certain classes of taxpayers holding Notes. 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 as the case maybe and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile. Prospective investors should be aware that the anticipated tax treatment in Ireland summarised below may change.

2. IRISH TAXATION

For the purposes of this sub-section 2, the term "Issuer" refers only to Novus Capital plc.

2.1 Definitions

For the purposes of this sub-section 2: Irish Taxation, the following terms shall have the following meanings:

"Associated Territory" means Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Montserrat and Turks and Caicos Islands;

"Qualifying Asset" means a qualifying asset within the meaning of section 110 of the Taxes Act;

"Qualifying Company" means a qualifying company within the meaning of section 110 of the Taxes Act;

"Quoted Eurobond" means a quoted Eurobond within the meaning of section 64 of the Taxes Act;

"Relevant Territory" means:

(a) a Member State of the European Communities other than Ireland;

(b) not being such a Member State, a territory with which Ireland has a signed a double taxation agreement that is in effect; or

(c) a territory with the government of which arrangements have been made which on completion of the procedures set out in section 826(1) of the Taxes Act will have the force of law;

"Residual Entity" means a person or undertaking established in Ireland or in another Member State or in an Associated Territory to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in

the prescribed format, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an Associated Territory, or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the Savings Tax Directive;

"Return Agreement" means a Specified Agreement whereby payments due under the Specified Agreement are dependent on the results of the Issuer's business or any part of the Issuer's business;

"Revenue Commissioners" means the Revenue Commissioners of Ireland;

"Savings Tax Directive" means Directive 2003/48/EC on the taxation of savings income;

"Section 246" means section 246 of the Taxes Act;

"Specified Agreement" includes any agreement, arrangement or understanding that (a) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and (b) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred;

"Specified Person" means (i) a company which directly or indirectly controls the Issuer or (ii) a person or connected persons from whom assets were acquired or to whom the Issuer has made loans or advances or with whom the Issuer has entered into Specified Agreements, where the aggregate value of such assets, loans, advances or agreements represents not less than 75% of the aggregate value of the Qualifying Assets of the Issuer;

"Taxes Act" means the Taxes Consolidation Act 1997 of Ireland, as amended; and

"Wholesale Debt Instrument" means a wholesale debt instrument within the meaning of section 246A of the Taxes Act.

2.2 **Taxation of the Issuer**

Corporation Tax

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent in relation to trading income and at the rate of 25 per cent in relation to income that is not income from a trade. However, Section 110 of the Taxes Act, provides for special treatment in relation to Qualifying Companies and it is expected that the Issuer will be such a Qualifying Company. A Qualifying Company is a company:

(a) which is resident in Ireland;

(b) which either:

(i) acquires Qualifying Assets from a person;

(ii) holds, manages or both holds and manages Qualifying Assets as a result of an arrangement with another person or;

(iii) has entered into a legally enforceable arrangement with another person which itself constitutes a Qualifying Asset;

(c) which carries on in Ireland a business of holding, managing, or both the holding and management of, Qualifying Assets, including, in the case of plant and machinery acquired by the Qualifying Company, a business of leasing that plant and machinery;

(d) which, apart from activities ancillary to that business, carries on no other activities;

(e) which has notified an authorised officer of the Revenue Commissioners in the prescribed form that it is, or intends to be, such a Qualifying Company; and

(f) the market value of all Qualifying Assets held, managed, or both held and managed by the company or the market value of Qualifying Assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the Qualifying Assets are first acquired, first held, or a legally enforceable arrangement in respect of the Qualifying Assets is entered into (which is itself a Qualifying Asset),

but a company shall not be a Qualifying Company if any transaction is carried out by it otherwise than by way of a bargain made at arm's length apart from where that transaction is the payment of consideration for the use of principal in certain circumstances.

For this purpose, Qualifying Assets include assets which consist of, or of an interest (including a partnership interest) in, financial assets, commodities or plant and machinery.

If a company is a Qualifying Company, then profits arising from its activities shall be chargeable to corporation tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of that Schedule (which is applicable to trading income).

Deductibility of interest and other expenses

Interest payable on the Notes will not be deductible where:

(a) the interest represents more than a reasonable commercial return on the principal outstanding or is dependent on the results of the Issuer's business; and

(b) (i) at the time the interest is paid on the Notes, the Issuer is in possession, or aware, of information that can reasonably be taken to indicate that the payment is part of a scheme or arrangement the main benefit or one of the main benefits of which is the obtaining of a tax relief or the reduction of a tax liability the benefit of which would be expected to accrue to a person who, in relation to the Issuer is a Specified Person; or

(ii) the interest is paid to a person that:

(A) is not resident in Ireland; and

(B) is not a pension fund, government body or other person resident in a Relevant Territory who, under the laws of that Relevant Territory, is

exempted from tax which generally applies to profits, income or gains in that territory (except where the person is a Specified Person); and

(C) that income is not subject, without any reduction computed by reference to the amount of such interest, to a tax under the laws of a Relevant Territory, which generally applies to profits, income or gains received in the Relevant Territory by persons from outside the Relevant Territory.

The provisions at (b)(ii) above, will not apply in respect of an interest payment in respect of a Quoted Eurobond or a Wholesale Debt Instrument, except where the interest is paid to a Specified Person and at the time the Quoted Eurobond or Wholesale Debt Instrument was issued, the Issuer was in possession, or aware, of information, including information about any arrangement or understanding in relation to ownership of the Quoted Eurobond or the Wholesale Debt Instrument after that time, which could reasonably be taken to indicate that interest which would be payable in respect of that Quoted Eurobond or Wholesale Debt Instrument would not be subject, without any reduction computed by reference to the amount of such interest, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

Where a payment is made out of the assets of the Issuer under a Return Agreement and that payment is dependent on the results of the Issuer's business or any part of its business and that payment would not be deducted in computing the profits or gains of the Issuer if the payment was to be treated for the purposes of the Taxes Acts (other than section 246 thereof) as a payment of interest in respect of securities of the Issuer other than a Quoted Eurobond or a Wholesale Debt Instrument that was dependent on the results of the Issuer's business, that payment will be treated as a payment of interest for the purposes of the provisions set out at (a) and (b) above.

Other expenses incurred by the Issuer under the Issuer Transaction Documents should be deductible in determining the taxable profits of the Issuer, as and when they are included as an expense in the audited financial statements of the Issuer.

Stamp duty

If the Issuer is a Qualifying Company (and it is expected that the Issuer will be a Qualifying Company) no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes, is used in the course of the Issuer's business.

2.3 **Taxation of the holder**

Withholding Taxes

In general, withholding tax at the rate of 20 per cent must be deducted from payments of yearly interest that are within the charge to Irish tax, which would include those made by a company resident in Ireland for the purpose of Irish tax. However, Section 64 of the Taxes Act provides for the payment of interest in respect of Quoted Eurobonds without deduction of tax in certain circumstances. A Quoted Eurobond is a security which:

(a) is issued by a company;

(b) is quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchange for this purpose); and

(c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

(a) the person by or through whom the payment is made is not in Ireland; or

(b) the payment is made by or through a person in Ireland and;

(c) (i) the Quoted Eurobond is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are recognised clearing systems); or

(ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate declaration to this effect.

As those Notes to be issued by the Issuer which are quoted on the Irish Stock Exchange will qualify as Quoted Eurobonds and as they will be held in Euroclear and Clearstream, Luxembourg, the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the holder is resident. Separately, as such Notes to be issued by the Issuer will qualify as Quoted Eurobonds and as it is expected that no Paying Agent will make payments in Ireland, the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the holder is resident.

Separately, Section 246 provides certain exemptions from the general obligation to withhold tax. Section 246 provides an exemption in respect of interest payments made by a Qualifying Company to a person resident in a Relevant Territory except where that person is a company and the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. Also Section 246 provides an exemption in respect of interest payments made by a company in the ordinary course of business carried on by it to a company (i) which, by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, and that Relevant Territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in section 826(1) of the Taxes Act, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in section 826(1) of the Taxes Act, had the force of law when the interest was paid, except in each case at (i) or (ii) where the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency.

Ireland has entered into a double taxation treaty with each of Albania, Armenia, Australia, Austria, Bahrain, Belarus, Belgium, Bosnia & Herzegovina, Botswana (signed but not yet in effect), Bulgaria, Canada, China, Chile, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Finland, France, Georgia, Germany, Greece, Hong Kong, Hungary, Iceland, India, Israel, Italy, Japan, Korea (Rep. of), Kuwait, Latvia, Lithuania, Luxembourg, Macedonia, Malaysia, Malta, Mexico, Moldova, Montenegro, Morocco, the Netherlands, New Zealand, Norway, Pakistan, Panama, Poland, Portugal, Qatar, Romania, Russia, Saudi Arabia, Serbia, Singapore, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand (signed but not yet in effect), Turkey, Ukraine (signed but not yet in effect), United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Vietnam and Zambia.

In the event that none of the above exemptions apply, the requirement to operate Irish withholding tax on interest may be obviated or reduced if clearance in the prescribed format has been received under the terms of a double taxation agreement in effect at that time.

Encashment Tax

Interest on any Note which qualifies for exemption from withholding tax on interest as a Quoted Eurobond realised or collected by an agent in Ireland on behalf of any holder will generally be subject to a withholding at the standard rate of Irish income tax (currently 20 per cent). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not for the purposes of Irish tax deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland."

Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Interest paid and discounts realised on the Notes have an Irish source and therefore interest earned and discounts realised on such Notes will be regarded as Irish source income. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and the universal social charge if received by an individual) subject to the provisions of any applicable double tax treaty. Ireland has currently 68 double tax treaties in effect (see above) and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under Section 198 of the Taxes Act in certain circumstances.

These circumstances include:

(a) where the interest is paid by a company in the ordinary course of business carried on by it to a company (i) which, by virtue of the law of a Relevant Territory, is resident in the Relevant Territory for the purposes of tax, and that Relevant Territory imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (ii) where the interest is either (A) exempted from the charge to income tax under arrangements made with the government of a territory outside Ireland having the force of law under procedures set out in section 826(1) of the Taxes Act, or (B) would be exempted from the charge to income tax if arrangements made, on or before the date of payment of the interest with the government of a territory outside Ireland that do not have force of law under procedures set out in section 826(1) of the Taxes Act, had the force of law when the interest was paid;

(b) where the interest is paid by a Qualifying Company out of the assets of that Qualifying Company to a person who is resident in a Relevant Territory (residence to be determined under the laws of that Relevant Territory);

(c) where the interest is payable on a Quoted Eurobond or on a Wholesale Debt Instrument and is paid by a company to;

(i) a person who is resident in a Relevant Territory (residence to be determined under the laws of that Relevant Territory) and who is not resident in Ireland;

(ii) a company under the control, whether directly or indirectly, of a person or persons, who, by virtue of the law of a Relevant Territory, is or are resident for the purposes of tax in the Relevant Territory and who is, or who are, as the case may be, not under the control, whether directly or indirectly, of a person who is, or persons who are, not so resident; or

(iii) a company the principal class of shares of which, or (I) where the company is a 75% subsidiary of another company, of that other company or (II) where the company is wholly-owned by 2 or more companies, of each of those companies; is substantially and regularly traded on a stock exchange in Ireland, on a recognised stock exchange in a Relevant Territory or on such other stock exchange as is approved by the Minister for Finance of Ireland; or

(d) where discounts arise to a person in respect securities issued by a company in the ordinary course of a trade or business, where that a person who is resident in a Relevant Territory (residence to be determined under the laws of that Relevant Territory).

Interest on the Notes and discounts realised which do not fall within the above exemptions are within the charge to Irish income tax to the extent that a double taxation treaty that is in effect does not exempt the interest or discount as the case may be. However, it is understood that the Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

(a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or

(b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or

(c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that the Revenue Commissioners will apply this practice in the case of the Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Capital Gains Tax

A holder of a Note will not be subject to Irish taxes on capital gains provided that such holder is neither resident nor ordinarily resident in Ireland and such holder does not carry on business in Ireland through a branch or agency or a permanent establishment to which or to whom the Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponer or if the disponer's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disponer's successor (primarily), or the disponer, may be liable to Irish capital acquisitions tax. The Notes may be regarded as property situate in Ireland. For the purposes of

capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of Irish tax for the 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

Value Added Tax

It is expected that the Issuer will be engaged in the provision of financial services. The provision of financial services is an exempt activity for Irish Value Added Tax purposes. Accordingly, the Issuer will not be entitled to recover Irish Value Added Tax suffered except to the extent that it provides those financial services to persons located outside of the European Union.

European Union Directive on the Taxation of Savings Income

On 3 June 2003, the European Council of Economics and Finance Ministers adopted the Savings Tax Directive. Under the Savings Tax Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). From 1 January 2015, Luxembourg will change from operating withholding tax to the exchange of information system.

The Savings Tax Directive has been enacted into Irish legislation. Since 1 January 2004, where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence of that beneficial owner. Where such a person makes such a payment to a Residual Entity then that interest payment is a deemed interest payment of the Residual Entity for the purpose of this legislation. A Residual Entity, in relation to deemed interest payments, must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the deemed interest payments.

Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to Residual Entities resident in another Member State or an Associated Territory and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another Member State or an Associated Territory, apply since 1 July 2005.

An amended version of the Directive was adopted by the European Council on 24 March 2014, which is intended to close loopholes identified in the current Directive. The amendments, which must be transposed by Member States prior to 1 January 2016 and applied from 1 January 2017, will extend the scope of the Directive to (i) broadly, payments made through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to interest.

2.4 IRISH WITHHOLDING AND ENCASHMENT TAX IN RESPECT OF THE ISSUE OF NOTES BY A NON-IRISH ISSUER

For the purposes of this paragraph 2.4, the term "Non-Irish Issuer" refers to an Issuer that is not resident in Ireland for the purposes of Irish tax.

Irish Withholding Tax

Irish withholding tax applies to certain payments including payments of:

(a) Irish source yearly interest (yearly interest is interest that is capable of arising for a period in excess of one year);

(b) Irish source annual payments (annual payments are payments that are capable of being made for a period in excess of one year and are pure income-profit in the hands of the recipient); and

(c) distributions (including interest that is treated as a distribution under Irish law) made by companies that are resident in Ireland for the purposes of Irish tax,

in each case, at the standard rate of income tax (currently 20 per cent).

On the basis that an issuer of Notes is a Non-Irish Issuer, that is not incorporated in Ireland and that is not operating in Ireland through an agency or branch with which the Notes are connected nor are the Notes held in Ireland through a depository or otherwise located in Ireland, then to the extent that payments of interest or annual payments arise on the Notes, such payments should not be regarded as payments having an Irish source for the purposes of Irish taxation.

Accordingly, such a Non-Irish Issuer or any paying agent acting outside Ireland on behalf of such a Non-Irish Issuer should not be obliged to deduct any amount on account of these Irish withholding taxes from payments made in connection with the Notes.

Irish Encashment Tax

Payments on any Notes issued by a Non-Irish Issuer paid by a paying agent in Ireland or collected or realised by an agent in Ireland acting on behalf of the beneficial owner of Notes will be subject to Irish encashment tax at the standard rate of Irish tax (currently 20 per cent), unless it is proved, on a claim made in the required manner to the Revenue Commissioners of Ireland, that the beneficial owner of the Notes entitled to the interest or distribution is not resident in Ireland for the purposes of Irish tax and such interest or distribution is not deemed, under the provisions of Irish tax legislation, to be income of another person that is resident in Ireland.

3. LUXEMBOURG TAXATION IN RESPECT OF THE ISSUE OF NOTES BY A LUXEMBOURG ISSUER

The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present sub-section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (impôt sur le

revenu des collectivités), municipal business tax (impôt commercial communal), a solidarity surcharge (contribution au fonds pour l'emploi) as well as personal income tax (impôt sur le revenu) generally. Investors may further be subject to net wealth tax (impôt sur la fortune) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

3.1 **Taxation of the Holders of the Notes**

Withholding Tax

(a) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the **Savings Laws**) as described below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Savings Laws implementing the Council Directive 2003/48/EC of 3 June 2003 (the **Savings Directive**) on taxation of savings income in the form of interest payments and ratifying the bilateral agreements entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent, as defined by the Savings Laws, established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Savings Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to a withholding tax of 35 per cent.

On 18 March 2014, a draft law amending the Laws was submitted to the Luxembourg parliament (the "**Draft Law**"). The Draft Law provides for the abolishment of the 35% withholding tax applied on interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories. As from 1 January 2015, provided the Draft Law has entered into force, the automatic exchange of information should apply to payments of interest or similar income made or ascribed by a Luxembourg paying agent to or for the immediate benefit of an individual beneficial owner or a residual entity which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories.

(b) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**) as described below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi law will be subject to a withholding tax at a note of 10 per cent.

Income Taxation

(a) Non-resident holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which/whom such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which or to whom such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal, in any form whatsoever, of the Notes.

(b) Resident holders of Notes

Holders of Notes who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident corporate holder of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg resident individual holder of Notes

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a 10 per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state/territory that has entered into a treaty/agreement with Luxembourg relating to the Savings Directive. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Relibi Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the law of 11 May 2007 on family estate management companies, as amended, or by the law of 17 December 2010 on undertakings for collective investment, or by the law of 13 February 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a registration duty may be due upon the registration of the Notes in Luxembourg in the case of where the Notes must be produced before an official Luxembourg authority (including a Luxembourg court), or in the case of the registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate, for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

4. TAXATION OF A CAYMAN ISLANDS ISSUER

The following applies to any Issuer incorporated in the Cayman Islands.

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 current Cayman Islands law:

(a) payments of principal and interest in respect of any Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on such payments to any holder of the Notes and gains derived from the sale of any Notes will not 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 or gift tax;

(b) the holder of any Notes (or the legal personal representative of such holder) whose Note is executed in or brought into the Cayman Islands may, in certain circumstances, be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Note;

(c) an instrument of transfer in respect of any Notes may be stampable if executed in or brought into the Cayman Islands; and

(d) an instrument being a debenture or a legal or equitable mortgage or charge of immoveable property may attract stamp duty ad valorem at the rate of 1% of the sum secured where such sum is Cayman Islands Dollars (**"CI$"**) 300,000 or less, and of 1.5% of the sum secured where such sum is more than CI$300,000. However, no duty will be payable where the property which is the subject of such debenture or legal or equitable mortgage or charge is situated outside the Cayman Islands. Where an instrument constitutes a legal or equitable mortgage or charge of moveable property, then it may attract stamp duty ad valorem of 1.5% of the sum secured except where the property which is the subject of such legal or equitable mortgage or such charge is situated outside the Cayman Islands or, in the case of a legal or equitable mortgage or charge granted by an exempted company or a body corporate incorporated outside of the Cayman Islands of moveable property situated in the Cayman Islands or over shares in such exempted company, the maximum duty payable shall be CI$500.

(e) Honu Finance Limited has been incorporated under the laws of the Cayman Islands as an exempted company and, as such has applied for and received an undertaking from the Governor-in-Council of the Cayman Islands in substantially the following form:

"CAYMAN ISLANDS GOVERNMENT

THE TAX CONCESSIONS LAW

1999 REVISION

UNDERTAKING AS TO TAX CONCESSIONS

(a) In accordance with Section 6 of the Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with Honu Finance Limited ("**the Company**"):

(b) 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

(c) 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:

(i) on or in respect of the shares debentures or other obligations of the Company; or

(ii) by way of withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of twenty years from the 5th day of May 2011.

Clerk of the Cabinet"

Waipio Finance Limited and Lani Finance Limited have been incorporated under the laws of the Cayman Islands as exempted companies and, as such have applied for and received an undertaking from the Governor-in-Council of the Cayman Islands in substantially the form as provided for Honu Finance Limited above for a period of twenty years from 2 August 2011 (in respect of Waipio Finance Limited) and 7 May 2013 (in respect of Lani Finance Limited).

SECTION 7: PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

1. BEARER NOTES

1.1 Form of Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a Temporary Global Note or, if so specified in the relevant Additional Conditions, as applicable, a Permanent Global Note, which, in either case, will:

(a) if the Global Notes are intended to be issued in NGN form, as stated in the applicable Issue Deed, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and

(b) if the Global Notes are not intended to be issued in NGN form, be delivered on the date of issue of such Tranche to a common depositary (the **"Common Depositary"**) for Euroclear and Clearstream, Luxembourg.

Upon issue of such Tranche, in the case of Notes which are not NGNs, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each purchaser's account with a principal amount of Bearer Notes equal to the principal amount thereof for which the purchaser has subscribed and paid. If the Notes are NGNs, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

1.2 Payment

Whilst any Bearer Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification to the effect that the beneficial owners of interests in such Temporary Global Note are not U.S. persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

1.3 Exchange

(a) On and after the date (the **"Exchange Date"**) which is the later of:

(i) 40 days after the Temporary Global Note has been issued; and

(ii) 40 days after the completion of the distribution of the relevant Tranche (as determined and certified by the relevant Dealer) (the **"Distribution Compliance Period"**),

interests in such Temporary Global Note will be exchangeable in whole or in part (free of charge) upon a request as described therein either for:

(a) interests in a Permanent Global Note of the same Series; or

(b) if so specified therein, for Definitive Bearer Notes of the same Series having, if specified, Coupons and Talons,

in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless upon due certification exchange of the Temporary Global Note for an interest in a Permanent Global Note or for Definitive Bearer Notes is improperly withheld or refused.

(b) A Permanent Global Note in respect of a Series will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes of such Series with, where applicable, Coupons and Talons attached upon the occurrence of certain limited circumstances set out in such Permanent Global Note. In the event that a Permanent Global Note is exchanged for Definitive Bearer Notes, such Definitive Bearer Notes shall be issued only in the applicable denominations specified in the relevant Additional Conditions. Holders who hold Notes of a Series in the relevant clearing system in amounts that are not integral multiples of the applicable denominations may need to purchase or sell, on or before the Exchange Date, a principal amount of Notes such that their holding is an integral multiple of such denominations.

1.4 **Records of Euroclear and Clearstream, Luxembourg conclusive**

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

1.5 **Legends**

(a) The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all Coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS NOTE 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."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes or Coupons.

(b) Any Obligation which (i) is issued by an Irish-incorporated Issuer or which is offered into Ireland and (ii) has an initial maturity of 364 days or less will bear the following legend:

"THE NOTES CONSTITUTE COMMERCIAL PAPER FOR THE PURPOSES OF, AND ARE ISSUED IN ACCORDANCE WITH, AN EXEMPTION GRANTED BY THE CENTRAL BANK OF IRELAND UNDER SECTION 8(2) OF THE CENTRAL BANK ACT, 1971 OF IRELAND, AS INSERTED BY SECTION 31 OF THE CENTRAL BANK ACT, 1989 OF IRELAND, AS AMENDED BY SECTION 70(D) OF THE CENTRAL BANK ACT, 1997 OF IRELAND. THE ISSUER IS NOT REGULATED BY THE CENTRAL BANK OF IRELAND ARISING FROM THE ISSUE OF COMMERCIAL PAPER. AN INVESTMENT IN THE

NOTES OR ANY INTEREST HEREIN DOES NOT HAVE THE STATUS OF A BANK DEPOSIT AND IS NOT WITHIN THE SCOPE OF THE DEPOSIT PROTECTION SCHEME OPERATED BY THE CENTRAL BANK OF IRELAND."

Each Temporary Global Note, Permanent Global Note and any Bearer Note with an initial maturity of 364 days or less shall carry the title "Commercial Paper".

1.6 **Notices**

So long as any of the Notes of any Tranche are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to those holders whose Notes are represented by such Global Note 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.

1.7 **Time limit for claims**

Claims against the Issuer in respect of principal and interest on the Notes of any Tranche while such Notes are represented by a Permanent Global Note will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate due date.

1.8 **Meetings and quorum**

The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders whose Notes are represented thereby and, at any such meeting, as having one vote in respect of each principal amount of Notes equal to the minimum denomination of the Notes for which such Global Note so held may be exchanged.

1.9 **Effect of cancellation**

Cancellation of any Global Note required by the relevant Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the relevant Global Note.

1.10 **Information pertinent to Note Trustee when considering interests of holders**

In considering the interests of the holders, while any Global Note is held on behalf of a clearing system the Note Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note and may consider such interests as if such accountholders were the holder of the relevant Global Note.

1.11 **Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the holders of the Notes 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 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 other clearing system specified in the relevant Additional Conditions (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).

2. REGISTERED NOTES

2.1 Form of Registered Notes

Each Series of Registered Notes will be represented by a global note in respect of such Series in registered form, without Receipts or Coupons (a **"Registered Global Note"**), which will be registered in the name of a nominee of, and shall be deposited with a custodian on its issue date with a Common Depositary for the accounts of, Euroclear and Clearstream, Luxembourg. Prior to expiry of the Distribution Compliance Period applicable to each Tranche of Notes, beneficial interests in a Registered Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in the Conditions and may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Registered Global Note will bear a legend regarding such restrictions on transfer.

2.2 Exchange

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, coupons or talons attached (**"Definitive Registered Notes"**) only in the limited circumstances set out in such Registered Global Note. Definitive Registered Notes issued in exchange for a beneficial interest in a Restricted Global Note shall bear the legend applicable to such Notes.

3. GLOBAL NOTES

Notes which are represented by a Temporary Global Note, a Permanent Global Note or a Registered Global Note (each a **"Global Note"**) will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg (other than each such clearing system to the extent that it is an account holder with the other clearing system for the purpose of operating the "bridge" between the clearing systems) as the holder of a particular principal amount of the Notes shall be treated by the Issuer, each Counterparty, the Note Trustee and the Agents as the holder of such principal amount of the Notes (and the expression "**holders**" and references to "**holding of Notes**" and to "**holder of the Notes**" shall be construed accordingly) for all purposes other than the entitlement to receive payments of principal, interest or any amounts due on redemption in respect of the Global Notes and provided that such principal amount is an integral multiple of the Specified Denomination.

4. NOTES IN NGN FORM

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and, upon any such entry being made, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

SECTION 8: TRUST TERMS

A summary of the Trust Terms dated 21 October 2014 is set out below. Capitalised terms have the meanings given to them in such Trust Terms.

1. THE NOTE TRUSTEE AND THE SECURITY TRUSTEE

1.1 By execution of the Issue Deed in respect of a Series, the Note Trustee agrees to act as trustee for the holders of such Series. In connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Trust Terms (including, without limitation, any modification, waiver, authorisation, determination or substitution) in relation to such Series the Note Trustee:

(a) shall have regard solely to the interests of the holders of such Series; and

(b) shall not be required to have regard to the interests of, or to act upon or comply with any direction or request of, any other person; and

(c) where such Series is comprised of more than one Class, shall:

(i) have regard to the interests of the holders of each Class of such Series as a class; and

(ii) (subject to paragraph (1.3) below) have regard solely to the interests of the holders of the most senior ranking Class if in its opinion there is a conflict between the interests of any two or more Classes.

For the purposes of paragraph (a) above the Note Trustee shall not have regard to any interests arising from circumstances particular to individual holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof.

1.2 By execution of the Issue Deed in respect of a Series the Security Trustee agrees to act as security trustee for the Secured Creditors in respect of such Series. In connection with the exercise by it of any of its trusts, powers, authorities or discretions under the Trust Terms (including, without limitation, any modification, waiver, authorisation, determination or substitution) in relation to such Series the Security Trustee shall:

(a) have regard solely to the interests of the Secured Creditors;

(b) not be required to have regard to the interests of, or to act upon or comply with any direction or request of, any other person; and

(c) (subject to paragraph 1.3 below) have regard only to the interests of the Controlling Secured Creditor if in its opinion there is a conflict between the interests of any two or more Secured Creditors.

1.3 In the event of a conflict of interests the Note Trustee shall not look to the interests of the most senior Class and the Security Trustee shall not look to the interests of the Controlling Secured Creditor in the case of trusts, powers, authorities and discretions:

(a) in relation to which it is expressly stated that they may be exercised by the relevant Trustee only if in its opinion the interests of (in the case of any exercise by the Note Trustee) any of the holders and (in the case of any exercise by the

Security Trustee) any of the Secured Creditors would not be materially prejudiced thereby; or

(b) in relation to the sanction of a modification of the Trust Terms or any of the other Issue Documents in relation to the Series or a waiver or authorisation of any breach or proposed breach thereof or any of the matters referred to in subparagraphs (a), (b), (c) and (d) of paragraph 5 of Schedule 2 (Meetings and Written Resolutions) of the Trust Terms or in relation to the Reserved Matters (as defined in such Schedule).

2. CREATION OF SECURITY INTERESTS

2.1 The Issuer, by executing the Issue Deed, creates, with full title guarantee and as Security for the Secured Obligations, the following Security Interests in favour of the Security Trustee for itself and as trustee for the Secured Creditors, any Receiver or any other appointee (including any agent, delegate, custodian or nominee) under the Trust Terms:

(a) a first fixed charge over all of the Issuer's rights, title and interest in and to the Charged Assets, including all dividends, distributions and interest paid or payable thereon, all property distributed in substitution therefor and the proceeds of sale, repayment or redemption thereof, and including any right to delivery or redelivery therefrom or any right to delivery of equivalent assets fungible therewith which arises as a result of any such assets being held through a clearing system or a financial intermediary;

(b) an absolute assignment by way of legal mortgage over all of the Issuer's rights, title and interests in and to the Issue Documents and any sums received or receivable thereunder;

(c) a first fixed charge over any accounts of the Issuer established in connection with the Series, including sums held by the Principal Paying Agent and/or Custodian but excluding, in the case of a Luxembourg Issuer, the Pledged Assets;

(d) in the case of a Luxembourg Issuer, a first ranking pledge governed by Luxembourg law, in particular the law of 5 August 2005 on financial collateral arrangements (*loi du 5 août 2005 sur les contrats de garantie financière*, as amended) over the Pledged Assets; and

(e) such other Security Interests as may be specified in the Issue Deed.

2.2 The Issuer, by executing the Issue Deed, is deemed to represent and warrant that it has not registered an establishment in the United Kingdom at the Registrar of Companies whether under its name of incorporation or any other name.

3. ENFORCEMENT OF SECURITY

3.1 The Security created in respect of the Series is expressed to become enforceable:

(a) upon written notice from the Note Trustee in its discretion or at the direction of the holders of the Series (or, if the Series is composed of more than one Class, the most senior Class thereof) acting by Extraordinary Resolution in each case following the occurrence of an Event of Default in respect of the Series;

(b) upon written notice from any Counterparty, following any Event of Default or analogous event (and after expiry of any applicable grace period) of the Issuer under the terms of any Charged Agreement entered into with such Counterparty, or if any amount payable to such Counterparty on termination of any Charged Agreement or any transaction entered into thereunder is not paid when due; or

(c) upon written notice from the Acquisition and Disposal Agent that it has been unable to dispose of the Collateral Assets in accordance with the Agency Agreement.

3.2 At any time after the Security for the Series has become enforceable, the Security Trustee may, in its discretion and shall, if so requested by the Controlling Secured Creditor, but subject always to clause 7.19 (No obligation to act) of the Trust Terms, enforce the Security for the Series.

4. RELEASE OF SECURITY

Pursuant to the Trust Terms, the Security Trustee agrees to and does, unless and until the Security Trustee gives notice to the contrary, authorise the Custodian:

(a) to make payment or delivery, as applicable, on behalf of the Issuer to each Counterparty of any amounts or assets due and payable or deliverable in respect of any Charged Agreement; and

(b) to make payment or delivery to the Principal Paying Agent on behalf of the holders of each Series in accordance with the terms thereof,

in each case solely out of the assets available to the Issuer in respect of the Series.

5. APPLICATION OF MONIES UPON REALISATION OR ENFORCEMENT

The Security Trustee shall, subject as set out in the Issue Deed, apply all moneys received by it or any relevant Receiver in connection with the realisation or enforcement of the Security for any Series as follows:

(a) first, in payment of or provision for any amounts payable or which may become payable to the Security Trustee, the Note Trustee, any Receiver or any other appointee (including any agent, delegate, custodian or nominee) under the Trust Terms in relation to the Series;

(b) secondly, in the event of a Permanent Arranger Insolvency, in payment of or provision for any Issuance Operating Expenses and the Series Share of the General Operating Expenses;

(c) thirdly, if either "Counterparty Priority" or "Modified Counterparty Priority" is specified as applicable in the related Issue Deed, in payment of or provision for any amounts payable or which may become payable to any Counterparty under any Charged Agreement in respect of the Series *pari passu* amongst themselves, unless, in the case of "Modified Counterparty Priority" and with respect to any Counterparty, an event of default or analogous event (howsoever defined under the relevant Charged Agreement and after expiry of any applicable grace period) has occurred and is continuing for the purposes of any Charged Agreement entered into with such Counterparty in relation to the Series;

(d) fourthly, rateably in payment of or provision for any amount due or which may become due to the holders of the Series (if such Series is comprised of more than one Class, in order of priority as specified in the related Issue Deed);

(e) fifthly, in payment of or provision for any amount due or which may become due to any Counterparty under any Charged Agreement in respect of the Series (to the extent not paid or provided for as set out above); and

(f) sixthly, in payment of the balance (if any) to the Issuer.

6. UNDERTAKINGS OF THE ISSUER

The following is a summary only of the main undertakings given by the Issuer. The full undertakings are set out in clause 5 of the Trust Terms.

6.1 Undertakings to Note Trustee

(a) The Issuer undertakes to the Note Trustee on behalf of each holder that, so long as the Series remains outstanding, it shall, unless the Note Trustee or the Issue Documents otherwise permit:

(b) send to the Note Trustee at the time of their issue three copies in English of every balance sheet, profit and loss account, report or other notice, statement or circular issued or which legally or contractually should be issued, to the members or creditors (or any class thereof) of such Issuer generally in their capacity as such;

(c) give at least 14 days' prior notice to the holders of the Series of any future appointment, resignation or removal of any Agent or of any change by any of them of its specified office and not make any such appointment or removal without prior written approval of the Note Trustee;

(d) at all times maintain a Principal Paying Agent and, where appropriate, a Registrar, a Transfer Agent, a Custodian and a Calculation Agent in respect of the Series issued by it and use its best efforts to procure that each of the Agents and the Custodian complies with its obligations under the Agency Agreement or, as applicable, the Custody Agreement;

(e) if the Series is listed on or admitted to trading on the relevant market of any stock exchange use all reasonable endeavours to maintain the listing on the relevant stock exchange and/or the admission of the Series to trading on the relevant market of such Series issued by it which is, or is intended to be, listed and/or admitted to trading when issued; and

(f) not take any action which would prejudice the interests of the holders of the Series.

6.2 Undertakings to Security Trustee

(a) Positive Undertakings

(i) The Issuer undertakes to the Security Trustee on behalf of the Secured Creditors that, so long as any Secured Obligations remain outstanding, it shall, unless the Security Trustee otherwise permits:

(ii) procure that any securities forming part of the Charged Assets of that Series shall at all times be held in safe custody by or on behalf of the Custodian pursuant to the Custody Agreement (in the case of a Luxembourg Issuer, and if the Charged Assets are allocated to a Compartment provided such Custodian meets the requirements of Luxembourg law) if the Charged Assets are allocated to a Compartment pertaining to a Luxembourg Issuer;

(iii) procure that the Charged Assets and their proceeds are at all times distinguishable from the Charged Assets for each other Series issued or incurred by the Issuer (and their respective proceeds) and from the other assets of the Issuer (including, for clarification, amounts held by the Principal Paying Agent) and any other person;

(iv) give notice to the Agents and the Custodian of the Security created pursuant to the Issue Deed to the extent that it relates to the rights of the Issuer against the Agents and the Custodian; and

(v) to the extent required by and in accordance with applicable law maintain and keep updated a register of mortgages and charges or the register of holders of Registered Notes in the Issuer's jurisdiction of incorporation.

(b) Negative Undertakings

The Issuer undertakes to the Security Trustee on behalf of the Secured Creditors that, so long as any Secured Obligations remain outstanding, it shall not, unless the Security Trustee otherwise permits:

(i) save as contemplated by the Issue Documents, sell or otherwise dispose of the Charged Assets or any interest therein or purport to do so or create or permit to exist upon or affect any of the Charged Assets any Encumbrance whatsoever;

(ii) engage in any business other than in relation to the issuance of Notes and other Obligations; and

(iii) incur any liability other than:

(A) liabilities in respect of Series issued or incurred by it;

(B) liabilities arising in connection with any Issue Document relating to any Series;

(C) liabilities arising in connection with its holding of any Charged Assets relating to any Series;

(D) liabilities to any governmental or taxation authority, to the extent necessary for the conduct of its business and the maintenance of its corporate existence and good standing; and

(E) Issuance Operating Expenses and General Operating Expenses,

in each case (save in respect of paragraph (D)) on a limited recourse basis.

6.3 **Undertakings to each Trustee**

The Issuer undertakes to the Note Trustee on behalf of the holders of the Series and the Security Trustee on behalf of the Secured Creditors that, so long as the Series or any Secured Obligations remain outstanding, it shall, unless the Note Trustee and the Security Trustee otherwise permit:

(a) keep proper books of account and allow each Trustee and any person appointed by either of them to whom the Issuer shall have no reasonable objection, access to the books of account of the Issuer at all reasonable times during normal business hours;

(b) notify each Trustee in writing immediately upon becoming aware of the occurrence of any Event of Default or Potential Event of Default with respect to the Series;

(c) at all times maintain its tax residence outside the United Kingdom and not establish a branch or agency within the United Kingdom through which it carries on a trade, or register as a company within England or Wales;

(d) (in the case of any Irish Issuer) ensure that its "centre of main interests" (as referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 on Insolvency Proceedings) is and remains at all times in Ireland;

(e) at all times use its reasonable efforts to minimise taxes and any other costs arising in connection with its activities;

(f) so far as permitted by applicable law, do such further things as may be necessary in the opinion of each Trustee to give effect to the Issue Deed;

(g) (in the case of any Luxembourg Issuer) ensure that the place of the central administration (siege de l'administration centrale) for the purpose of the Luxembourg law of August 10, 1915, as amended, on commercial companies and its "centre of main interests" (as referred to in article 3(1) of Council Regulation (EC) No. 1346/2000 of May 29, 2000 on Insolvency Proceedings) is and remains at all times in Luxembourg;

(h) ensure that at least one of the directors of the Issuer is Independent; and

(i) procure that no resolution of its board of directors shall be passed unless an Independent director votes in favour of such resolution.

7. ENFORCEMENT

7.1 The Note Trustee and/or the Security Trustee may at any time, at its discretion and without notice and subject always to clause 7.19 (No obligation to act) of the Trust Terms, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Terms, the Notes, the Issue Deed and (in the case of the Security Trustee only) any other Security Document, but (without prejudice to clause 7.19 (No obligation to act) of the Trust Terms) shall not be bound to do so or to take any other action under these terms unless it has been:

(a) (in the case of the Note Trustee) if there is only one Class of Obligations then outstanding if so requested in writing by the holders of at least one-fifth in principal amount of the Obligations then outstanding or by an Extraordinary Resolution of such holders (and where the Series comprises more than one Class, so directed by the holders of at least one fifth in principal amount of the most senior ranking Class or by an Extraordinary Resolution of the holders of such most senior ranking class); and

(b) (in the case of the Security Trustee) so directed in writing by the Controlling Secured Creditor.

7.2 No holder of the Series or any Secured Creditor shall be entitled to proceed directly against the Issuer or any other person to enforce the performance of any of the provisions of the Trust Terms, the Notes, the Issue Deed (save, in the case of a Secured Creditor, for any rights that it may have directly against the Issuer under the Issue Deed) and any other Security Document and/or to take any other proceedings (including lodging an appeal in any proceedings) in respect of or concerning the Issuer or to take any direct action to enforce the Security:

(a) unless the Note Trustee or the Security Trustee, as applicable, having become bound to take proceedings fails to do so within 30 calendar days of becoming so bound and such failure is continuing; and

(b) provided that in no circumstances shall a holder of the Series or any Secured Creditor be entitled to take any of the steps described in clause 4.1 (Limited Recourse and Non-Petition) of the Definitions and Common Provisions.

8. INDEMNIFICATION

8.1 The Issuer agrees to pay to the relevant Trustee promptly upon the latter's written demand (and agrees to indemnify the relevant Trustee in respect thereof) an amount equal to:

(a) each Liability properly incurred by any Trustee or by anyone appointed by a Trustee or to whom any of a Trustee's functions may be delegated by such Trustee in relation to the exercise of the Trustee's powers and the performance of its duties under, and in any other manner relating to, the Trust Terms, the Issue Deed and any other Issue Document, including but not limited to:

(i) the preparation and/or execution or purported execution of any trust, power, authority or discretion;

(ii) travelling expenses; and

(iii) any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee,

in connection with any action taken or contemplated by or on behalf of the relevant Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to the Trust Terms or the Issue Deed or any other Issue Document;

(b) any Liability incurred by the Security Trustee in enforcing the Secured Obligations or preserving or protecting the claims of the Secured Creditors in respect thereof, as agreed by the indemnifying party; and

(c) the costs of disputing or defending any such Liability (such costs not to be subject to the agreement of the indemnifying party),

save in each case to the extent arising out of the negligence, wilful default or fraud of the relevant Trustee or appointee or delegatee or any of their respective directors, officers and employees or the breach by such Trustee of its obligations arising under the Trust Terms.

8.2 The Issuer further undertakes to each Trustee that all monies payable by the Issuer to a Trustee under clause 6.2 (Indemnity) of the Trust Terms shall be made without set-off, counterclaim, deduction or withholding unless required by law, in which event the Issuer will pay, to the extent it has received and retained (net of any tax deductions that may be required) such funds therefor, such additional amounts as will result in the receipt by the relevant Trustee of the amounts which would otherwise have been payable by the Issuer to such Trustee under this clause in the absence of any such set-off, counterclaim, deduction or withholding.

8.3 Each Trustee shall be entitled, acting reasonably, to determine in respect of which Series any Liabilities under the Trust Deed have been incurred or to allocate any such Liabilities between such Series.

8.4 The provisions of clause 6.2 (Indemnity) shall continue in effect notwithstanding the termination of the appointment of any Trustee under the Trust Terms.

9. WAIVER

9.1 Subject to paragraphs 9.2 and 9.3 below, each Trustee, may without any consent or sanction of the holders of the Series or any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, condition, event or act at any time, but only if and in so far as in its sole opinion the interests of the holders of the Series and (in

the case of the Security Trustee) the other Secured Creditors will not be materially prejudiced thereby, waive or authorise, on such terms and conditions as shall seem expedient to it, any breach or proposed breach by the Issuer of any of the terms of the Series or any Issue Document or (in the case of the Note Trustee) determine that any Event of Default or potential Event of Default shall not be treated as such.

9.2 A Trustee shall not exercise any powers conferred on it by paragraph 9.1 above in contravention of any express request given by the Controlling Secured Creditor (in the case of the Security Trustee) or the holders acting by Extraordinary Resolution (in the case of the Note Trustee). No such request shall affect any waiver, authorisation or determination previously given or made.

9.3 Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions as may seem fit and proper to the relevant Trustee, shall be binding on the holders of the Series and the other Secured Creditors and, if (but only if) the relevant Trustee so requires, shall be notified by the Issuer to the holders of the Series and the other Secured Creditors as soon as practicable thereafter.

10. MODIFICATION

10.1 Each Trustee, may, subject where the Series is rated by any rating agency, to Rating Agency Confirmation but without the consent or sanction of the holders of the Series or any other Secured Creditor, at any time and from time to time concur with the Issuer and the parties to the relevant Issue Documents in making any modification:

(a) to the terms of the Series (other than sub-paragraph (c) of the definition of "Relevant Fraction" and the definition of "Reserved Matter" in paragraph 1 of Schedule 2 (Meetings and Written Resolutions) to the Trust Terms) or any Issue Document which in the opinion of the relevant Trustee it may be proper to make, provided that such Trustee is of the opinion that such modification will not be materially prejudicial to the interests of (in the case of the Note Trustee) the holders of, and (in the case of the Security Trustee) any Secured Creditor in respect of, such Series; or

(b) to the terms of the Series or any Issue Document if in the opinion of such Trustee such modification is of a formal, minor or technical nature or to correct a manifest error.

10.2 Any such modification may be made on such terms and subject to such conditions as may seem fit and proper to the relevant Trustee, shall be binding upon the holders of the Series and any other Secured Creditor and, unless the relevant Trustee agrees otherwise, shall be notified by the Issuer to the holders of the Series as soon as practicable thereafter.

11. RETIREMENT, APPOINTMENT AND REMOVAL

11.1 Retirement

Any Trustee may retire in respect of the Series and the Security Trustee may retire in respect of the Secured Obligations at any time upon giving not less than 60 days' notice in writing to the Issuer, each Agent and each Secured Creditor.

11.2 Appointment and removal

(a) Prior to a Permanent Arranger Insolvency, the issuer may, at the direction of the relevant Arranger:

(i) remove any Note Trustee or Security Trustee appointed in respect of any Series; and/or

(ii) appoint a replacement note trustee or, as applicable, security trustee,

subject to the prior consent of the holders of the Series, acting by Extraordinary Resolution and the Controlling Secured Creditor.

(b) Following a Permanent Arranger Insolvency:

(i) the holders of the Series, acting by Extraordinary Resolution, may:

(A) remove any Note Trustee appointed in respect of such Series; and/or

(B) appoint a replacement note trustee,

provided that where such replacement note trustee is an Affiliate of any of the appointing holders, such appointment will be subject to the consent of the holders of 100 per cent. of the principal amount outstanding of the Series; and

(ii) the Controlling Secured Creditor may:

(A) remove any Security Trustee appointed in respect of such Series; and/or

(B) appoint a replacement security trustee,

provided that where such replacement security trustee is an Affiliate of the appointing Controlling Secured Creditor, such appointment will be subject to the consent of all of the Secured Creditors.

11.3 **Condition to retirement and removal**

Notwithstanding the above, no retirement or removal of any sole Note Trustee or sole Security Trustee in respect of any Series shall take effect unless a replacement trustee is appointed on substantially the same terms as the Trust Terms. If, following the expiry of 30 days from the giving of notice by the Note Trustee or Security Trustee, as applicable, of its intention to retire as such in respect of any Series, no replacement note trustee or, as applicable, security trustee, has been appointed, then the relevant Trustee may appoint a replacement.

11.4 **Trust corporation**

Any replacement note trustee or replacement security trustee shall be a trust corporation.

12. MEETINGS OF HOLDERS OF NOTES

12.1 For the avoidance of doubt, the provisions set out in articles 86 to 97 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, shall not apply to the Notes issued by Novus Capital Luxembourg S.A..

12.2 The Note Trustee shall be obliged to convene a meeting of the holders of a Series (subject to its being indemnified and/or secured and/or pre-funded to its satisfaction) at any time upon the request in writing of holders holding not less than one fifth of the aggregate principal amount outstanding of the Notes.

12.3 A meeting shall have power (exercisable by Extraordinary Resolution), inter alia:

(a) to approve any change to the Conditions of the Notes;

(b) to approve the substitution of any person for the Issuer (or any previous substitute) as principal obligor under the Notes;

(c) to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Issue Documents or the Notes, or any act or omission which might otherwise constitute an Event of Default; and

(d) to appoint or remove any Note Trustee.

13. GOVERNING LAW

The Trust Deed and the trusts constituted thereby and any non-contractual obligations arising therefrom will be governed by English law.

SECTION 9: CUSTODY ARRANGEMENTS

1. APPOINTMENT OF CUSTODIAN

If so specified in the relevant Additional Conditions, some or all of the Collateral Assets will be held by or through a Custodian on behalf of the Issuer pursuant to the custody terms specified in the Issue Deed (the **"Custody Terms"** and, together with relevant sections of the Issue Deed, the **"Custody Agreement"**).

For the avoidance of doubt there are two sets of Custody Terms both dated 21 October 2014; one with Citibank, N.A., London Branch as Custodian and one with Citibank International plc (Luxembourg Branch) as Custodian. A joint summary of these Custody Terms is set out below.

2. CUSTODY ACCOUNTS

The Custodian will establish, in relation to each Series, a securities account (the **"Custody Securities Account"**) and a cash account (the **"Custody Cash Account"**). Securities held by the Custodian will be segregated from the assets of the Custodian but may be commingled with the assets of other assets of other clients. Cash held by the Custodian will be held as banker.

3. INDEMNITY

The Issuer will agree, in respect of each Series, to indemnify the Custodian, in accordance with the applicable Priority of Payments, against all fees, stamp duties (if any), other taxes (if any), claims, losses, actions, demands, liabilities, damages or expenses (including legal fees properly incurred) howsoever arising from or in connection with its appointment in respect of such Series or the performance of its duties under the Custody Agreement in respect of such Series. The Custodian will not be indemnified for its fraud, negligence or wilful default.

4. APPOINTMENT OF SUB-CUSTODIAN

The Custodian may use the services of any financial institution with an office in any jurisdiction (including any financial institution which is an Affiliate of the Custodian) to act as sub-custodian (each, a **"Sub-Custodian"**) of Collateral Assets relating to any Series located in that jurisdiction. The Custodian will undertake to use reasonable care in the selection and the continued use of each Sub-Custodian and will represent and warrant that it has used and will use reasonable care in the agreement of the terms of appointment of each Sub-Custodian. The Custodian shall, unless otherwise agreed with the Issuer or unless the Issuer has a direct contractual or other claim against the relevant Sub-Custodian, be liable for the proper safekeeping of the Collateral Assets relating to any Series and the due performance of the obligations assumed by any Sub-Custodian provided that the Custodian has itself selected such Sub-Custodian. The Custodian shall, unless otherwise agreed with the Issuer or unless the Issuer has a direct contractual or other claim against the relevant Affiliate(s) and/or nominee companies, be liable for the performance of its Affiliates and nominee companies that it controls. The Security Trustee and the Issuer acknowledge that the rights of the Custodian against a Sub-Custodian to which it delegates safekeeping of assets may consist only of a contractual claim.

5. RESIGNATION AND REMOVAL

(a) The Custodian may resign from its appointment under the Custody Terms generally or in respect of any Series by giving not less than 30 days' written notice to the Issuer (with a copy promptly thereafter to the Security Trustee and the Arranger), provided that such resignation shall not take effect:

(i) until a successor has been duly appointed by the Issuer in accordance with the Custody Terms; and

(ii) on any day on which Collateral Assets are to be transferred to or from the Custodian under any Issue Document relating to any Series (in the case of a general resignation) or relating to the relevant Series (in respect of a resignation relating to a specific Series).

(b) The Issuer may, with the prior written approval of the Security Trustee, terminate the appointment of the Custodian under the Custody Terms generally or in respect of any Series by giving not less than 30 days' written notice to the Custodian (with a copy promptly thereafter to the Security Trustee and the Arranger), provided that, if the Issuer or the Security Trustee determines that a replacement Custodian is required in respect of such Series, such termination shall not take effect until a successor has been duly appointed in accordance with the Custody Terms.

(c) If, in respect of any Series which is rated, any rating of the Custodian is at any time less than the applicable required rating (as stipulated in the Issue Deed or, in the absence of such stipulation, as determined in accordance with the published criteria from time to time of the relevant Rating Agency or otherwise the subject of Rating Agency Confirmation, the Custodian shall notify the Security Trustee and the Issuer forthwith and the Custodian's appointment in respect of the relevant Series shall be terminated with effect from the date falling 30 days thereafter (subject to the appointment of a successor in accordance with the Custody Terms.

6. GOVERNING LAW

The Custody Agreement constituted by the Issue Deed on the basis of the Custody Terms with Citibank, N.A., London Branch as Custodian and any non-contractual obligations arising therefrom will be governed by English law. The Custody Agreement constituted by the Issue Deed on the basis of the Custody Terms with Citibank International plc (Luxembourg Branch) as Custodian and any non-contractual obligations arising therefrom will be governed by Luxembourg law.

SECTION 10: AGENCY ARRANGEMENTS

1. APPOINTMENT OF AGENTS

In relation to any Series of Notes, the Agents will be appointed in respect of such Series by signing the relevant Issue Deed on the basis of the agency terms specified in the Issue Deed (the **"Agency Terms"**, and the relevant sections of the Issue Deed and the Agency Terms together the **"Agency Agreement"**).

A summary of the Agency Terms dated 21 October 2014 is set out below.

2. RESIGNATION AND REMOVAL

2.1 Resignation and Termination by Notice

Any Agent may resign from its appointment, and the Issuer may, with the prior written consent of the Note Trustee, terminate any Agent's appointment as the agent of the Issuer under the Agency Terms generally or in respect of any Series by giving not less than thirty days' written notice to (in the case of resignation) the Issuer and (in the case of termination) the relevant Agent (with a copy promptly thereafter to the Note Trustee, the Permanent Arranger and, if necessary, to the Principal Paying Agent), provided that, in respect of any Series:

(a) any such notice which would otherwise expire within thirty days before or after the redemption date or any interest or other payment date in relation to any such Series shall be deemed to expire on the thirtieth day following such redemption date or interest or other payment date; and

(b) if the Issuer or the Note Trustee determines that a replacement Agent is required in respect of such Series, such resignation shall not be effective until a successor thereto has been appointed in accordance with clause 2.3 (Alternative and Additional Agents) or 18.4 (Successor Agents) (as applicable) of the Agency Terms in relation to such Series.

2.2 Automatic Termination

The appointment of any Agent as the agent of the Issuer shall terminate forthwith if any of the following events or circumstances shall occur or arise:

(a) such Agent becomes incapable of acting;

(b) such Agent is adjudged bankrupt or insolvent;

(c) such Agent files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of a receiver, administrator or other similar official of all or any substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof;

(d) a resolution is passed or an order is made for the winding-up or dissolution of such Agent;

(e) a receiver, administrator or other similar official of such Agent or of all or any substantial part of its property is appointed;

(f) an order of any court is entered approving any petition filed by or against such Agent under the terms of any applicable bankruptcy or insolvency law; or

(g) any public officer takes charge or control of such Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation.

If the appointment of any Agent is terminated, the Issuer shall (or, in the event of an Arranger Insolvency, the holder of the Series may) forthwith appoint a successor in accordance with clause 2.3 (Alternative and Additional Agents) of the Agency Terms.

3. INDEMNITIES

Each Agent shall severally indemnify the Issuer, in relation to each Series in respect of which it has been appointed, against any Liability which the Issuer may incur, otherwise than by reason of the negligence, fraud or bad faith of the Issuer, as a result or arising out of or in relation to any breach by such Agent of the Agency Agreement or the fraud, negligence or bad faith of such Agent or its appointee(s) or delegate(s) or any of their respective directors, officers and employees. The Issuer shall remain entitled to the benefit and subject to the terms of clause 20.1 (Indemnification by Agents) of the Agency Terms notwithstanding the resignation or termination of the appointment of the relevant Agent in accordance with clause 18 (Termination of Appointment) of the Agency Terms.

4. GOVERNING LAW

The Agency Agreement constituted by the Issue Deed on the basis of the Agency Terms and any non-contractual obligations arising therefrom will be governed by English law.

SECTION 11: SUBSCRIPTION AND SALE

1. INTRODUCTION

In relation to Notes issued by the Issuer, subject to the terms and conditions contained in the programme agreement dated 26 June 2009 and amended and restated on 21 October 2014 (the **"Programme Agreement"**), as amended from time to time, first made between Novus Capital p.l.c. and Nomura International plc (together with any further financial institution appointed as dealer under the Programme Agreement, the **"Dealers"**), the Notes may be sold by the Issuer to the Dealers, who will act as principals in relation to such sales. The Programme Agreement also provides for Notes to be issued in Series which are jointly and severally underwritten by two or more Dealers. In the event that an issue of Notes is sold only in part to Dealers, information to this effect shall be included in the relevant Series Prospectus for such issue.

The Issuer will pay a Dealer a commission as agreed between them and the relevant Dealer in respect of each issue of Notes.

The Issuer has agreed to indemnify the relevant Dealer against certain liabilities in connection with the offer and sale of each issue of Notes. The Programme Agreement may be terminated in relation to all the Dealers or any of them by the Issuer or, in relation to itself and itself only, by any Dealer, at any time on giving not less than 10 business days' notice.

The name or names of the Dealer or Dealers (if any) of the Notes, the Issue Price of the Notes and, if listed, any commissions payable in respect thereof will be specified in the relevant Series Prospectus, as applicable.

2. UNITED STATES

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, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S under the Securities Act (**"Regulation S"**).

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of an identifiable tranche of which such Notes are a part (the **"Distribution Compliance Period"**) as determined, and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph and not otherwise defined herein have the meanings given to them by Regulation S.

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 Notes) may violate the registration requirements of the Securities Act.

Bearer Notes 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 United States 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 of 1986, as amended and regulations thereunder.

3. **PUBLIC OFFER SELLING RESTRICTION UNDER THE PROSPECTUS DIRECTIVE**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **"Relevant Member State"**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by any Series Prospectus 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:

(a) if the Series Prospectus in relation to the Notes specifies 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 which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by a Series Prospectus contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such Series Prospectus and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) at any time 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 relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State.

4. **IRELAND**

Each Dealer has represented, warranted and agreed (and each transferee of a Note will represent, warrant and agree), that it will not underwrite, offer, place or do anything with respect to the Notes:

(a) otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland, as amended, (the **"MIFID Regulations"**) if operating in or otherwise involving Ireland and, if acting under and within the terms of an authorisation to do so for the purposes of MIFID it has complied with any applicable requirements of the MIFID Regulations or as imposed, or deemed to have been imposed, by the Central Bank pursuant to the MIFID Regulations and, if acting within the terms of an authorisation granted to it for the purposes of Directive 2006/48/EC of the European Parliament and the Council of the 14 June 2006 relating to the taking up and the pursuit of the business of credit institutions as amended, replaced or consolidated from time to time, it has complied with any codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 of Ireland (as amended) and any applicable requirements of the MIFID Regulations or as imposed pursuant to the MIFID Regulations;

(b) otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 of Ireland (as amended) and any rules made by the Central Bank of Ireland pursuant thereto, including any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland by the Central Bank;

(c) otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland and any rules issued under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) by the Central Bank and the Central Bank Acts 1942 to 2014; and

(d) otherwise than in compliance with the provisions of the Companies Acts 1963 to 2013 of Ireland.

5. **CAYMAN ISLANDS**

Each dealer represents and agrees that it will not cause the Issuer to breach the provisions of section 175 of the Companies Law (as amended), which prohibits it from making any invitation to the public in the Cayman Islands to subscribe for any of its Notes, unless the Issuer is listed on the Cayman Islands Stock Exchange at the time of such invitation.

6. **GENERAL**

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

Other than the approval of this Base Prospectus by the Central Bank as the competent authority in Ireland for the purposes of the Prospectus Directive, no representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Series Prospectus, in any country or jurisdiction where action for that purpose is required.

SECTION 12: GENERAL INFORMATION

1. LISTING

It is expected that each Tranche of Notes which is to be listed on the Official List and admitted to trading on the regulated 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 Obligations which are Notes only is expected to be granted on or about the Programme Date. The Programme provides that Notes may be listed on such further or other stock exchange(s) or admitted to trading on such further or other markets as the Issuer may decide. The Issuer may also issue or incur unlisted Obligations and Obligations which are not admitted to trading on any market.

2. USE OF PROCEEDS AND EXPENSES

The net proceeds of each issue of Notes will be used by the Issuer in acquiring the Collateral Assets and/or making payments to the Counterparty(ies) under the Charged Agreement(s). The expenses for each issue of Notes will be identified in the Series Prospectus.

3. NO POST-ISSUANCE REPORTING

The Issuer does not intend to provide any post-issuance information in relation to the Notes or the Charged Assets.

4. CLEARING

It is expected by the Issuer that all Bearer Notes and Registered Notes will be accepted for clearing through Euroclear and Clearstream, Luxembourg, or other clearing system specified in the relevant Additional Conditions. The Common Code for each Series of Bearer Notes, together with the relevant ISIN number and the CUSIP number and/or CINS number for each Series of Registered Notes, will be contained in the Additional Conditions relating thereto.

5. DOCUMENTS AVAILABLE FOR INSPECTION

For as long as the Programme remains in effect and any Series is outstanding, the following documents will be available for inspection in physical form, during usual business hours on any weekday (Saturdays and Sundays and public holidays excepted) for inspection at the registered office of the Issuer, and the offices of the Principal Paying Agent:

(a) the Trust Terms;

(b) the Agency Terms;

(c) the Custody Terms;

(d) the constitutional documents of each Issuer;

(e) in relation to any Series which is listed on the Official List of the Irish Stock Exchange:

(i) the related Series Prospectus which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive only by a holder of such Series and such holder must produce evidence satisfactory to the Issuer and the Principal Paying Agent as to its holding of such Series and identity); and

(ii) each subscription agreement (if any) and the related Issue Deed, any credit support document and/or any related agreements for the Series;

(f) a copy of this Base Prospectus;

(g) all reports, letters, other documents, historical financial information, valuations and statements prepared by any expert at the request of the relevant Issuer any part of which is included or referred to in the Base Prospectus; and

(h) copies of the annual reports (if any) and the published audited financial statements (if any) and (if any) unaudited financial statements (including interim accounts) of each Issuer for both its latest financial year and the financial year immediately preceding its latest financial year.

The Series Prospectus for Notes that are listed on the Official List of the Irish Stock Exchange and admitted to trading on its regulated market will be published on the website of the Central Bank (www.centralbank.ie).

6. SUPPLEMENTARY INFORMATION

Each Issuer will agree to comply with any undertakings given by it from time to time to the Irish Stock Exchange in connection with any Series issued by each Issuer and listed on the Official List and admitted to trading on its regulated market. Without prejudice to the generality of the foregoing, each Issuer will, so long as any Series issued by it remains outstanding and listed on the Official List and admitted to trading on the regulated market, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare a supplement to this Base Prospectus or publish a new base prospectus as may be required by the guidelines of the Irish Stock Exchange for use in connection with any subsequent issue of Notes to be listed on the Official List and admitted to trading on the regulated market. If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as so modified or amended, inaccurate or misleading, a new base prospectus will be prepared.

7. ESTIMATED EXPENSES

The total expenses related to the approval of this Base Prospectus are expected to be EUR 2,000.

8. LANGUAGE OF BASE PROSPECTUS

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.

9. WEBSITES

None of the website addresses contained in this Base Prospectus (other than those at which certain financial statements incorporated by reference at Schedule 1 herein are stated to be available) form part of this Base Prospectus.

SCHEDULE 1

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the Central Bank of Ireland or filed with the Irish Stock Exchange shall be incorporated in, and form part of, this Base Prospectus, in accordance with Article 11 of the Prospectus Directive:

a) the audited financial statements of Novus Capital p.l.c. for the financial year ending 31 December 2012 and 31 December 2011. Such financial statements are available on the website of the Irish Stock Exchange at http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_0cf3dcd8-b84a-4e7d-962f-82efd24e0f7f.PDF and http://ise.ie/debt_documents/Accounts-311212-Novus_038c3907-6c55-49a5-a70f-15513ed49686.PDF.

b) the audited financial statements of Novus Capital Luxembourg S.A. for the financial year ending on 31 March 2013 and 31 March 2014. Such financial statements are available on the website of the London Stock Exchange at http://www.rns-pdf.londonstockexchange.com/rns/4106N_-2013-9-6.pdf and http://www.rns-pdf.londonstockexchange.com/rns/6434T_-2014-10-7.pdf.

No documents other than those listed above are incorporated by reference into this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of the Base Prospectus.

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Registered Office of Honu Finance Limited
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Registered Office of Waipio Finance Limited
190 Elgin Avenue
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Grand Cayman KY1-9005
Cayman Islands

Registered office of Lani Finance Limited
190 Elgin Avenue
George Town,
Grand Cayman KY1-9005
Cayman Islands

Note Trustee and Security Trustee
Citicorp Trustee Company Limited
Citigroup Centre
Canada Square Canary Wharf
London E14 5LB

Principal Paying Agent, Calculation Agent, Acquisition and Disposal Agent and Transfer Agent
Citibank, N.A., London Branch
Citigroup Centre
Canada Square Canary Wharf
London E14 5LB

Custodian
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Custodian
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Grand Duchy of Luxembourg

Registrar and Transfer Agent
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Citigroup Global Markets
Deutschland AG
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Irish Listing Agent
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