

Constituting Instrument

between

ARLO XII Limited

Barclays Bank PLC

BNY Mellon Corporate Trustee Services Limited

and

The Bank of New York Mellon, London Branch
relating to

Series Repack-9
JPY 1,000,000,000 Secured Limited Recourse
Fixed Rate Notes due 17 March 2027

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CONSTITUTING INSTRUMENT

Series Repack-9

JPY 1,000,000,000 Secured Limited Recourse Fixed Rate Notes due 17 March 2027
(the “Notes” or the “Series”)

THIS CONSTITUTING INSTRUMENT is dated the Issue Date of the Notes and is made (to the extent specified in Recital (B) and Clause 1.5 below) as a Deed.

BETWEEN THE PARTIES LISTED IN COLUMN 1 OF SCHEDULE 1 each acting through the office or offices specified in Column 1 of Schedule 1 and in the capacity or capacities specified in Column 2 of Schedule 1.

BACKGROUND

- (A) This Constituting Instrument is entered into for the purpose of constituting the Notes and of making arrangements in connection therewith.
- (B) This Constituting Instrument incorporates the Master Trust Terms (May 2016 Edition – Version 1), as amended and supplemented by this Constituting Instrument, so as to constitute the Notes and create security over the Charged Assets and the Charged Agreement and other Collateral relating to the Notes pursuant to Clause 2 below. Accordingly, this Constituting Instrument is a deed and has been executed as a deed by the Issuer, the Trustee and the Swap Counterparty in their respective capacities as such.

OPERATIVE PROVISIONS:

1. Interpretation

- 1.1 Column 2 of Schedule 1 sets out the capacity or capacities in which each party to this Constituting Instrument is appointed or is empowered to act in relation to the Notes. References to the “Issuer”, the “Trustee”, the “Swap Counterparty”, the “Issue Agent”, the “Principal Paying Agent”, the “Paying Agent”, the “Registrar”, the “Transfer Agent”, the “Interest Calculation Agent”, the “Determination Agent”, the “Realisation Agent”, the “Common Depositary”, the “Custodian”, the “Arranger”, the “Dealer”, the “Party A” and the “Party B” shall be construed as a reference to the party or parties identified in Column 2 of Schedule 1 acting in that capacity in relation to the Notes pursuant to the relevant Series Documents (as defined below) specified in Column 3 of Schedule 1.
- 1.2 Unless otherwise specifically provided, terms used in this Constituting Instrument shall have the meanings given to such terms in, and shall be interpreted in accordance with:
 - (A) the Master Definitions (May 2016 Edition – Version 1); and
 - (B) the Conditions of the Notes as specified or set out in Schedule 2.
- 1.3 If no party is specified in Schedule 1 as acting in the capacity of “Swap Counterparty”, “Issue Agent”, “Principal Paying Agent”, “Paying Agent”, “Registrar”, “Transfer Agent”, “Interest Calculation Agent”, “Determination Agent”, “Realisation Agent”, “Common Depositary”, “Custodian”, “Arranger”, “Dealer”, “Buyer” or “Seller” (as the case may be), references in this Constituting Instrument and the Series Documents to the Swap Counterparty, Issue Agent, Principal Paying Agent, Paying Agent, Registrar, Transfer Agent, Interest Calculation Agent, Determination Agent, Realisation Agent, Common Depositary, Custodian, Arranger, Dealer, Buyer or

Seller (as the case may be) shall be ignored. Where there is no Swap Counterparty, references to the Charged Agreement shall be ignored, where there is no Custodian references to the Custody Agreement shall be ignored and where there is no Buyer and Seller, references to the Charged Assets Sale Agreement shall be ignored.

- 1.4 References to Recitals, Schedules and Clauses are to the Recitals, Schedules and Clauses of this Constituting Instrument (unless stated otherwise). The Recitals and Schedules are incorporated in and form part of this Constituting Instrument.
- 1.5 In so far as this Constituting Instrument constitutes the Trust Deed for the Series, this Constituting Instrument is a deed and has been executed as a deed by the Issuer, the Trustee and the Swap Counterparty in their respective capacities as such and the Constituting Instrument shall be deemed to comprise, and shall be read and construed as, a separate instrument, executed as a deed as between those parties in their respective capacities as such.
- 1.6 As used in this Constituting Instrument, “**Series Documents**” means the Trust Deed, the Agency Agreement, the Custody Agreement, the Charged Agreement and the Placing Agreement in relation to the Series. References to the “Master Conditions”, the “Master Trust Terms”, the “Master Agency Terms”, the “Master Custody Terms”, the “Master Placing Terms” and the “Master Charged Agreement Terms” (each a “**Master Terms Document**”) in this Constituting Instrument are to the relevant master document specified as such below and each signed for the purpose of identification by Barclays Bank PLC.

2. **Constitution of Notes and Creation of Security**

- 2.1 The Issuer, the Trustee and the Swap Counterparty agree that the Notes are constituted by this Constituting Instrument, and shall have the Conditions set out or specified in Schedule 2 and that the Master Conditions (May 2018 Edition – Version 1) (the “**Master Conditions**”) shall apply as amended, supplemented or restated by Schedule 2.
- 2.2 The Issuer, the Trustee and the Swap Counterparty agree that the Master Trust Terms (May 2016 Edition – Version 1) (the “**Master Trust Terms**”) shall apply in respect of the Series and the Notes as if set out in full in this Constituting Instrument subject to the following amendments:

- (A) Clause 7.3(A) shall be amended by:

deleting the word “and” at the end of sub-paragraph (1) and replacing “.” with “; and” at the end of sub-paragraph (2); and

inserting the following new sub-paragraph (3):

“(3) (a) the claims (if any) of the Custodian, the Principal Paying Agent and the Registrar in respect of any amounts payable by the Issuer in relation to the Notes under the Custody Agreement or the Agency Agreement, respectively (including but not limited to any amounts of value added tax or other taxes due to any applicable revenue authorities); (b) the claims (if any) of the Custodian for reimbursement in respect of payment of any amount in respect of the Charged Assets made to the Issuer and/or the Principal Paying Agent on its behalf prior to receipt of the same by the Custodian; and (c) the claims (if any) of the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to the Noteholders prior to receipt of the same by the Principal Paying Agent.”.

- (B) Clause 7.4 shall be amended by the addition of the following:

“(D) Upon the Issuer being required to deliver the Charged Assets and/or pay the Physical Settlement Amounts, or to procure that the Physical Settlement Amounts are delivered and/or paid (as applicable), to the Noteholder pursuant to paragraph 26 of the Terms and Conditions of the Notes, the Trustee agrees to instruct the Custodian to deliver and/or pay (as applicable) the Physical Settlement Amounts to, subject always to compliance with applicable laws, regulations and directives, the relevant part of the Charged Assets, or, as the case may be, procure that the same is delivered and/or paid (as applicable) to, on such date in such manner and to such place or account as may be specified by the Issuer (or the Determination Agent on its behalf), in accordance with, and as provided by, the paragraph 26 of the Terms and Conditions of the Notes and the Trustee agrees to release such Charged Assets from the security created by or pursuant to the Trust Deed and such release shall be effected automatically without the need for any further action, instrument in writing or consent by the Trustee.”.

- 2.3 The Issuer with full title guarantee and as continuing security:

- (A) assigns by way of security in favour of the Trustee all of the Issuer's rights against the Custodian and the Sub-Custodian (if any) with respect to (a) the Charged Assets as are held pursuant to the Custody Agreement, (b) any moneys and/or other assets received under the Custody Agreement, and (c) any sums credited to any Cash Account; and
- (B) creates the other security provided in Sub-clauses 7.2 (A), (B), (C), (D), (E) and (F) of the Master Trust Terms,

in each case, on terms that the Trustee shall hold the proceeds of such security for itself and on trust for the other Secured Creditors, subject to the provisions of, and in the order of priority provided in, Sub-clause 7.19 of the Master Trust Terms.

- 2.4 Clause 2.3 shall take effect as part of the Trust Deed.

- 2.5 The Issuer, the Swap Counterparty and the Trustee agree that, by their executing this Constituting Instrument, the Trust Deed for the Series is constituted by the Master Trust Terms, as amended and supplemented by this Constituting Instrument.

3. **Application of Master Agency Terms**

- 3.1 The Issuer, the Trustee, the Swap Counterparty, the Issue Agent, the Principal Paying Agent, the Paying Agent, the Determination Agent and the Realisation Agent agree that the Master Agency Terms (May 2016 Edition – Version 1) (the “**Master Agency Terms**”) shall apply in respect of the Series as if set out in full in this Constituting Instrument, subject to the following amendment:

Clause 4.10 shall be deleted in its entirety and the following shall be added as new Clause 4.10:

“4.10 Upon receipt by the Issuer (or the Principal Paying Agent) of a Redemption Event Notice from the Swap Counterparty, the Issuer shall (if the Principal Paying Agent is not specified as a recipient of such notice) provide a copy of such notice to the Principal Paying Agent and the Principal Paying Agent shall, on behalf of the Issuer, send a copy of such notice as soon as reasonably practicable following receipt thereof to the Noteholders in accordance with Condition 14.”.

- 3.2 The Common Depository is The Bank of New York Mellon, London Branch.
- 3.3 The Issuer instructs the Realisation Agent to procure the payment of any net sale proceeds of the Charged Assets (or portion thereof) following the realisation thereof in accordance with paragraph 26 of the Terms and Conditions of the Notes to, or to the order of, the Custodian, for application in or towards the Issuer's obligations under the Notes and the Charged Agreement and as otherwise provided for in paragraph 26 of the Terms and Conditions of the Notes.
- 3.4 In connection with Early Physical Settlement, the Issue Agent, the Principal Paying Agent, the Paying Agent, and the Determination Agent and the Realisation Agent are authorised by the Issuer to take such actions as may be specified by in instructions from the Issuer (or the Determination Agent on its behalf), in accordance with, and as provided by, paragraph 26 of the Terms and Conditions of the Notes, and the Agents are entitled to rely on such an instruction without monitoring or enquiring as to the validity of such instruction, and without incurring any liability
- 3.5 The Issuer, the Trustee, the Swap Counterparty, the Issue Agent, the Principal Paying Agent, the Paying Agent, the Determination Agent and the Realisation Agent agree that the Agency Agreement for the Notes is constituted by the Master Agency Terms, as amended and supplemented by this Constituting Instrument.
- 3.6 Each of the Issue Agent, the Principal Paying Agent, the Paying Agent, the Determination Agent and the Realisation Agent agrees to act as such in relation to the Notes (and to undertake its respective duties set out in the Agency Agreement, the Conditions and the Charged Agreement (as applicable)) in accordance with the terms of the Agency Agreement for the Notes.

4. **Application of Master Custody Terms**

- 4.1 The Issuer, the Trustee and the Custodian agree that the Master Custody Terms (May 2018 Edition – Version 1) (the “**Master Custody Terms**”) shall apply in respect of the Series as if set out in full in this Constituting Instrument, subject to the following amendments:
- 4.2 The Issuer, the Trustee and the Custodian agree that the Custody Agreement for the Notes is constituted by the Master Custody Terms as amended and supplemented herein.
- 4.3 The Custodian agrees to act as such in relation to the Notes in accordance with the terms of the Custody Agreement for the Notes.
- 4.4 The Custodian shall, subject to it being satisfied that it will be reimbursed to its satisfaction, do all such other acts and things as may be necessary or desirable or as the Trustee or the Swap Counterparty may request, in order to create, preserve, perfect or validate the security interests created by the Trust Deed, or to enable the Trustee to enforce its rights and remedies provided in the Trust Deed or in respect of the Charged Assets, any portion thereof or any interest therein or otherwise to effect the purposes of the Trust Deed.
- 4.5 The Custodian agrees to act in accordance with the instructions set out in the Custody Agreement without the need for any further instruction from the Issuer or the Trustee, and shall not transfer, or procure the transfer of, the Charged Assets other than in accordance with the provisions of the Custody Agreement, the Charged Agreement or the Conditions of the Notes.

- 4.6 The Custodian may with respect to the services provided under the Custody Agreement and the accounts established thereunder in respect of the Notes be carrying out a payment service for the purposes of the Payment Services Regulations 2017 (as amended from time to time, the "**2017 Regulations**"). To the extent it is the Issuer represents and warrants that it is not and will not be a consumer, micro-enterprise or charity as defined in the 2017 Regulations. Broadly, for these purposes, a micro-enterprise is an autonomous enterprise that employs fewer than ten people and whose annual turnover and/or balance sheet total does not exceed €2 million (or its Sterling equivalent), a consumer is an individual acting for purposes other than a trade, business or profession, and a charity includes only those whose annual income is less than £1 million. On the basis of the foregoing and in accordance with regulations 40(7) and 63(5) of the 2017 Regulations (which provide that parties may agree that certain provisions of the 2017 Regulations shall not apply), the Issuer agrees that all of the provisions of Part 6 of the 2017 Regulations and regulations 66(1), 67(3), and (4), 75, 77, 79, 80, 83, 91, 92 and 94 of Part 7 of the 2017 Regulations shall not apply with respect to the services to be provided under the Custody Agreement and the accounts established thereunder in respect of the Notes and that a different time period shall apply for the purposes of regulation 74(1).
- 4.7 The Issuer, the Trustee and the Custodian agree that the Custody Agreement for the Notes is constituted by the Master Custody Terms, as amended and supplemented by this Constituting Instrument and for the purposes of Sub-Clause 4.5 thereof the Cash Account shall comprise of the following:
- (A) in respect of Proceeds denominated in JPY,
- Payment to: Mizuho Corporate Bank Ltd., Tokyo
SWIFT Code: MHCBJPJT
Account: 0321150
Favour of: The Bank of New York Mellon
SWIFT Code: IRVTBEBB
FFC A/C: ARLO XII Series Repack-9
A/C No: 7611203920
Ref: ARLO XII Series Repack-9; or
- (B) in respect of Proceeds denominated in USD,
- Correspondent Bank: The Bank of New York Mellon, New York
ABA: 021 000 018
Correspondent BIC: IRVTUS3N
Beneficiary Bank: The Bank of New York Mellon, Brussels (IRVTBEBB)
Account Number: 8900285451
For Further Account: ARLO XII
Account Name: Series Repack-9
Account Number: 7611208400
Ref: Series Repack-9; or
- (C) such other account number as may be communicated by the Custodian to the Issuer from time to time, the details of which shall be notified by the Custodian to the Trustee, the Swap Counterparty and the Issuer as soon as reasonably practicable following the opening of such account.
- 4.8 The Custodian agrees to apply all moneys received by it in respect of the Charged Assets relating to the Notes (including sums standing to the credit of any Cash Account from time to time) in or towards discharge of the obligations of the Issuer

under the Terms and Conditions of the Notes and/or under the provisions of the Confirmation, and the Issuer and the Trustee instruct the Custodian to act accordingly.

- 4.9 In connection with Early Physical Settlement, upon receipt by the Custodian of a notice from the Issuer (or the Determination Agent on its behalf) advising the Custodian that the Notes will redeem in accordance with the Early Physical Settlement pursuant to paragraph 26 of the Terms and Conditions of the Notes (and such notice shall set out (i) the details of the account held in the name of the Determination Agent or an affiliate at Euroclear Bank SA/NV or Clearstream, Luxembourg for delivery of the Physical Settlement Amounts by the Custodian to such party for onward delivery to the Noteholder, and (ii) the details of the account provided by the Noteholder (or a third party on its behalf) for delivery of the Physical Settlement Amount by the Determination Agent or an affiliate to the Noteholder), the Custodian is authorised by the Issuer to deliver and/or pay (as applicable) the Physical Settlement Amounts to, subject always to compliance with applicable laws, regulations and directives, the relevant part of the Charged Assets, or, as the case may be, procure that the same is delivered and/or paid (as applicable) to, on such date in such manner and to the account of the Determination Agent or an affiliate (as applicable) as specified herein, and in connection with any notice given pursuant to this paragraph 4.9, the Custodian shall be entitled to rely on such notice without monitoring or enquiring as to the validity of such notice and without incurring liability.
- 4.10 The Custodian undertakes to procure that the Charged Assets are delivered, transferred and/or paid (as applicable) pursuant to the Custody Agreement following the release of the security interests over or in respect of such Charged Assets as contemplated by the Trust Deed.
- 4.11 The Issuer represents, warrants and agrees that, except as mentioned in Clause 4.4 of the Master Custody Terms and Clause 2 of this Constituting Instrument, it has not created or granted any security interest over the Cash Account, or Cash in favour of any person and the Issuer shall promptly notify the Custodian of the creation, release or expiration of any such security interest.
- 4.12 Unless otherwise specified in the Custody Agreement, the Custody Agreement may be modified only by a written agreement signed by all of the parties, and no waiver of any provision hereof shall be effective unless expressed in a written agreement signed by all of the parties hereto. It being understood that to the extent that amendments are proposed by the Custodian in order to enable the Custodian to comply with applicable law or regulatory requirements, the consent of the Issuer and the Trustee shall not be unreasonably withheld.
- 4.13 A new Clause 5.4 (Recognition of the U.S. Special Resolution Regimes) shall be inserted as follows:

“5.4 Recognition of the U.S. Special Resolution Regimes

(1) In the event the Custodian becomes subject to a proceeding under a U.S. Special Resolution Regime the transfer of the Custody Agreement (and any interest and obligation in or under, and any property securing, the Custody Agreement) from the Custodian will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Custody Agreement (and any interest and obligation in or under, and any property securing, the Custody Agreement) were governed by the laws of the United States or a state of the United States.

(2) In the event the Custodian or any of its Affiliates becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights with respect to the Custody Agreement that may be exercised against the Custodian are permitted to be exercised to no greater extent than the Default Rights could be exercised under the U.S. Special Resolution Regime if the Custody Agreement were governed by the laws of the United States or a state of the United States.

For the purposes of this Sub-clause 5.4:

“**Affiliate**” has the meaning given in section 2(k) of the Bank Holding Company Act (12 U.S.C. 1841(k)) and section 225.2(a) of the Board's Regulation Y (12 CFR 225.2(a));

“**Default Right**” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and

“**U.S. Special Resolution Regime**” means each of (i) the U.S. Federal Deposit Insurance Act (12 U.S.C. 1811–1835a) and the regulations promulgated thereunder and (ii) Title II of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5381–5394) and the regulations promulgated thereunder.”.

5. **Application of the Master Placing Terms**

5.1 The Issuer, the Arranger and the Dealer agree that the Master Placing Terms (May 2016 Edition – Version 1) (the “**Master Placing Terms**”) shall apply in respect of the Series as if set out in full in this Constituting Instrument, subject to the following amendments:

(A) Sub-clause 6.7 shall be deleted in its entirety and replaced with the following wording:

"The Arranger and each Dealer warrants and agrees that in relation to each Member State of the European Economic Area that it has not made and will not make an offer of Notes to the public in that Member State except that it may make an offer of Notes to the public in that Member State:

(a) if the Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that 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 Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has

subsequently been completed by the Prospectus contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such 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 Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) 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 1(4) of the Prospectus Regulation,

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 Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any 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, and the expression **Prospectus Regulation** means (Regulation (EU) 2017/1129).”.

- (B) Sub-clause 6.8 shall be deleted in its entirety and replaced with the following wording:

“6.8 The Arranger and Dealer are aware the Notes of the relevant Series have not been, and will not be, registered Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the “FIEA”), and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, accordingly, none of the Notes nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, a “**Japanese person**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

The Notes have not been and will not be subject to the disclosure requirements under the FIEA.

As offering of the Notes constitutes an Offering to Qualified Institutional Investors (tekikaku kikan toushika muke kanyuu) (as defined in Article 23-13, Paragraph 1 of the FIEA), the Notes have not been and will not be registered under Article 4, Paragraph 1 of the FIEA. A purchaser may transfer the Notes only to Qualified Institutional Investor(s) (as defined in Article 2, Paragraph 3, Item 1 of the FIEA).”

- (C) Sub-clause 6.10 shall be deleted in its entirety and replaced with the following wording:

“6.10 Offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of a Prospectus in respect of a Series of Notes or any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) (“**Qualified Investors**”), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) as implemented by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended (“**CONSOB Regulation No. 20307**”) pursuant to Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the “**Regulation 11971/1999**”); or
- (b) in other circumstances which are exempted from the rules on offers of securities to be made to the public pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph, of Regulation 11971/1999.

Any offer, sale or delivery of the Notes in the Republic of Italy or distribution of copies of the relevant Prospectus or any other document relating to the Notes in the Republic of Italy under (a) and (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 and Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

5.2 The Issuer, the Arranger and the Dealer agree that the Placing Agreement for the Series is constituted by the Master Placing Terms, as amended and supplemented by this Constituting Instrument.

5.3 The Arranger and the Dealer are appointed and agree to act as such in accordance with the Placing Agreement.

6. **Application of Master Charged Agreement Terms**

6.1 The Issuer and the Swap Counterparty agree that the Master Charged Agreement Terms (May 2016 Edition – Version 1) (the “**Master Charged Agreement Terms**”) shall apply in respect of the Series as if set out in full in this Constituting Instrument, subject to the following amendments:

- (A) The following new paragraph shall be added to Section 5.15 immediately following the existing paragraph ending with the words, “it shall be made by Party B”:

“For the purposes of any determinations under Section 6(e) of the Charged Agreement in respect of the Asset Swap Transaction entered into pursuant thereto, the Terminated Transaction shall be on those terms set out in its related Confirmation, save that (A) the Initial Exchange shall be deemed to be a JPY

amount equal to the Principal Amount of the Notes payable by Party B to Party A and a USD amount equal to USD 9,270,000 payable by Party A to Party B, (B) any Interim Exchange amounts payable by Party A shall be disregarded (C) the Final Exchange shall be deemed to be a JPY amount equal to the outstanding Principal Amount of the Notes payable by Party A to Party B and a USD amount payable by Party B to Party A equal to USD 9,270,000, (D) the Variable Amount payable by Party B to Party A on each Charged Assets Payment Date shall be deemed to be the amount of stated coupon payable in respect of the Corporate Bonds in USD with a principal amount equal to the Initial Reference Amount (where, for the avoidance of doubt, such Corporate Bonds shall be deemed to make any such payments in accordance with their terms and conditions in effect as of the Trade Date disregarding any subsequent amendments thereto), and (E) the Fixed Amount payable by Party A to Party B shall be the amount equal to the Fixed Amount payable on each Fixed Rate Payer Payment Date;”

- (B) A new Section 5.17 shall be inserted immediately following Section 5.16 (*Notices*) as follows:

“5.17 Charged Assets Replacement

Party A and Party B agree that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, on the Bond Charged Asset Delivery Date (as defined below) Party B shall transfer, or procure the transfer of, and the Custodian on behalf of Party B shall so transfer, to or to the order of, Party A, cash in an amount equal to the Cash Charged Assets in cleared and freely transferable funds (the **“Replaced Charged Assets”**) held by the Custodian on behalf of Party B in exchange for the delivery by Party A to Party B of the Replacement Charged Assets. On the Bond Charged Asset Delivery Date, Party B shall cause the transfer of the Replaced Charged Assets to Party A to an account specified by Party A and Party A shall deliver the Replacement Charged Assets to, or to the order of, Party B (the **“Charged Assets Replacement”**).

The transfer of the Replaced Charged Assets by Party B (or the Custodian on behalf of Party B) and the delivery of the Replacement Charged Assets by Party A shall be made with full title guarantee, free and clear of all charges, liens and encumbrances (other than any Permitted Limitation on Title) and with the benefit of all rights and entitlements thereto and therein subsisting as at the date of the Charged Assets Replacement.

The Charged Assets Replacement shall be subject to (a) compliance with all relevant laws, regulations and directives; (b) the terms and conditions of the Replacement Charged Assets; (c) Party A paying any costs and expenses (including, without limitation, any securities transaction tax or other tax or any stamp duty) payable by or on behalf of Party B in connection with such Charged Assets Replacement; and (d) delivery of the Replacement Charged Assets to Party B.

For the purposes of this Section 5.17, the following terms shall have the meanings set out below:

“Bond Charged Asset Delivery Date” shall mean the date notified in writing (which may be by way of email) as such by Party A to Party B and the Custodian.

“Replacement Charged Assets” shall mean the Bond Charged Assets.”.

(C) Section 6.1 (*Party A Interim Exchange*) shall be disappplied.

6.2 The Issuer and the Swap Counterparty agree that the Charged Agreement for the Series is constituted by the Master Charged Agreement Terms, as amended and supplemented by this Constituting Instrument, and a confirmation by exchange of letters (the “**Confirmation**”) dated the date of this Constituting Instrument between the Issuer and the Swap Counterparty in the form set out in Schedule 5.

6.3 For the purpose of Section 12(a) of the Master Charged Agreement Terms, notices and other communications in respect of the Charged Agreement addressed to the Issuer or to the Swap Counterparty shall be delivered to their respective addresses set out in Schedule 1 to this Constituting Instrument.

7. **Amendments to the Master Definitions (May 2016 Edition – Version 1)**

The following shall be inserted as a new definition:

““Client Money Distribution and Transfer Rules” means the client money distribution and transfer rules as set out in Chapter 7A of the Client Asset Rules;”

8. **Amendments to the Series Documents**

Each of the Series Documents may be amended and/or supplemented by agreement of the parties thereto without any requirement for consent or any other action from any other party to this Constituting Instrument unless provided otherwise in this Constituting Instrument, the relevant Master Terms Document or by any of the other Series Documents.

9. **Counterparts**

This Constituting Instrument may be executed in any number of counterparts in which case this Constituting Instrument will be as effective as if all the signatures or seals on the counterparts were on a single copy of this Constituting Instrument.

10. **Application of Series Documents**

Each of the Trust Deed, Agency Agreement, Custody Agreement, Charged Agreement and Placing Agreement constituted hereby shall apply to the Notes of the Series constituted hereby as a separate agreement and shall not apply to any other Series of Notes.

11. **Contracts (Rights of Third Parties) Act 1999**

A person which is not a party to this Constituting Instrument has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of this Constituting Instrument or any agreement or deed or constituted hereby, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

12. **Trustee Act 2000**

The duty of care that applies to a trustee under section 2 of the Trustee Act 2000 shall not apply to the Trustee. Subject thereto, if the Trustee fails to show the degree of care and due diligence required of it as a trustee, due regard being given to the provisions of this Constituting Instrument, nothing in the Trust Deed shall relieve or indemnify it from or against any liability which by virtue of any rule of law would otherwise attach to it in respect of any negligence, wilful default, breach of duty or breach of trust of which it may be guilty.

13. **Governing Law and Jurisdiction**

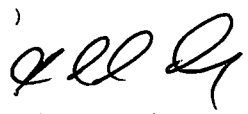
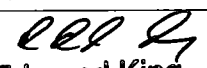
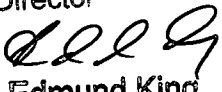
This Constituting Instrument and any non-contractual obligations arising from or connected with it shall be governed by and construed in accordance with English law.

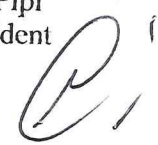



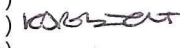

14. **Agent for Service of Process**

Each party specified in Schedule 4 irrevocably appoints the service of process agent specified in Schedule 4 to act in such capacity in relation to each Series Document to which it is a party.





IN WITNESS whereof this Constituting Instrument has been executed by each party to this Constituting Instrument in each relevant capacity specified in relation to that party in Column 2 of Schedule 1 in the manner described in Schedule 1 on the date stated at the beginning of this Constituting Instrument.

SCHEDULE 1 : PARTIES TO DOCUMENTS

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
ARLO XII Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman KY1-1102 Cayman Islands Attention: Directors Facsimile No: +1 345 945 7100 Telephone No: +1 345 945 7099	Issuer	Trust Deed	EXECUTED AS A DEED by) ARLO XII LIMITED) by one of its Directors:)  Edmund King Director
	Issuer	Custody Agreement Placing Agreement Agency Agreement	SIGNED for and on behalf) of ARLO XII LIMITED) by one of its Directors:)  Edmund King Director
	Party B	Charged Agreement	SIGNED for and on behalf) of ARLO XII LIMITED) by one of its Directors:)  Edmund King Director

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
BNY Mellon Corporate Trustee Services Limited One Canada Square London E14 5AL Attention: Trustee Administration Facsimile No: +44 20 7964 2509	Trustee	Trust Deed	EXECUTED AS A DEED by) BNY MELLON CORPORATE) TRUSTEE SERVICES LIMITED) acting by two of its lawful Attorneys) in the presence of: Witness name: Alberto Pipi Vice President Signature:  Address: One Canada Square, London E14 5AL  Karen Robinett Authorised Signatory  Latoya Austin Authorised Signatory
	Trustee	Agency Agreement	SIGNED for and on behalf of) of BNY MELLON CORPORATE) TRUSTEE SERVICES LIMITED by:)  Karen Robinett Authorised Signatory
	Trustee	Custody Agreement	SIGNED for and on behalf of) of BNY MELLON CORPORATE) TRUSTEE SERVICES LIMITED by:)  Karen Robinett Authorised Signatory
The Bank of New York Mellon, London Branch One Canada Square London E14 5AL Attention: Corporate Trust Administration (CDO) Facsimile No: +44 207 964 2531	Issue Agent Principal Paying Agent Paying Agent	Agency Agreement	SIGNED for and on behalf of) THE BANK OF NEW YORK) MELLON, LONDON BRANCH by:)  Karen Robinett Authorised Signatory

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
	Custodian	Custody Agreement	SIGNED for and on behalf of) THE BANK OF NEW YORK) MELLON, LONDON BRANCH by:) <i>KAR ROBINETT</i> Karen Robinett Authorised Signatory
Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB Attention: Head of Asia Pacific Credit Derivatives Telephone No.: + 81 3 4530 1509 With a copy to Head of Asia Pacific Credit Structuring Telephone No.: + 65 6308 3991	Arranger and Dealer	Placing Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by:)
	Realisation Agent Determination Agent Swap Counterparty Interest Calculation Agent	Agency Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by:)
	Swap Counterparty	Trust Deed	EXECUTED AS A DEED by) BARCLAYS BANK PLC) in the presence of:)

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
	Custodian	Custody Agreement	SIGNED for and on behalf of) THE BANK OF NEW YORK) MELLON, LONDON BRANCH by:)
Barclays Bank PLC 5 The North Colonnade Canary Wharf London E14 4BB Attention: Head of Asia Pacific Credit Derivatives Telephone No.: + 81 3 4530 1509 With a copy to Head of Asia Pacific Credit Structuring Telephone No.: + 65 6308 3991	Arranger and Dealer	Placing Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by:)  YUEN SI QI DIRECTOR
	Realisation Agent Determination Agent Swap Counterparty Interest Calculation Agent	Agency Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by:)  YUEN SI QI DIRECTOR
	Swap Counterparty	Trust Deed	EXECUTED AS A DEED by) BARCLAYS BANK PLC) in the presence of:)  YUEN SI QI  LIM JEREMY AS WITNESS

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
	Swap Counterparty Party A	Charged Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by: ) YUEN SIQI DIRECTOR

SCHEDULE 2 : TERMS AND CONDITIONS

CONDITIONS OF THE NOTES

Series Repack-9 JPY 1,000,000,000 Secured Limited Recourse Fixed Rate Notes due 17 March 2027

The Terms and Conditions of the Notes designated as above (the “**Notes**”) shall be the Master Conditions as completed, modified and amended by the terms set out herein (the “**Terms**”). The Master Conditions are set out in the Base Prospectus dated 3 May 2019 (the “**Base Prospectus**”) relating to the ARLO XII Limited U.S.\$5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (the “**Programme**”) and, for the purposes of these Notes, the Master Conditions (May 2018 Edition – Version 1) shall apply.

Unless the context otherwise requires, terms defined in the Master Conditions or in the Charged Agreement (as defined below) shall have the same meanings when used in these Terms.

- | | | | |
|----|--------|---|---|
| 1. | (i) | Issuer: | ARLO XII Limited. |
| | (ii) | Arranger and Dealer: | Barclays Bank PLC. |
| | (iii) | Swap Counterparty: | Barclays Bank PLC. |
| | (iv) | Trustee: | BNY Mellon Corporate Trustee Services Limited. |
| | (v) | Issue Agent and Principal Paying Agent: | The Bank of New York Mellon, London Branch. |
| | (vi) | Paying Agent: | The Bank of New York Mellon, London Branch. |
| | (vii) | Custodian: | The Bank of New York Mellon, London Branch. |
| | (viii) | Interest Calculation Agent: | Barclays Bank PLC. |
| | (ix) | Common Depositary: | The Bank of New York Mellon, London Branch. |
| | (x) | Determination Agent: | Barclays Bank PLC. |
| | | | Any calculations or determinations required to be made by the Determination Agent shall be made in good faith in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error. |
| | (xi) | Realisation Agent: | Barclays Bank PLC. |
| | (xii) | Registrar and Transfer Agent: | Not applicable. |
| 2. | (i) | Series Number: | Series Repack-9. |
| | (ii) | Specified Currency: | Japanese Yen (“ JPY ” or “ ¥ ”). |

3. Principal Amount: JPY 1,000,000,000.
4. Status: The Notes are secured and limited recourse obligations of the Issuer ranking *pari passu* and rateably without preference among themselves, recourse in respect of which is limited in the manner described in the Conditions. The Notes are secured in the manner described in Condition 4 (*Security*) and Paragraph 11 (*Security*) below and are subject to the priority set out below.

After meeting the expenses and remuneration of and any other amounts due to the Trustee, including in respect of liabilities incurred, or to any receiver appointed pursuant to the Trust Deed in respect of the Notes, and subject as provided in the Constituting Instrument, the net proceeds of the enforcement of the security constituted pursuant to the Trust Deed will be applied as follows:

- (i) **firstly**, (a) in meeting the claims (if any) of the Custodian, the Principal Paying Agent and the Registrar in respect of any amounts payable by the Issuer in relation to the Notes under the Custody Agreement or the Agency Agreement, respectively (including but not limited to any amounts of value added tax or other taxes due to any applicable revenue authorities); (b) in meeting the claims (if any) of the Custodian for reimbursement in respect of payment of any amount in respect of the Charged Assets made to the Issuer and/or the Principal Paying Agent on its behalf prior to receipt of the same by the Custodian; and (c) in meeting the claims (if any) of the Principal Paying Agent for reimbursement in respect of payment of principal and interest made to the Noteholders prior to receipt of the same by the Principal Paying Agent, each of the claims in (a), (b) and (c) above to rank *pari passu* and rateably;
- (ii) **secondly**, in meeting the claims (if any) of the Swap Counterparty under the Charged Agreement;
- (iii) **thirdly**, in meeting the claims (if any) of the Noteholders *pari passu* and rateably; and

- (iv) **fourthly**, in payment of the balance (if any) to the Issuer.
5. Issue Price: 100 per cent.
6. Authorised Denomination: JPY 1,000,000,000.
7. Issue Date: 23 October 2019.
8. Maturity Date: 17 March 2027, subject to the occurrence of any Early Redemption Event.
9. Charged Assets: The Charged Assets comprise the Initial Charged Assets or any Replacement Charged Assets (each, as defined below), as may be adjusted from time to time pursuant to the provisions below in respect of the Charged Agreement.

Condition 4(a)(i) shall be amended by inserting the words “, which expression shall include any Replacement Charged Assets” in the second last line, immediately following the words “(the **“Charged Assets”**”.

On the Issue Date, the Charged Assets will comprise either (i) USD 9,270,000 cash in cleared and freely transferable funds, which shall be deposited into a Cash Account (the **“Cash Charged Assets”**), or (ii) USD 9,270,000 principal amount of Corporate Bonds (the **“Initial Reference Amount”**), as determined by the Swap Counterparty in its sole discretion (such initial Charged Assets, the **“Initial Charged Assets”**).

“Corporate Bonds” means the securities with the following details:

1. Bond Issuer: HSBC Holdings PLC (the **“Bond Issuer”**)
2. Coupon: 4.041% per annum
3. Final Maturity: 13 March 2028
4. ISIN: US404280BK42

“Bond Charged Assets” means any Corporate Bonds which comprise Charged Assets from time to time, as may be reduced upon any partial redemption of the Notes.

Noteholders should be aware that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, the terms and conditions of the Notes permit (but do not oblige) the Swap Counterparty to substitute such Initial Charged Assets with the Corporate Bonds following the Issue Date.

In the event that the Charged Assets comprise Bond Charged Assets, if the Charged Assets are redeemed in whole or in part on or prior to the Maturity Date, the redemption proceeds thereof shall be credited to the relevant Cash Account pursuant to the Custody Agreement, and shall comprise Charged Assets as from the date of such crediting and, provided that such redemption does not constitute an Early Redemption Event in relation to which a Redemption Event Notice has been delivered in accordance with paragraph 26 (Early Redemption) hereof, the Notes will not redeem as a result of such redemption of

the Charged Assets.

Interest shall accrue on the balance of each respective Cash Account (the “**Cash Account Balance**”) up to and including the Maturity Date on a daily basis at the relevant Overnight Rate in an amount equal to the product of the following:

- (a) the respective Cash Account Balance;
- (b) the relevant Overnight Rate; and
- (c) in respect of any Cash Account Balance denominated in JPY: Actual/365; or
- (d) in respect of any Cash Account Balance denominated in USD: Actual/360,

provided that:

- (1) where, for whatever reason, the Custodian is unable to pay interest in accordance with this paragraph, interest shall cease to accrue in respect thereof from such date as so determined by the Custodian; and
- (2) to the extent that the Cash Account Balance relates to the Cash Charged Assets, the amount of interest payable shall be an amount (if any) to be agreed between the Swap Counterparty and the Custodian.

Where the Custodian is unable to pay interest on any Cash Account at the aforementioned rate or where it will apply a charge as contemplated below, it shall promptly notify the Issuer, the Trustee, the Principal Paying Agent, the Realisation Agent and the Swap Counterparty.

In respect of any cash held by the Custodian on behalf of the Issuer in respect of the Notes, if the relevant overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority reaches or falls below zero, the Custodian or its affiliates may (solely in such circumstance) apply a charge (the “**Custodian Charge**”) to the Cash Account (and such Custodian Charge may also include any charges or fees that the Custodian may apply to the Cash Account, in addition to any negative interest, that may be chargeable as a result of any negative interest rate applicable to such account).

“**Overnight Rate**” means the offered rate of the Custodian for overnight deposits in the applicable currency in the relevant Cash Account in an amount equal to the related Cash Account Balance.

Replacement Charged Assets

The Swap Counterparty and the Issuer agree that, to the extent that the Initial Charged Assets comprise Cash Charged Assets, on the Bond Charged Asset Delivery Date (as defined below) the Issuer shall transfer, or procure the transfer of, and the Custodian on behalf of the Issuer shall so transfer, to or to the order of, the Swap Counterparty, cash in an amount equal to the Cash Charged Assets in cleared and freely transferable funds (the “**Replaced Charged Assets**”) in return for which the Swap Counterparty will, in accordance with the provisions below, deliver to the Issuer the Replacement Charged Assets on the Bond Charged Asset Delivery Date (the “**Charged Assets Replacement**”).

The transfer of the Replaced Charged Assets by the Issuer (or the Custodian on behalf of the Issuer) and the delivery of the Replacement Charged Assets by the Swap Counterparty shall be made with full title guarantee, free and clear of all charges, liens and

encumbrances (other than any Permitted Limitation on Title) and with the benefit of all rights and entitlements thereto and therein subsisting as at the date of the Charged Assets Replacement.

The Replacement Charged Assets shall form part of the Charged Assets. Any Replaced Charged Assets so delivered or transferred by or on behalf of the Issuer shall be deemed automatically released from the security created by or pursuant to the Trust Deed and shall cease to form part of the Collateral and any Replacement Charged Assets so delivered or transferred or paid by the Swap Counterparty shall become subject to such security and shall form part of the Collateral.

The Charged Assets Replacement shall be subject to (a) compliance with all relevant laws, regulations and directives; (b) the terms and conditions of the Replacement Charged Assets; (c) the Swap Counterparty paying any costs and expenses (including, without limitation, any securities transaction tax or other tax or any stamp duty) payable by or on behalf of the Issuer in connection with such Charged Assets Replacement; and (d) delivery of the Replacement Charged Assets to the Issuer.

For the purposes of these Conditions, the following terms shall have the meanings set out below:-

“Bond Charged Asset Delivery Date” shall mean the date notified in writing (which may be by way of email) as such by the Swap Counterparty to the Issuer and the Custodian.

“Replacement Charged Assets” shall mean Corporate Bonds in a notional amount not exceeding, in aggregate, the Initial Reference Amount.

- | | | |
|-----|---------------------------------|---|
| 10. | Charged Agreement: | The International Swaps and Derivatives Association, Inc. (“ ISDA ”) 2002 form of Master Agreement and a schedule thereto dated the date of the Constituting Instrument between the Swap Counterparty and the Issuer; as supplemented by a confirmation of a swap transaction (the “ Asset Swap Transaction ”) entered into between the Swap Counterparty and the Issuer, with an effective date of 23 October 2019 (the “ Confirmation ”) in the form of Annex 1. |
| 11. | Security: | Condition 4(a) (<i>Security</i>) is applicable. |
| 12. | Fixed Rate Notes Provisions: | Applicable. |
| | (i) Interest Commencement Date: | One Business Day immediately following the Issue Date. |
| | (ii) Interest Periods: | <p>Subject to sub-paragraph 12(vi) below, each period from, and including, an Interest Payment Date (or in respect of the first Interest Payment Date, from, and including, the Interest Commencement Date) to, but excluding, the immediately following Interest Payment Date.</p> <p>Interest Periods are not subject to adjustment in accordance with the Business Day Convention.</p> <p>Notwithstanding anything to contrary in</p> |

	Condition 6, following the occurrence of an Early Redemption Event, interest shall cease to accrue from and including the prior Interest Payment Date (or if none, the Interest Commencement Date).
(iii) Interest Payment Dates:	17 March and 17 September in each year, from, and including, 17 March 2020 to, and including, 17 March 2027, in each case subject to (i) adjustment in accordance with the Business Day Convention and (ii) the occurrence of any Early Redemption Event.
(iv) Interest Rate:	0.71 per cent. per annum.
(v) Day Count Fraction:	30/360.
13. Floating Rate Notes Provisions:	Not applicable.
14. Zero Coupon Notes Provisions:	Not applicable.
15. Index-Linked Interest Notes Provisions:	Not applicable.
16. Notes issued in bearer or registered form:	Bearer Notes.
17. Whether Notes will be C Notes or D Notes:	<p>The Notes shall be D Notes and, accordingly, the Notes shall be represented on issue by a Temporary Global Note.</p> <p>The Temporary Global Note shall be exchangeable for a Permanent Global Note on or after 40 days from the Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of such Temporary Global Note) upon certification as to non-U.S. beneficial ownership.</p> <p>The Permanent Global Note shall be exchangeable for definitive Bearer Notes in the limited circumstances set out in Condition 1(a)(1) (<i>Bearer Notes</i>).</p>
18. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon:	No.
19. U.S. Series or non-U.S. Series:	Non U.S. Series.
20. Listing:	It is expected that application will be made to the Euronext Dublin for the Notes to be admitted to the Official List and trading on its regulated market. Such market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EC. However, the

Notes will not be so listed and admitted on the Issue Date and no assurance is given that such listing and admission will be obtained thereafter.

- 21. Ratings: None.
- 22. Business Days: London, New York and Tokyo.
- 23. Business Day Convention: Following (which shall apply to any date other than the Trade Date and the Maturity Date).
- 24. Call/Put Option: Not applicable.
- 25. Scheduled Redemption Amount: In respect of each Note, an amount in JPY equal to the Authorised Denomination.
- 26. Early Redemption and Definitions:

- (A) **Note Redemption Event:** If a Note Redemption Event occurs on or prior to the Maturity Date (regardless of whether or not it is continuing) and the Swap Counterparty delivers a Redemption Event Notice to the Issuer (such Redemption Event Notice to be delivered to the Issuer at least one Business Day before the Early Redemption Date (the “**Exercise Date**”), all the Notes outstanding (and not some only) shall be redeemed in accordance with sub-paragraph (B) (*Note Redemption Event – Early Physical Settlement*) or sub-paragraph (C) (*Note Redemption Event – Early Cash Settlement*) below, and accordingly Condition 7(b) (*Mandatory Redemption*) shall not apply.

Noteholders should be aware that they bear the risk of a Note Redemption Event occurring or having occurred at any time from and including 2 October 2019 (notwithstanding that such date precedes the Issue Date), up to and including the Maturity Date.

None of the Issuer, the Programme Parties and their respective affiliates has made any investigation of, or makes any representation or warranty, express or implied, as to whether a Bond Redemption Event has occurred or is likely to occur or as to the creditworthiness of the Bond Issuer, and each prospective Noteholder is advised to make its own investigations and assessment of the same.

For the avoidance of doubt, the right of the Swap Counterparty to deliver a Redemption Event Notice and for the Issuer to redeem the Notes on the Early Redemption Date shall apply notwithstanding that on any day after the Note Redemption Event or the Exercise Date the market value of the Charged Assets or Pari Passu Debt increases and/or the Early Termination Costs decrease.

- (B) **Note Redemption Event – Early Physical Settlement:** In connection with a Note Redemption Event where the Physical Redemption Conditions are met and remain satisfied up to, and including, the Physical Redemption Cut Off Date, all the Notes outstanding (and not some only) shall be redeemed by delivery of the Physical Settlement Amounts on the Early Redemption Date in accordance with the following provisions, and accordingly Condition 7(f)(6) shall not apply.

- (1) The Issuer shall give notice to the Noteholders in accordance with Condition 14 and to the Trustee, the Principal Paying Agent and the Determination Agent that the Notes will become due and repayable in accordance with this Paragraph 26(B) on the Early Redemption Date specifying that the Physical Redemption Conditions have

been met and remain satisfied up to the date of such notice (a “**Physical Delivery Notice**”). Any failure or delay by the Issuer to give a Physical Delivery Notice to any of the intended recipients thereof shall not affect the effectiveness of any Redemption Event Notice or other provisions of this Paragraph 26(B). Any failure or delay by the Swap Counterparty to serve a Redemption Event Notice shall not constitute a waiver of the Swap Counterparty’s right to serve such a notice in respect of the relevant event or circumstance or in respect of any other event or circumstance.

- (2) Following the delivery of the Physical Delivery Notice (subject to item (vii) below), if the Determination Agent determines in its sole and absolute discretion that the Termination Costs determined in connection with the Note Redemption Event are:

- (i) a negative amount, the Issuer will (i) use reasonable efforts to deliver Deliverable Bonds in an amount equal to the Bond Charged Assets to the Noteholder in accordance with the Required Physical Settlement Information as soon as reasonably practicable and (ii) shall pay to the Noteholder the absolute value of the Termination Costs (if any) within 5 Business Days following delivery of the Deliverable Bonds to the Noteholder;
- (ii) a positive amount, the Issuer will (i) use reasonable efforts to deliver the Deliverable Bonds in an amount equal to the Remaining Bonds to the Noteholder in accordance with the Required Physical Settlement Information as soon as reasonably practicable and (ii) shall pay the Residual Cash Amount (if any) to the Noteholder within 5 Business Days following delivery of the Deliverable Bonds to the Noteholder,

(the Deliverable Bonds and/or the amounts payable by the Issuer under either item (a) above where Termination Cost are negative or item (b) where Termination Cost are a positive amount, shall be the “**Physical Settlement Amounts**”).

- (3) A *pro rata* amount of Bond Charged Assets sufficient for the Issuer to satisfy its obligation to pay the Termination Costs where such Termination Costs are a positive amount, shall be deliverable and/or sold in accordance with Conditions 4(a) and 4(c) by the Realisation Agent and such Conditions shall be construed as applying in such circumstances, save the security constituted by the Constituting Instrument shall not have been deemed to have become enforceable and Condition 4(a) and 4(c) shall be construed accordingly.
- (4) Delivery of the Deliverable Bonds in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Determination Agent shall in its sole discretion determine.
- (5) In connection with the foregoing, the security created over the relevant Charged Assets pursuant to the Trust Deed shall be released by the Trustee to the extent necessary to (A) deliver the Physical Settlement Amounts and (B) where the Termination Costs are a positive amount, to deliver such amount of Bond Charged Assets sufficient to satisfy the Issuer’s obligation to pay the Termination Costs in accordance with sub-paragraph (iii) above, and the Determination Agent and the Realisation Agent shall be entitled to give such instructions to the Custodian and other Agents as they determine necessary in connection with effecting delivery of the Deliverable Bonds to the Noteholder.
- (6) After delivery of the Deliverable Bonds and for such period as any person other than

the relevant Noteholder shall continue to be the legal owner of any assets comprising the Deliverable Bonds (the “**Intervening Period**”), none of the Issuer, the Determination Agent nor any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Deliverable Bonds, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Deliverable Bonds or (z) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Deliverable Bonds.

- (7) If Early Physical Settlement applies and at any time the Determination Agent determines the Physical Settlement Conditions cannot be met, no Deliverable Bonds will be delivered and the Notes will settle at their Early Cash Redemption Amount in accordance with Paragraph 26(C) (*Note Redemption Event*) or Paragraph 26(D) (*Extraordinary Event*) (as applicable).
- (8) The payment in full of the Physical Settlement Amounts by the Issuer (or a third party on its behalf) to the Noteholder shall be in full and final satisfaction of all claims accruing at any time in respect of the Notes, whether before or after the date of such payment, and the Issuer shall have no further obligations under the Notes.

(C) **Note Redemption Event – Early Cash Settlement:** In connection with a Note Redemption Event where the Physical Redemption Conditions are not met at any time on or before the Physical Redemption Cut Off Date, all the Notes outstanding (and not some only) shall be redeemed by payment in respect of each Note of the Early Cash Redemption Amount in accordance with the following provisions.

- (i) The Issuer shall give notice to the Noteholders in accordance with Condition 14 and to the Trustee, the Principal Paying Agent and the Determination Agent that the Notes will become due and repayable in accordance with Condition 7(f)(*Redemption amount of Notes*) and this Paragraph 26(C) on the Early Redemption Date, and such notice shall (if applicable) specify that the Physical Redemption Conditions were not met at any time on or before the Physical Redemption Cut Off Date (the “**Cash Settlement Notice**”). Any failure or delay by the Issuer to give such a Cash Settlement Notice to any of the intended recipients thereof shall not affect the effectiveness of any Redemption Event Notice or other provisions of this Paragraph 26(C). Any failure or delay by the Swap Counterparty to serve a Redemption Event Notice shall not constitute a waiver of the Swap Counterparty’s right to serve such a notice in respect of the relevant event or circumstance or in respect of any other event or circumstance.
- (ii) The Notes shall be redeemed in accordance with Condition 7(f)(*Redemption amount of Notes*), subject to the following provisions:
 - (i) references to Condition 7(b) (Mandatory Redemption) shall be constructed as reference to this Paragraph 26(C) (*Note Redemption Event*);
 - (ii) for the purposes of Condition 7(f)(2), the amount payable in respect of each Note following a Note Redemption Event where the Swap Counterparty delivers a Redemption Event Notice shall be the Early Cash Redemption Amount, and for the purposes of this Paragraph 26(C) such Early Cash

Redemption Amount in respect of a Note shall be the Early Redemption Amount in respect of such Note; and

- (iii) for the purposes of Condition 7(f)(3), Charged Assets, shall be deliverable and/or sold in accordance with Conditions 4(a) and 4(c) by the Realisation Agent, save the security constituted by the Constituting Instrument shall not have been deemed to have become enforceable and Condition 4(a), 4(c) and Condition 7(f)(3) shall be construed accordingly.

(D) **Extraordinary Event:** If an Extraordinary Event occurs all the Notes outstanding (and not some only) shall be redeemed by payment in respect of each Note of the Early Cash Redemption Amount in accordance with Condition 7(f) (*Redemption amount of Notes*), subject to the following provisions.

- (1) For the purposes of Condition 7(f)(2), the words “Condition 7(b), Condition 7(c) or Condition 7(d) or upon its becoming due and payable as provided in Condition 9” shall be deleted and replaced with the words “an Extraordinary Event”;
- (2) For the purposes of Condition 7(f)(3),
 - (a) the words “Condition 7(b), Condition 7(c) or Condition 7(d)” shall be deleted and replaced with the words “an Extraordinary Event”; and
 - (b) the amount payable in respect of each Note following an Extraordinary Event shall be the Early Cash Redemption Amount, and for the purposes of this Paragraph 26(D) such Early Cash Redemption Amount in respect of a Note shall be the Early Redemption Amount in respect of such Note;
- (3) The proceeds of realisation of the Charged Assets pursuant to Condition 4(c) shall be applied in satisfaction of amounts provided for in the order of priority specified in Paragraph 4.

(E) **Event of Default**

Condition 9 shall apply, save that Condition 9(a) shall be deleted in its entirety and replaced with the following wording,

“if default is made for a period of 14 days or more in the payment of any sum due in respect of such Notes or any of them (save (i) that the occurrence of any event described under sub-item (b) of the definition of Regulatory Event set out under Condition 7(c) (Redemption for Regulatory Event) shall not constitute an Event of Default, and/or (ii) as specifically as otherwise provided in these Conditions); or”

(F) **Regulatory Event**

Condition 7(c) (*Redemption for Regulatory Event*) shall apply, subject to the following changes to the definition of Regulatory Event set out therein:

- (1) the characters “(a)” shall be inserted immediately after the words, “(including, without limitation, in connection with the application of the Alternative Investment Fund Managers Directive 2011/61/EU):”; and

- (2) the following words shall be inserted immediately after the words, “the Notes or any other securities issued by the Issuer” in the final line thereof, “or, (b) if default is made for a period of 14 days or more in the payment of any sum due in respect of such Notes or any of them and the payment of any such amount and/or delivery of any such assets by the Issuer is delayed, halted, suspended or detrimentally affected by the Agent, and the payment of such amount(s) and/or delivery of such assets is not made within 14 days or more following the due date for such payment or delivery of such assets under the Notes (and any such non-payment or failed delivery shall not constitute an Event of Default).”.

(G) Realisation Agent

Where the Realisation Agent has been appointed to act following an Early Redemption Event in accordance with this paragraph 26 (*Early Redemption*), and any Sale Proceeds the Realisation Agent receives are denominated in a currency other than JPY, it shall use reasonable efforts to procure the conversion of such Sale Proceeds into JPY at the applicable spot rate as the Realisation Agent determines in its sole and absolute discretion is available to the Realisation Agent.

Where Realisation Agent has been unable to procure the conversion of any such Sale Proceeds into JPY, the portion of any amounts payable in respect of a Note that is comprised of its *pro rata* share of any such unconverted Sale Proceeds shall be paid in the currency in which such portion of the unconverted Sale Proceeds was received.

(H) Definitions:

“Bond Event of Default” means the occurrence of any of the following (or such event or condition which with notice or lapse of time or both would constitute any of the following):

- (i) the Bond Issuer’s failure, disregarding any grace period, to pay interest on any Pari Passu Debt when due disregarding any grace period (whether or not provided for under the terms and conditions of the Pari Passu Debt) but, in all other respects, in accordance with the respective terms and conditions (i) in respect of the Corporate Bonds, as set out in the Charged Assets Prospectus Supplement, and (ii) in respect of any other Pari Passu Debt, the terms and conditions in effect as of the later of (x) the Trade Date, and (y) the issue date of such Pari Passu Debt, in each case disregarding any subsequent amendments thereto;
- (ii) the Bond Issuer’s failure to pay the stated principal amount of any Pari Passu Debt on their respective applicable legal maturity dates disregarding any grace period (whether or not provided for under the terms and conditions of the Pari Passu Debt) but, in all other respects, in accordance with the respective terms and conditions (i) in respect of the Corporate Bonds, as set out in the Charged Assets Prospectus Supplement, and (ii) in respect of any other Pari Passu Debt, the terms and conditions in effect as of the later of (x) the Trade Date, and (y) the issue date of such Pari Passu Debt, in each case disregarding any subsequent amendments thereto;
- (iii) the Bond Issuer’s failure to perform any covenant in respect of any Pari Passu Debt, in accordance with the respective terms and conditions (i) in respect of the Corporate Bonds, as set out in the Charged Assets Prospectus Supplement, and (ii) in respect of any other Pari Passu Debt, the terms and conditions in effect as

of the later of (x) the Trade Date, and (y) the issue date of such Pari Passu Debt, in each case disregarding any subsequent amendments thereto;

- (iv) the occurrence of certain events relating to the bankruptcy, insolvency, liquidation (whether voluntary or otherwise), winding up, rehabilitation, reorganisation of the Bond Issuer or any other event with analogous effect in respect of the Bond Issuer provided for under the terms and conditions (i) in respect of the Corporate Bonds, as set out in the Charged Assets Prospectus Supplement, and (ii) in respect of any other Pari Passu Debt, the terms and conditions in effect as of the later of (x) the Trade Date, and (y) the issue date of such Pari Passu Debt, in each case disregarding any subsequent amendments thereto;
- (v) the occurrence of any mandatory, optional or other early redemption event occurs under the terms and conditions of the Corporate Bonds (in effect as of the Trade Date disregarding any subsequent amendments thereto) including without limitation as a result of a tax event, change in tax law or imposition of withholding or other charge or duty that was not in effect as of the Trade Date;
- (vi) the occurrence of either of the following events: the Bond Issuer (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, its obligations under the Corporate Bonds or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether *de facto* or *de jure*, with respect to the relevant obligations under any of the Corporate Bonds; or
- (vii) on the due date for any payment in respect of the Corporate Bonds, a withholding, deduction or account is made in respect of any payment due to the Issuer in respect of the Corporate Bonds for any reason,

each as determined by the Determination Agent in its sole and absolute discretion.

“Bond Non-Call Event” means, in the determination by the Determination Agent in its sole and absolute discretion, the Bond Issuer's failure to exercise its option to redeem the Bond Charged Assets on the Optional Redemption Date (as defined in the Charged Assets Prospectus Supplement). Such Bond Non-Call Event shall be deemed to occur on the first day it is no longer possible, in the determination by the Determination Agent in its sole and absolute discretion, for the Bond Issuer to exercise the option to redeem the Bond Charged Assets on the Optional Redemption Date.

“Bond Redemption Event” means the occurrence of a Bond Event of Default at any time from and including 2 October 2019 to and including the Maturity Date.

“Bond Resolution Event” means the occurrence of any of the following (as determined by the Determination Agent in its sole and absolute discretion):

- (i) the Bond Issuer or, where applicable, any obligor in respect of the Bond Charged Assets (each a **“Charged Assets Obligor”**) becomes subject to any bank resolution and recovery regime (or equivalent) in any jurisdiction;
- (ii) the occurrence of a Loss Absorption Disqualification Event (as defined under the section titled “Description of the Notes” in the Charged Assets Prospectus Supplement); and/or
- (iii) pursuant to the terms and conditions of such Bond Charged Assets and/or any legal or regulatory regime in any jurisdiction to which any Charged Assets Obligor is subject to, any one or more of the following events occurs as a result of action

taken, or an announcement made, by a Resolution Authority pursuant to, or by means of, any bank resolution and recovery regime (or equivalent) in any jurisdiction in respect of any Charged Assets Obligor irrespective of whether such event is expressly provided for under the terms of the Bond Charged Assets:

- (a) any of the Bond Charged Assets (or the obligations thereunder) are converted or exchanged (in whole or in part) for ordinary shares, common stock, equity, or other securities or obligations of the relevant Charged Assets Obligor or another person;
- (b) any of the payment obligations of any Charged Assets Obligor in respect of the Bond Charged Assets are subject to any reduction or cancellation whether in whole or in part;
- (c) the maturity of the Bond Charged Assets, or the dates on which interest under the Bond Charged Assets becomes payable is amended, altered, postponed or deferred (including, without limitation, the suspension of payment for a temporary period);
- (d) a mandatory cancellation of the Bond Charged Assets;
- (e) a change in the ranking in priority of payment of any Bond Charged Asset, causing the subordination of such Charged Assets to any other Pari Passu Debt;
- (f) an expropriation, transfer or other event which mandatorily changes the beneficial owner of any of the Bond Charged Assets;
- (g) any rights of any holder of the Bond Charged Assets are subject to any moratorium in respect of their exercise; and/or
- (h) any event which has an analogous effect to any of the events specified in subparagraphs (A) to (F) above.

“Charged Assets Prospectus Supplement” means the prospectus supplement issued in connection with the Corporate Bonds dated 6 March 2017 (without taking into account of any subsequent amendments thereto).

“Deliverable Bonds” means the amount of Corporate Bonds in an amount equal to the lesser of (i) Bond Charged Assets and (ii) the Remaining Bonds (as applicable) delivered by the Issuer or third party on its behalf to the Noteholders pursuant to Paragraph 25(B) (*Note Redemption Event – Early Physical Settlement*).

“Delivery Expenses” means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Deliverable Bonds.

“Early Cash Settlement” means the settlement method set out in Paragraph 26(C) (*Note Redemption Event – Early Cash Settlement*).

“Early Physical Settlement” means the settlement method set out in Paragraph 26(B) (*Note Redemption Event – Early Physical Settlement*).

“Early Redemption Date” shall mean (a) for the purposes of Paragraph 26(B) (*Note Redemption Event – Early Physical Settlement*), the later of (x) the final date of the actual delivery to the Noteholder of the Deliverable Bonds and/or (y) to the extent such

amounts are owed to the Noteholder (as determined by the Determination Agent in its sole and absolute discretion), the date the Issuer makes payment to the Noteholder of any Residual Cash Amount (if any) and/or Termination Costs (if any); (b) for the purposes of Paragraph 26(C) (*Note Redemption Event – Early Cash Settlement*) and Paragraph 26(D) (*Extraordinary Events*) a date specified by the Swap Counterparty and shall be a date falling at least 5 Business Days after the date of the occurrence of a Note Redemption Event or Extraordinary Event (as applicable) (the “**Initial Early Redemption Date**”) provided however that, if as of the close of business on the Business Day immediately preceding the Initial Early Redemption Date, the Sale Proceeds of all of the Charged Assets have not been received by the Custodian, on behalf of the Issuer, the Early Redemption Date shall be the Business Day immediately following the date on which the Issuer receives such amount, (c) where the Notes become subject to redemption pursuant to Condition 7(d) (*Redemption on termination of Charged Agreement*), the date specified in a notice from the Issuer to the Noteholders specifying the Early Redemption Date and (c) where the Notes become subject to redemption pursuant to Condition 9 (*Events of Default*) the date on which the Trustee gives notice to the Issuer that the Notes are due and repayable.

“**Early Redemption Event**” means the occurrence of any of the following events:

- (i) the Issuer’s obligations under the Notes become illegal or unenforceable or otherwise prohibited or the Notes becoming subject to redemption pursuant to Condition 7(d) (*Redemption on termination of Charged Agreement*);
- (ii) the Notes becoming subject to redemption pursuant to Condition 9 (*Events of Default*);
- (iii) a Bond Redemption Event;
- (iv) a Bond Resolution Event;
- (v) a Note Tax Event;
- (vi) a Bond Non-Call Event; and/or
- (vii) the Notes becoming subject to redemption pursuant to Condition 7(c) (*Redemption for Regulatory Event*) (as amended herein),

where items (i) and (ii) shall each be an “**Extraordinary Event**” and items (iii) to (vii) (inclusive) shall each be a “**Note Redemption Event**”.

“**Early Cash Redemption Amount**” means, in respect of each Note, an amount in JPY equal to such Note’s *pro rata* share of (i) the Note Currency Equivalent of the Sale Proceeds (without double counting any amounts deducted by the Realisation Agent as part of the realisation process conducted in accordance with Condition 4) minus (ii) Termination Costs.

“**Note Currency Equivalent**” means in respect to an amount denominated in the JPY, such amount and, in respect of an amount denominated in any other currency, an amount determined at the sole and absolute discretion of the Calculation Agent (under the Charged Agreement) or the Determination Agent or the Realisation Agent (as applicable), to be equal to such amount converted into JPY at the then prevailing exchange rate for converting such currency into JPY for value on the date as of which such amount falls to be determined.

“**Note Tax Event**” means either,

- (i) the Issuer or the Interest Calculation Agent determines that on any date, the Issuer will be required, on any date (including, without limitation, any due date for any payment in respect of the Notes):
 - (A) by any applicable law;
 - (B) due to any action taken or demand made by a tax authority;
 - (C) due to change in ownership, status or any other circumstances with respect to the holding of the Notes (including, but not limited to, any change in beneficial ownership of the Notes where such new beneficial owner is incorporated or resides in a jurisdiction in respect of which any previously applicable exemption or other relief for, or in respect of any tax that may have been applicable to, or relied upon by, the Issuer in respect payments under the Notes may no longer apply in respect of the Issuer and/or the Notes), the Issuer may no longer rely upon any previously applicable exemption or other relief in respect of any tax in respect of payments to a Noteholder under the Notes (whether such previously applicable exemption or other relief arose pursuant to any treaty or otherwise);and/or
 - (D) as a result of any change in, or proposed change in, or amendment to, or proposed amendment to, the accounting standards, practices or guidelines applicable in the jurisdiction of incorporation of the Issuer or pursuant to which the Issuer prepares its financial statements (if any) (“**Applicable Accounting Standards**”) or applicable tax law, practices or guidelines applicable in the jurisdiction of incorporation of the Issuer (“**Applicable Tax Laws**”) or any change in, or proposed change in the application of, the official or generally published interpretation of the Applicable Accounting Standards or Applicable Tax Laws,

to withhold, deduct, reimburse or account for an amount for any past, present or future taxes, duties or charges of whatsoever nature (other than a withholding or deduction in respect of FATCA) or would suffer the same in respect of its income so that it would be unable to make in full the payment in respect of the Notes in respect of any due date for payment in respect of the Notes; and/or
- (ii) on the due date for any payment in respect of the Notes, a withholding, deduction or account (including without limitation as a result of any of the circumstances set out under sub-paragraph (i) above) is actually made in respect of any payment in respect of the Notes.

“**Pari Passu Debt**” means (a) any of the Corporate Bonds and (b) any other debt of the Bond Issuer which ranks in priority of payment to or on a *pari passu* basis with the Corporate Bonds.

“**Physical Redemption Conditions**” means the Determination Agent, in its sole and absolute discretion, is satisfied as of the date determined by the Determination Agent that:

1. the Early Redemption Event is not an event specified under sub-paragraph (i) of the definition of Early Redemption Event;
2. 100 per cent. of the outstanding principal amount of the Notes is held by a single Noteholder at any time during, and throughout, the period from the date of a Note Redemption Event to the Early Redemption Date;

3. the Issuer or the Determination Agent have received promptly from the Noteholder any information, details, forms, agreements or any other documents they consider relevant and necessary for the Issuer to physically deliver the Deliverable Bonds to the Noteholder including without limitation the account details to which the Deliverable Bonds are to be delivered. (**"Required Physical Settlement Information"**); and
4. at any time prior to the delivery of the Deliverable Bonds to the Noteholder, it is not impossible or impracticable for the Issuer to deliver the Deliverable Bonds to the Noteholder.

"Physical Redemption Cut Off Date" means the date on which any Deliverable Bonds have been delivered to the Noteholder.

"Redemption Event Notice" means a notice delivered by the Swap Counterparty (copying the Determination Agent) to the Issuer specifying the occurrence of a Note Redemption Event.

"Remaining Bonds" means the Bond Charged Assets remaining after the Issuer (or the Realisation Agent on behalf of the Issuer) has sold (or procured the sale of) such principal amount of the Charged Bond Assets as is necessary to fund payment in full of any Termination Costs (other than in the event where such Termination Costs are a negative amount);

"Resolution Authority" means (a) any authority with the ability to exercise any power pursuant to a bank resolution and recovery regime (or equivalent) in any jurisdiction to which any Charged Assets Obligor is subject or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of any Charged Assets Obligor or some or all of its obligations; (b) any de facto or any de jure government (or any agency, instrumentality, ministry or department thereof); (c) any court, tribunal, administrative or other governmental, inter-governmental or supranational body; and/or any other authority which is analogous to any of the entities specified in sub-paragraphs (a) to (c) herein.

"Residual Cash Amount" means (a) any cash (other than the Sale Proceeds) held by or on behalf of the Issuer in respect of the Notes, and (b) any Sale Proceeds, and, in each case, not otherwise applied to fund payment in full of any Termination Costs (other than in the event where such Termination Costs are a negative amount).

"Sale Proceeds" means, in respect of any Charged Assets, the cash proceeds from the sale of such Charged Assets less any taxes, costs, losses and expenses incurred due to such sale.

"Termination Costs" mean an amount in JPY determined by the Determination Agent, in its sole and absolute discretion, applying such commercially reasonable procedures as it deems appropriate, equal to the Note Currency Equivalent of the sum of (a) any loss, cost or expense (including, but not limited to, the loss of bargain, cost of funding, or any loss, costs or expenses in terminating or, unwinding any hedging, liquidating, obtaining or re-establishing any one or more hedges or related trading positions (in whole or part)) incurred as a result of terminating the Asset Swap Transaction (in whole or part) early for any reason (which shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable by the Swap Counterparty) and (b) without duplication of any other amounts contemplated hereunder or in respect of the Early Cash Redemption Amount or Physical Settlement Amounts, any costs, fees and

expenses incurred in connection with the early redemption of the Notes (in whole or part) and/or the delivery of the Charged Assets to the Realisation Agent and/or the Noteholder (as applicable), including, without limitation, any brokers' commissions, fees and expenses (including, without limitation, any Delivery Expense), any taxes of any nature and stamp duties, any funding costs and any legal or other ancillary costs incurred by the Swap Counterparty, Realisation Agent or the Issuer as a consequence of such early termination and any other claims ranking prior to the Noteholders pursuant to the priority of payments set out in Condition 4(d) (Application).

- (I) Any determination made by the Swap Counterparty, Interest Calculation Agent, Realisation Agent and/or the Determination Agent pursuant to this Paragraph 26 shall (in the absence of manifest error) be final and binding upon all parties. If any such party is unable or unwilling to make any determination hereunder and only to the extent that making such a determination is mandatory, the Issuer shall, with the prior written consent of the Trustee, appoint the London office of a leading international investment bank to act as such in its place. No such party may resign its duties without a successor having been appointed as aforesaid and/or in accordance with the Conditions.
- (J) For the avoidance of doubt, Condition 7(d) (*Redemption on termination of Charged Agreement*) shall only apply to the Notes if the Charged Agreement is terminated in whole but not in part and other than in consequence of Condition 7(h) (*Purchase*) or Condition 7(i) (*Exchange of Series*) or in connection with a redemption of Notes pursuant to Paragraph 26 hereof or Condition 9 (*Events of Default*).

- | | | |
|-----|-------------------------------|---|
| 27. | Settlement Procedures: | The Notes have been accepted for settlement in Euroclear and Clearstream, Luxembourg. |
| 28. | Common Code: | 206350598 |
| 29. | ISIN: | XS2063505981 |
| 30. | Additional Provisions: | None. |
| 31. | Agent for service of process: | For the purposes of Condition 18 (<i>Governing Law and Submission to Jurisdiction</i>), the Issuer has appointed Maples and Calder of 11 th Floor, 200 Aldersgate Street, London EC1A 4HD as its agent for service of any proceedings in England in relation to the Notes, the Trust Deed and the Constituting Instrument. |
| 32. | Depository Account: | The Depository Account shall be such account(s) maintained by the Custodian for and on behalf of the Issuer from time to time. |

CONFIRMED

ARLO XII LIMITED

By:

Dated: 23 October 2019

SCHEDULE 3 : DETAILS OF CHARGED ASSETS

Charged Assets

On the Issue Date, the Charged Assets will comprise either (i) USD 9,270,000 cash in cleared and freely transferable funds, which shall be deposited into the Cash Account, or (ii) USD 9,270,000 principal amount of an issue of bonds by HSBC Holdings PLC (ISIN: US404280BK42).

SCHEDULE 4 : DETAILS OF AGENT(S) FOR SERVICE OF PROCESS

The party listed below hereby appoints the persons set out against its name to act as the service of process agent with respect to any document to which it is a party in relation to the Notes.

Name of Party

Agent for Service of Process

ARLO XII Limited

Maples and Calder
11th Floor
200 Aldersgate Street
London EC1A 4HD
United Kingdom

Attention: Process Agency

Facsimile No.: + 44 207 466 1700

Telephone No.: + 44 207 466 1600

SCHEDULE 5 : FORM OF CONFIRMATION IN RELATION TO CHARGED AGREEMENT

CONFIRMATION OF SWAP TRANSACTION

Date: 2 October 2019

To: ARLO XII Limited ("**Party B**")

From: Barclays Bank PLC ("**Party A**")

Re: **Swap Transaction**

The purpose of this communication, including the Exhibits hereto (this "**Confirmation**"), is to confirm the terms and conditions of the Swap Transaction entered into between us on 2 October 2019 (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") are incorporated into this Confirmation. In the event of any inconsistency between the 2006 ISDA Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement dated as of 2 October 2019, as amended and supplemented from time to time (the "**Agreement**"), entered into by you and us by our execution of the Constituting Instrument dated 2 October 2019 (the "**Constituting Instrument**"), by and among the parties thereto for purposes of constituting the Series Repack-9 JPY 1,000,000,000 Secured Limited Recourse Fixed Rate Notes due 17 March 2027 (the "**Notes**") of the Issuer under its USD 5,000,000,000 Programme for the issue of Notes and the making of Alternative Investments (the "**Programme**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below. All terms defined in the Agreement and not otherwise defined herein shall have the meanings assigned in the Agreement. References to "**Notes**", a "**Condition**" in respect of the Notes and any other capitalised term that is used but not defined herein, the Agreement shall have their respective meanings as defined in the Constituting Instrument.

Reference is also made to the EMIR Portfolio Reconciliation and Dispute Resolution Deed dated 31 January 2014 entered into between Party A and Party B, which sets out the terms of a portfolio reconciliation process and dispute resolution process applicable to, *inter alia*, this Transaction and a side letter dated the same date relating thereto.

The terms of the Transaction to which this Confirmation relates are as follows:

1. **General Terms:**

- | | |
|-----------------|--|
| Trade Date: | (i) For the purposes of the date on which the parties enter into this Transaction under Section 3.7 of the 2006 ISDA Definitions, 23 October 2019; |
| | (ii) For all other purposes relating to this Transaction, 2 October 2019. |
| Effective Date: | Issue Date of the Notes. |

Scheduled Termination Date: 17 March 2027.

Calculation Agent: Barclays Bank PLC. Any calculations or determinations required to be made by the Calculation Agent shall be made in good faith in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.

Business Days: As per the Notes.

Business Day Convention: As per the Notes.

2. **Initial Exchange:**

On the Issue Date, Party B shall pay to Party A JPY 1,000,000,000 (the “**Initial Exchange Amount**”) and Party A shall deliver and/or transfer to, or to the order of, Party B the Initial Charged Assets (free and clear of all charges, liens and other encumbrances but together with the benefit of all rights and entitlements attaching thereto at any time after the date of delivery). It is a condition precedent to Party A’s obligation to deliver and/or transfer the Initial Charged Assets and to pay any Party A Payments that Party B has paid the Initial Exchange Amount on the Issue Date.

3. **Interim Exchanges:**

On the date that falls two Business Days following each date on which both Party A and Party B are notified by the Custodian of a Custodian Charge, if any, applied by the Custodian to the Cash Account, Party A shall pay to, or to the order of, Party B an amount equal to such Custodian Charge, provided that as provided in the Conditions and the Custody Agreement, the Custodian shall only levy such Custodian Charge if the relevant overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority applicable to the Cash Account reaches or falls below zero.

Pursuant to the Conditions and the Custody Agreement the Custodian Charge shall include any charges or fees that the Custodian may apply to the Cash Account in addition to any negative interest that may be chargeable as a result of any negative interest rate applicable to such account.

4. **Variable Payments**

- Variable Payments:
- (i) On each Charged Assets Payment Date, Party B shall pay to Party A the Variable Amount in respect of such Charged Assets Payment Date.
 - (ii) On each Cash Account Interest Payment Date, Party B shall pay to Party A an amount equal to the respective Cash Account Interest Amount accrued up to but excluding the applicable Cash Account Interest Payment Date.

Charged Assets Payment Date:	From and including the Effective Date, the Business Day following each date a payment of interest is stated to be due under any Charged Assets held by Party B from time to time in accordance with the terms and conditions as set out in the Charged Assets Prospectus Supplement.
Variable Amount:	In respect of each Charged Assets Payment Date in respect of which payments pursuant to Variable Payments are payable, the greater of (x) zero and (y) an amount in USD equal to each payment of interest stated to be due on such Charged Assets Payment Date in respect of the relevant Charged Assets held by Party B from time to time in accordance with the terms and conditions as set out in the Charged Assets Prospectus Supplement.
Cash Account Interest Amount:	In respect of a Cash Account Interest Period, the amount of interest accrued on the Cash Account in respect of such period, as calculated in accordance with the Notes, provided that such amount of accrued interest shall always be subject to a minimum of zero.
Cash Account Interest Payment Date:	The first day of each month, commencing on the first day of the month immediately following the Effective Date.
Cash Account Interest Period:	The period beginning on (and including) the Effective Date, to but to but excluding the next following Cash Account Interest Payment Date except that the final Cash Account Interest Period shall end on (but exclude) the Termination Date.

5. **Fixed Payments**

Fixed Rate Payer:	Party A.
Fixed Amount:	In respect of each Fixed Rate Payer Payment Date, an amount in JPY equal to the aggregate of the Interest Amounts payable by the Issuer under the Notes.
Fixed Rate Payer Payment Date:	2 Business Days prior to each Interest Payment Date under the Notes.

6. **Final Exchange:**

On the date that falls two Business Day prior to the Maturity Date Party A shall pay to Party B an amount, subject to zero, in JPY equal to the aggregate Redemption Amount of the Notes and Party B shall (a) pay any amounts standing to the credit of the Cash Account(s) to or to the order of Party A, and (b) deliver the Charged Assets to or to the order of Party A (and where such Charged Assets relate to cash proceeds of Bond Charged Assets, such payment will be in USD), in each case to the extent not required by Party B to discharge its obligations in respect of the Notes or otherwise paid or delivered under the provisions hereof.

7. **Additional Provisions:**

- A. Unless the context otherwise requires, words in the singular include the plural, and words in the plural include the singular.
- B. Section 9(g) of the Agreement (Headings) applies to this Confirmation and the Exhibit hereto.
- C. Party A agrees to perform all obligations of the Swap Counterparty as specified in the Conditions of the Notes.
- D. With respect to any notice delivered to it by Party A, Party B shall deliver or arrange for the delivery of a copy thereof to any holder of the Notes and the Trustee, provided the delivery of or failure to deliver such copies to any such holder or the Trustee by or on behalf of Party B will not affect the effectiveness of such notices delivered by Party A to Party B.
- E. The Early Termination Amount in respect of any termination of this Transaction (in whole or in part) shall be calculated in accordance with Section 6(e) of the Agreement (as the same may be amended in the Constituting Instrument) and shall be expressed as a positive amount if payable by the Issuer or a negative amount if payable by the Swap Counterparty, provided that the Calculation Agent shall also be entitled to take into account, without duplication, for the purposes of such determination and by applying such commercially reasonable procedures as it deems appropriate, amounts or values in JPY equal to the Note Currency Equivalent of any loss, cost or expense (including, but not limited to, the loss of bargain, decline in the market value of the Bond Charged Assets from the date on which the Swap Counterparty first became exposed to such Bond Charged Assets, cost of funding, or any loss, costs or expenses in maintaining, terminating or, unwinding any hedging, liquidating, obtaining or re-establishing any one or more hedges or related trading positions (in whole or part)) incurred by the Swap Counterparty as a result of terminating this Transaction (in whole or part) early for any reason and/or by the Realisation Agent in connection with any sale, realisation and related actions in respect of the Charged Assets and/or by the Determination Agent in respect of the delivery of any Delivery Bonds (including, without limitation, any Delivery Expense), and any cumulative deferred coupons on the Charged Assets.
- F. The Calculation Agent shall notify Party B in writing, as soon as reasonably practicable, of any calculations and/or determinations made pursuant to this Confirmation, provided the delivery of or failure to deliver such notices will not affect the effectiveness of any calculations or determinations made pursuant to this Confirmation. Calculations or determinations required to be made by the Calculation Agent, shall be calculated or determined by the Calculation Agent in good faith and in a commercially reasonable manner in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.

G. Party B agrees that Party A may provide the details of any Transaction entered into pursuant to the Agreement (including any modification thereto or details of any termination of a Transaction whether in whole or in part) to a trade repository which collects and maintains the records of derivatives.

8. **Notice and Account Details:** See Notice and Account Details in Exhibit I.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us.

Yours sincerely,

BARCLAYS BANK PLC

By:
Name:
Title:

Confirmed on the date
first above written:

ARLO XII LIMITED

By:

EXHIBIT I
Notice and Account Details

Notices to Party A:

Barclays Bank PLC
Level 25
Tower 2, Marina Bay Financial Centre
Singapore 018983

Tel: +65 6308 3000
Attention: Head of Legal Asia Pacific

With a copy to:

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

Tel: +44 (0) 20 7116 1000
Attention: Head of SPV – Investment Bank Middle Office

Account Details of Party A:

EUR

Bank: Barclays Bk Plc, London
Swift: BARCGB22
A/C: Barclays Head Office SWAPS
A/C No: GB 49 BARC 200000 78659111

GBP

Bank: Barclays Bank Plc, 54 Lombard Street, London
S/C: 20-00-00
Swift: BARCGB22
A/C: Barclays Head Office SWAPS
IBAN No: GB 49 BARC 200000 00152021
A/C No: 00152021

USD

Bank: Barclays Bank Plc, New York
ABA No: 026-0025-74
Swift: BARCUS33
A/C: Barclays Bank Plc London
A/C No: 050-01922-8

JPY

Bank: SUMITOMO MITSUI BANKING CORPORATION, Tokyo
Swift: SMBCJPJT
A/C: Barclays Bank PLC, Wholesale London

Swift: BARCGB5G
A/C No: 4835

Notices to Party B:

ARLO XII Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands
Tel: (345) 945 7099
Fax: (345) 945 7100

Account Details of Party B:

JPY

Correspondent Bank: Mizuho Bank Ltd., Tokyo
Correspondent BIC: MHCBJPJT
Account: 0321150
Beneficiary Bank: The Bank of New York Mellon, Brussels
SWIFT Code: IRVTBEBB
FFC A/C: ARLO XII Series Repack-9
A/C No: 7611203920
Ref: ARLO XII Series Repack-9

USD

Correspondent Bank: The Bank of New York Mellon, New York
ABA: 021 000 018
Correspondent BIC: IRVTUS3N
Beneficiary Bank: The Bank of New York Mellon, Brussels (IRVTBEBB)
Account Number: 8900285451
For Further Account: ARLO XII
Account Name: Series Repack-9
Account Number: 7611208400
Ref: Series Repack-9