

Constituting Instrument

between

ARLO II Limited

Barclays Bank PLC

BNY Mellon Corporate Trustee Services Limited

and

The Bank of New York Mellon, London Branch
relating to

Series CLN-28

USD 12,000,000 Secured Limited Recourse
Credit-Linked Notes due 24 July 2024

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CONSTITUTING INSTRUMENT

Series CLN-28

USD 12,000,000 Secured Limited Recourse Credit-Linked Notes due 24 July 2024 (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 “Buyer” and the “Seller” 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:
 - (1) deleting the word “and” at the end of sub-paragraph (1) and replacing “.” with “; and” at the end of sub-paragraph (2); and
 - (2) 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 (i) the Issuer being required to deliver the Charged Assets and/or pay the Cash Account Balance, or to procure that the Charged Assets are delivered and/or that the Cash Account Balance is paid, to or to the order of the Swap Counterparty pursuant to paragraph 7A of the Confirmation, or (ii) the Issuer being required to deliver the Charged Assets and/or pay the Cash Account Balance, or to procure that the Charged Assets are delivered and/or that the Cash Account Balance is paid, to or to the order of the Swap Counterparty pursuant to paragraph 7B of the Confirmation following the occurrence of an Event Determination Date, the Trustee agrees to instruct the Custodian to deliver the Charged Assets to (or credit the account of) the Swap Counterparty and/or pay the Cash Account Balance to (or credit the account of) the Swap Counterparty and release such Charged Assets and Cash Account Balance 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 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 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) under the Charged Agreement of a Bond Event Notice, Credit Event Notice, Notice of Publicly Available Information or Extension Notice (each as defined in the

Charged Agreement) 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, 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.
- 3.4 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 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.
- 4.5 The Custodian acknowledges the security interest created in respect of the Charged Assets in favour of the Trustee pursuant to the Trust Deed.
- 4.6 The Custodian shall 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.
- 4.7 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).

- 4.8 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 II Series CLN-28
 A/C No: 226538-3920
 Ref: ARLO II Series CLN-28;

- (B) in respect of Proceeds denominated in EUR,

Correspondent Bank: The Bank of New York Mellon, Brussels
 Correspondent BIC: IRVTBEBB
 For Further Account: ARLO II
 Account Name: ARLO II Series CLN-28
 Account Number: 226538-7980
 Ref: ARLO II Series CLN-28;

- (C) 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 II
 Account Name: ARLO II Series CLN-28
 Account Number: 226538-8400
 Ref: ARLO II Series CLN-28; and

- (D) such other account number as many 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.

- 4.9 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.
- 4.10 The Custodian undertakes to procure that the security interests over or in respect of the Charged Assets as contemplated by the Trust Deed will be released to the extent contemplated by the Custody Agreement.
- 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.

(3) For the purposes of this Sub-clause 5.4:

(a) “**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));

(b) “**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

(c) “**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 touseika 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).”

- 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) 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 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 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 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.”.

- (B) 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 (i) 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; and (ii) the ISDA 1995 form of Credit Support Annex (Bilateral Form – Transfer) and the Paragraph 11 thereto entered into between the Swap Counterparty and the Issuer dated the date of this Constituting Instrument in the form set out in Schedule 6.
- 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

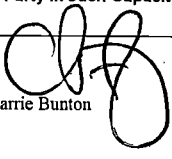
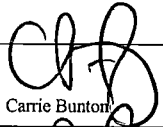
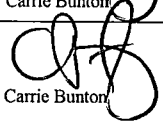
This Constituting Instrument and any non-contractual obligations arising from or connected with it shall be governed by and construed in accordance with English law.





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.

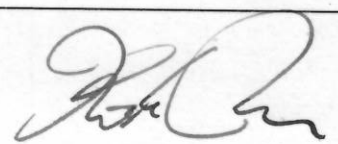
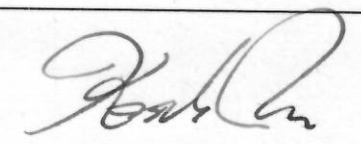
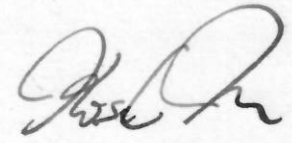

IN WITNESS whereof this Constituting Instrument has been executed by each party to this Constituting Instrument in each relevant capacity specified in relation to that party in Column 2 of Schedule 1 in the manner described in Schedule 1 on the date stated at the beginning of this Constituting Instrument.

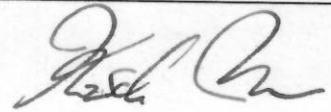
SCHEDULE 1 : PARTIES TO DOCUMENTS

1	2	3	4
Party and office through which acting	Capacity	Document	Execution by such Party in such Capacity
ARLO II 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 II LIMITED) by one of its Directors:) Carrie Bunton 
	Issuer	Agency Agreement Custody Agreement Placing Agreement	SIGNED for and on behalf) of ARLO II LIMITED) by one of its Directors:) Carrie Bunton 
	Party B	Charged Agreement	SIGNED for and on behalf) of ARLO II LIMITED) by one of its Directors:) Carrie Bunton 

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: Karen Robinson Signature: K.R. Robinson Address: One Canada Square, London E14 5AL  Sahar Dehvari Vice President Authorised Signatory Karen Robinett 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 (Repacks) 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:)  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:) 
	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
	Swap Counterparty	Charged Agreement	SIGNED for and on behalf of) BARCLAYS BANK PLC) by:) 

SCHEDULE 2 : TERMS AND CONDITIONS

CONDITIONS OF THE NOTES

Series CLN-28

USD 12,000,000 Secured Limited Recourse Credit-Linked Notes due 24 July 2024

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 II 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.

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|----|--------|---|--|
| 1. | (i) | Issuer: | ARLO II 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. |
| | (xi) | Realisation Agent: | Barclays Bank PLC. |
| | (xii) | Registrar and Transfer Agent: | Not applicable. |
| 2. | (i) | Series Number: | Series CLN-28. |
| | (ii) | Specified Currency: | United States Dollars (“USD” or “\$”). |
| 3. | | Principal Amount: | USD 12,000,00. |
| 4. | | Status: | The Notes are secured and limited recourse obligations of the Issuer ranking <i>pari passu</i> 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 12 (*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 each case 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: USD 12,000,000.

7. Issue Date: 12 September 2019.
8. Maturity Date: The earlier of:
- (i) the Scheduled Termination Date (as defined in the Charged Agreement), or if later, the Deferred Maturity Date; and
 - (ii) (X) where the Notes are redeemed in full pursuant to paragraph 26(A) (*Bond Redemption*) of the Terms, the Early Termination Date (as defined in the Charged Agreement); or (Y) where the Notes are redeemed pursuant to paragraph 26(B) (*Credit Event Redemption*) of the Terms, the Relevant Auction Settlement Date or the Relevant Cash Settlement Date, as the case may be (each as defined below)), **provided that** (A) if a Credit Event (as such term is incorporated into the Confirmation) and an Event Determination Date (as such term is incorporated into the Confirmation) occurs prior to the Maturity Date (without taking into account this proviso) and (B) prior to the Auction Final Price Determination Date (as such term is incorporated into the Confirmation) or the Valuation Date (as such term is incorporated into the Confirmation) (as the case may be) a DC Resolution (as such term is incorporated into the Confirmation) reverses the determination with respect to such Credit Event, the Maturity Date shall be, subject to the designation of an Early Termination Date, the later of (a) the Maturity Date determined without taking into account this proviso and (b) three (3) Business Days after the date of such DC Resolution.
- “Relevant Auction Settlement Date”** means the Auction Settlement Date immediately following which the Principal Amount is reduced to zero.
- “Relevant Cash Settlement Date”** means the Cash Settlement Date immediately following which the Principal Amount is reduced to zero.
9. Deferred Maturity Date:
- (i) Subject to paragraph (ii) below, if an Extension Notice is effective and no Event Determination Date occurs on or prior to the Securities Extension Date, five (5) Business Days after the Securities Extension Date or, if an Extension Notice is effective and an Event Determination Date occurs on or prior to the Securities Extension Date, the Auction Settlement Date or the Cash Settlement Date (as the case may be).

(ii) If a DC Credit Event Question (as such term is incorporated into the Confirmation) has been submitted to the DC Secretary but, as of the last applicable day of the Notice Delivery Period, no announcement had been made by the DC Secretary with respect to the Credit Event Resolution Request Date (as such term is incorporated into the Confirmation), the later of (1) the date determined pursuant to paragraph (i) above where the Extension Notice is effective, and (2) the date falling five (5) Business Days after the DC Secretary makes such announcement or such earlier date as the Calculation Agent may determine in its sole and absolute discretion.

10. 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 relating to operation of the Credit Support Annex 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 12,000,000 cash in cleared and freely transferable funds, which shall be deposited into a Cash Account (the **“Cash Charged Assets”**), or (ii) USD 12,000,000 principal amount of Bonds (the **“Initial Reference Amount”**), as determined by the Swap Counterparty in its sole discretion (such initial Charged Assets, the **“Initial Charged Assets”**).

“Bonds” means the Cooperatieve Rabobank U.A. Bonds due 22 July 2024 (ISIN: US74977SDF65).

“Bond Charged Assets” means any 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 Bond Charged Assets following the Issue Date.

Following the Issue Date, (i) any Eligible Credit Support and/or Equivalent Credit Support (each as defined in the Charged Agreement) transferred by the Swap Counterparty to the Issuer pursuant to the Credit Support Annex in respect of the Charged Agreement shall, upon such transfer, comprise part of the Charged Assets; and (ii) any Eligible Credit Support and/or Equivalent Credit Support (each as defined in the Charged Agreement) transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex in respect of the Charged Agreement shall, upon such transfer, no longer comprise part of

the Charged Assets.

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, provided that such redemption does not constitute a Bond Redemption Event under the provisions of Paragraph 26(A) (*Bond Redemption*) hereof, such Redemption Proceeds 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.

Interest shall accrue on the respective Cash Account Balance (as defined in the Charged Agreement) 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) $1/365$,

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). The Custodian may deduct or debit any amount standing to the credit of the Cash Account in connection with the satisfaction or reimbursement of any Custodian Charge levied during the Extension Calculation Period.

“**Extension Calculation Period**” has the meaning given to it in the Charged Agreement.

“**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 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 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 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 the Bonds.

11. 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 (i) a confirmation of a swap transaction entered into between the Swap Counterparty and the Issuer, with an effective date of 12 September 2019 (the “**Confirmation**”) and (ii) the ISDA 1995 form of Credit Support Annex (Bilateral Form – Transfer) and the Paragraph 11 thereto in the form of Schedule 6 to the Constituting Instrument entered into between the Swap Counterparty and the Issuer dated 12 September 2019 (the “**Credit Support Annex**”).
12. Security: Condition 4(a) (*Security*) is applicable.

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| 13. | Fixed Rate Notes Provisions: | Not applicable. |
| 14. | Floating Rate Notes Provisions: | Applicable. |
| | (i) Interest Commencement Date: | One Business Day immediately following the Issue Date. |
| | (ii) Interest Periods: | Each Buyer Calculation Period (as defined in the Charged Agreement). |
| | (iii) Interest Payment Dates: | Each Buyer Period End Date (as defined in the Charged Agreement) (provided that if an Event Determination Date occurs, the Maturity Date of the Notes shall be the final Interest Payment Date). |
| | (iv) Interest Amount: | <p>In respect of each Interest Period, the Buyer Payment Amount (as defined in the Charged Agreement) payable by the Swap Counterparty in respect of the Buyer Calculation Period that corresponds to such Interest Period.</p> <p>For the avoidance of doubt, the provisions of this Paragraph 14 are deemed to amend and supplement Condition 6 (<i>Interest</i>) and, to the extent of any conflict between the provisions of this Paragraph 14 and Condition 6 (<i>Interest</i>), the provisions of this Paragraph 14 shall prevail.</p> |
| 15. | Zero Coupon Notes Provisions: | Not applicable. |
| 16. | Index-Linked Interest Notes Provisions: | Not applicable. |
| 17. | Notes issued in bearer or registered form: | Bearer Notes. |
| 18. | 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> |

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| 19. | Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon: | No. |
| 20. | U.S. Series or non-U.S. Series: | Non U.S. Series. |
| 21. | 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. |
| 22. | Ratings: | None. |
| 23. | Business Days: | Tokyo, London and New York. |
| 24. | Call/Put Option: | Not applicable. |
| 25. | Scheduled Redemption Amount: | In respect of each Note, an amount in USD equal to (i) the Authorised Denomination <u>minus</u> (ii) the Extension Calculation Period Amount in respect of such Note (if any), subject to a minimum of zero. |

The “**Extension Calculation Period Amount**” means an amount in USD (which can be a positive amount or a negative amount) determined by the Calculation Agent in its sole and absolute discretion, equal to

(i) such Note’s *pro rata* share of an amount equal to any Custodian Charge levied during the Extension Calculation Period (where applicable),

(ii) plus such Note’s *pro rata* share of an amount equal to any AV Negative Interest Amount (as defined below) transferred from the Issuer to the Swap Counterparty pursuant to the Credit Support Annex during the Extension Calculation Period; and

(iii) minus such Note’s *pro rata* share of an amount equal to any AV Negative Interest Amount transferred from the Swap Counterparty to the Issuer pursuant to the Credit Support Annex during the Extension Calculation Period.

The Notes may be redeemed in part (and the Principal Amount reduced accordingly) in accordance with (i) the Credit Derivatives Definitions, as amended by Section 8 of the

Charged Agreement, where more than one Successor (as defined in the Charged Agreement) to a Reference Entity has been identified, and (ii) paragraph 26(B) of these Terms.

“AV Negative Interest Amount” means the absolute value of any negative interest amount payable by the Issuer, or the Swap Counterparty, as applicable, pursuant to the Credit Support Annex in accordance with the Negative Interest Protocol (as defined in the Credit Support Annex).

Noteholders are referred to the Credit Derivatives Definitions, as amended by Section 8 of the Charged Agreement set out in Annex 1 to this Prospectus, and to paragraph 26(B) (Credit Event Redemption) of these Terms, for further details on such partial redemption of the Notes.

26. Early redemption:

(A) **Bond Redemption:**

If a Bond Redemption Event occurs (regardless of whether or not it is continuing) and the Swap Counterparty delivers a Bond Event Notice to the Issuer pursuant to the Charged Agreement, the Notes shall be redeemed by payment of the Bond Redemption Amount in accordance with the following provisions and, accordingly, Condition 7(b) (*Mandatory Redemption*) shall not apply.

- (i) If the Swap Counterparty delivers a Bond Event Notice pursuant to the Charged Agreement, the Issuer shall, on the Business Day following the date of delivery of the Bond Event Notice by the Swap Counterparty, give notice thereof to the Trustee and the other Agents and the Noteholders in accordance with Condition 14 (*Notices*) and the Notes shall become due and repayable on the Early Termination Date. The failure to deliver any such notice by or on behalf of the Issuer shall not affect the effectiveness of any Bond Event Notice delivered pursuant to the Charged Agreement or the application of the other provisions of this Paragraph 26(A).
- (ii) On the Early Termination Date, the Notes shall be redeemed at the Bond Redemption Amount (and upon payment in full thereof, the Issuer's obligations in respect of the Notes shall be cancelled and discharged in full, the Issuer shall have no obligation to make payment to the Noteholders of the Principal Amount, and the Noteholders shall have no further recourse to the Issuer or any other party in respect of the Notes).

Noteholders should be aware that they bear the risk of a Bond Redemption Event occurring or having occurred at any time from and including 27 August 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 issuer of the Charged Assets, and each prospective Noteholder is advised to make its own investigations and assessment of the same.

- (B) **Credit Event Redemption:** If an Event Determination Date occurs on or prior to the later of: (a) the Scheduled Termination Date and (b) the Securities Extension Date (as such term is incorporated into the Confirmation) (and is not otherwise deemed not to have occurred), in respect of the Reference Entity and the Swap Counterparty delivers a Credit Event Notice to the Issuer pursuant to the Charged Agreement, the Issuer shall give notice thereof to the Trustee, the Agents and the Noteholders in accordance with Condition 14 (*Notices*) on the Business Day following the date of delivery of the Credit Event Notice by the Swap Counterparty (provided that the failure by the Issuer to deliver any such notice shall not affect the effectiveness of any Credit Event Notice delivered pursuant to the Charged Agreement or the application of the other provisions of this Paragraph 26(B)) and each Note shall be redeemed on the Auction Settlement Date or the Cash Settlement Date (as the case may be) by payment to the relevant Noteholder of its Adjusted Face Amount (as defined below), provided that the Charged Assets (and the Cash Account Balance, if any) have been delivered and/or transferred to the Swap Counterparty in accordance with Section 7B of the Confirmation.

The “**Adjusted Face Amount**” of a Note is an amount equal to such Note’s *pro rata* portion of the Adjusted Principal Amount of the Notes.

The “**Adjusted Principal Amount**” of the Notes is an amount equal to the “Adjusted Notional Amount” of the Charged Agreement.

Noteholders should be aware that they bear the risk of a Credit Event occurring or having occurred at any time from and including the Credit Event Backstop Date (as such term is incorporated in the Confirmation) (notwithstanding that such date precedes the Issue Date), up to and including the Scheduled Termination Date (or, if later, the Repudiation/ Moratorium Evaluation Date, if any) Noteholders should be aware that the Maturity Date may fall later than 24 July 2024.

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 Credit Event has occurred or is likely to occur or as to the creditworthiness of the Reference Entity, and each prospective Noteholder is advised to make its own investigations and assessment of the same.

- (C) Any determination made by the 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 the Realisation Agent or the Determination Agent is unable or unwilling to act as such, 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. The Realisation Agent and the Determination Agent may not resign its duties without a successor having been appointed as aforesaid.
- (D) Any term that is used in this Paragraph 26 and not defined herein shall bear the meaning ascribed to it in the Charged Agreement.
- (E) 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*).

- (F) Notwithstanding Condition 7(f)(2) (*Redemption Amount of Notes*), if an Early Termination Date is designated or deemed to occur as a result of an Event of Default in relation to the Swap Counterparty as the Defaulting Party, the amount payable upon redemption of each Note shall be the amount determined by the Trustee or, where applicable, the Determination Agent to be the amount available for redemption of such Note by applying the portion available to the Noteholders pursuant to Condition 4(c) (*Realisation of the Collateral upon redemption pursuant to Condition 7(f), 7(g), 7(h) or 9*) (or as it may be amended or replaced by the Constituting Instrument) of the net proceeds of enforcement of the security in accordance with Condition 4 *pari passu* and rateably to the Notes. For the avoidance of doubt, unless otherwise specified herein, all other terms of Condition 7(f)(2) (*Redemption Amount of Notes*) shall remain unchanged and enforceable.

(G) **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”.

(H) **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) the payment of any amount and/or delivery of any 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).”.

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| 27. | Settlement Procedures: | The Notes have been accepted for settlement in Euroclear and Clearstream, Luxembourg. |
| 28. | Common Code: | 204957355. |
| 29. | ISIN: | XS2049573558. |
| 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 11th 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. Bond Redemption Events and Credit Events:

The occurrence of any Bond Redemption Event or any Credit Event, and all calculations, determinations and other steps required to be taken in connection therewith, under or in respect of the Charged Agreement are conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agents and all other persons when and as they occur or they are made or taken under or in connection with the Charged Agreement pursuant to its terms, without further notice or determination hereunder.

33. Depositary Account:

The Depositary Account shall be such account(s) maintained by the Custodian for and on behalf of the Issuer from time to time.

CONFIRMED

ARLO II LIMITED

By:

Dated: 12 September 2019

SCHEDULE 3 : DETAILS OF CHARGED ASSETS

Charged Assets

On the Issue Date, the Charged Assets will comprise either (i) USD 12,000,000 cash in cleared and freely transferable funds, which shall be deposited into a Cash Account or (ii) USD 12,000,000 principal amount of an issue by Cooperatieve Rabobank U.A. Bonds due 22 July 2024 (ISIN: US74977SDF65) as determined by the Swap Counterparty in its sole discretion.

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

ARLO II Limited

Agent for Service of Process

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 CREDIT SWAP TRANSACTION

Date: 12 September 2019

To: ARLO II Limited

From: Barclays Bank PLC

Re: **Credit Swap Transaction**

The purpose of this communication, including the Exhibits hereto (this “**Confirmation**”), is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on 12 September 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 and the 2014 ISDA Credit Derivatives Definitions, each as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”) (collectively, the “**Credit Derivatives Definitions**”) are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions, 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 12 September 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 12 September 2019 (the “**Constituting Instrument**”), by and among the parties thereto for purposes of constituting the Series CLN-28 USD 12,000,000 Secured Limited Recourse Credit Linked Notes due 24 July 2024 (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 or the Credit Derivatives Definitions 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 the Seller and the Buyer (both, defined below), 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 and under Section 1.13 of the Credit Derivatives Definitions, 12 September 2019; |
| | (ii) For all other purposes of the Credit Derivatives Definitions (including, but not limited to, Section 1.16 and Section 1.23 of the Credit Derivatives Definitions (as amended by this Confirmation)) or otherwise relating to this |

Transaction, 27 August 2019.

Effective Date:	12 September 2019.
Scheduled Termination Date:	24 July 2024.
Securities Extension Date:	The later to occur of (a) the last applicable day specified in the definition of Notice Delivery Period and (b) (i) the day that is 14 calendar days after the DC Credit Event Announcement, (ii) the DC No Credit Event Announcement (as defined in the Credit Derivatives Definitions), and (iii) the day that is 3 Business Days following the date that is 14 calendar days after the DC Credit Event Question Dismissal, in each case provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date).
Floating Rate Payer:	ARLO II Limited (" Seller ").
Fixed Rate Payer:	Barclays Bank PLC (" Buyer ").
Calculation Agent:	Barclays Bank PLC.
Calculation Agent City:	Tokyo.
Business Days:	Tokyo, London and New York.
Business Day Convention:	Following (which shall apply to any date other than the Trade Date, Effective Date, Credit Event Backstop Date, Successor Backstop Date and the Scheduled Termination Date).
Transaction Type:	Standard Japan Sovereign.
Reference Entity:	The Government Of Japan and any Successors.
Standard Reference Obligation:	Applicable.
Seniority Level:	Senior.
Reference Obligation:	In respect of the Reference Entity, (i) for the purposes of "Settlement Terms" in paragraph 7 below and Article VII of the Credit Derivatives Definitions, an obligation of the Reference Entity (either directly or as provider of a guarantee) selected by the Swap Counterparty in its sole discretion satisfying the definition of Deliverable Obligation in accordance with Section 3.2 of the Credit Derivatives Definitions, (which for the avoidance of doubt shall include (i) an obligation of the Reference Entity determined in accordance with Section 2.5 of the Credit Derivatives Definitions, (ii) solely in relation to a Restructuring Credit Event and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation,

and (iii) if Asset Package Delivery is applicable, (a) a Package Observable Bond, and (b) Assets (as defined in the Credit Derivatives Definitions) received by a holder of a Package Observable Bond in connection with an Asset Package Credit Event, which if selected, shall be treated in aggregate as having the same currency, Outstanding Principal Balance or Due and Payable Amount, as applicable, as the Package Observable Bond to which it corresponds had immediately prior to the Asset Package Credit Event); and

(ii) for all other purposes (including for the purposes of Section 3.2 of the Credit Derivatives Definitions), an obligation of the Reference Entity (either directly or as provider of a guarantee) determined in accordance with Section 2.5 of the Credit Derivatives Definitions.

Original Non-Standard Reference Obligation:

The obligation identified as follows:

Obligor:	Japan
Maturity:	21 March 2022
Coupon:	2.00% per annum
ISIN:	JP1200551248

All Guarantees: Applicable.

Reference Price: 100 per cent.

2. **Initial Exchange:**

On 12 September 2019, Seller shall pay to Buyer USD 12,000,000 (the “**Initial Exchange Amount**”) and Buyer shall deliver and/or transfer to, or to the order of, Seller 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 Buyer’s obligation to deliver and/or transfer the Initial Charged Assets and to pay any Buyer Payments that Seller has paid the Initial Exchange Amount on 12 September 2019.

3. **Interim Exchange:**

On the date that falls two Business Days following each date on which both the Buyer and the Seller are notified by the Custodian of a Custodian Charge, if any, applied by the Custodian to the Cash Account, the Buyer shall pay to, or to the order of, the Seller an amount equal to such Custodian Charge, provided that (a) 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; and (b) no amounts shall be payable by the Buyer to the Seller in relation to a Custodian Charge levied by the Custodian during the Extension Calculation Period.

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. **Final Exchange:**

On the date that falls one (1) Business Day prior to the Maturity Date, Buyer shall pay to Seller an amount equal to the aggregate Redemption Amount of the Notes and Seller shall (a) pay any amounts standing to the credit of the Cash Account(s) to or to the order of Buyer, and (b) deliver the Charged Assets to or to the order of Buyer, in each case to the extent not required by Seller to discharge its obligations in respect of the Notes or otherwise paid or delivered under the provisions hereof.

5. **Buyer Payments:**

A. Periodic Payments: With respect to each Buyer Calculation Period under this paragraph 5A, Buyer will pay on the Buyer Payment Date in respect of such Buyer Calculation Period the Buyer Payment Amount.

Buyer Period End Dates: 24 January, 24 April, 24 July and 24 October in each year from (and including) 24 October 2019 to (and including) the Scheduled Termination Date and, if later, the Securities Extension Date.

Buyer Payment Amount: The sum of (a) the Buyer Payment Amount A and (b) the Fixed Amount, provided that if, but for this proviso, the Buyer Payment Amount would be negative, the Buyer Payment Amount shall be zero (and, in such circumstances, and for the avoidance of doubt, the absolute value of the negative Buyer Payment Amount shall not be payable by the Seller).

Buyer Payment Date: Two Business Days prior to each Buyer Period End Date (provided that if an Event Determination Date occurs, two Business Days prior to the Maturity Date of the Notes shall be the final Buyer Payment Date).

Buyer Calculation Period: The period from (and including) a Buyer Period End Date (or in respect of the first Buyer Calculation Period, one Business Day immediately following the Effective Date) to (but excluding) the next (or first) Buyer Period End Date.

Buyer Payment Amount A:

Buyer Calculation Amount A: Outstanding Principal Amount of the Notes.

Buyer Payment Amount A: With respect to each Buyer Calculation Period, an amount determined by the Calculation Agent equal to:

1. the Buyer Calculation Amount A; multiplied by
2. the Floating Rate for such Buyer Calculation Period determined by the Calculation Agent on the day that is two London Banking Days preceding the Reset Date pursuant to the 2006 ISDA Definitions (the “**2006 Definitions**”) and based on the Floating Rate Option and Designated

Maturity specified below; multiplied by

3. a fraction, the numerator of which equals the actual number of days in such Buyer Calculation Period and the denominator of which is 360,

provided that (i) upon the earlier to occur of (a) the last day of the Buyer Calculation Period immediately preceding the Scheduled Termination Date, and (b) occurrence of an Event Determination Date or a Bond Event Notice Delivery Date, the Buyer Payment Amount A shall cease to accrue or be payable from and including such Event Determination Date or the Buyer Period End Date immediately preceding such Bond Event Notice Delivery Date (or, if there is no preceding Buyer Period End Date, one Business Day immediately following the Effective Date).

Reset Date: First day of a Buyer Calculation Period.

Floating Rate Option: USD-LIBOR-BBA.

If such rate does not appear on the Reuters Screen LIBOR01 Page, the rate for that Reset Date will be determined by the Calculation Agent in its sole discretion.

Designated Maturity: Linear Interpolation of one month and two months in respect of the first Buyer Calculation Period.

Three months in respect of each Buyer Calculation Period thereafter.

Fixed Amount:

Fixed Rate Calculation Amount: Outstanding Principal Amount of the Notes.

Fixed Rate: 0.88 per cent. per annum.

Fixed Rate Day Count Fraction: Actual/360.

Fixed Amount: With respect to each Buyer Calculation Period (other than the Extension Calculation Period), an amount determined by the Calculation Agent equal to:

- (1) the Fixed Rate Calculation Amount; multiplied by
- (2) the Fixed Rate; multiplied by
- (3) the Fixed Rate Day Count Fraction,

provided that:

- (a) the final Buyer Period End Date in respect of any Fixed Amount shall fall no later than the Scheduled Termination Date, subject as provided in the further proviso below; and

- (b) upon the occurrence of an Event Determination Date or a Bond Event Notice Delivery Date, the Fixed Amount shall cease to accrue or be payable from (and including) such Event Determination Date or the Buyer Period End Date immediately preceding such Bond Event Notice Delivery Date (or, if there is no preceding Buyer Period End Date, one Business Day immediately following the Effective Date),

provided further that if there is an Securities Extension Date and either:

- (1) an Event Determination Date has not occurred on or prior to the Securities Extension Date; or
- (2) a Bond Event Notice Delivery Date has not occurred on or prior to the Securities Extension Date,

then, with respect to the applicable Buyer Calculation Period (which shall be the period from, and including, the Scheduled Termination Date to, but excluding, the Securities Extension Date) (such period, the “**Extension Calculation Period**”), the Fixed Amount shall be an amount equal to:

- (1) the portion of the Redemption Proceeds attributable to a redemption of the Charged Assets credited to the relevant Cash Account; multiplied by
- (2) the Overnight Rate; multiplied by
- (3) a fraction, the numerator of which equals the actual number of days from, and including, the Scheduled Termination Date to, but excluding, the Securities Extension Date, and the denominator of which is 360,

subject to a minimum of zero.

B. Initial Payment: None.

C. Final Payments: None.

6. **Seller Payments:**

- A. Periodic Payments:
- (i) On each Variable Amount Payment Date, Seller shall pay Buyer the Variable Amount in respect of such Variable Amount Payment Date; and
 - (ii) on each respective Cash Account Interest Payment Date, Seller shall pay Buyer an amount equal to the respective Cash Account Interest Amount accrued up to but excluding such Cash Account Interest Payment Date.

Variable Amount Payment Dates: The Business Day immediately following the Charged Assets Payment Date.

Charged Assets Payment Date: From and including the Effective Date, each date (without regard to any grace period or the satisfaction of any conditions precedent to the commencement of such grace period) upon which a payment of interest is stated to be due under any Charged Assets held by Seller from time to time (for the avoidance of doubt, as may be adjusted pursuant to the terms of the Credit Support Annex) in accordance with the terms and conditions of such

Charged Assets in effect as at the Trade Date.

Variable Amounts: In respect of each Variable Amount Payment Date, the greater of (x) zero and (y) an amount equal to each payment of interest stated to be due on the immediately preceding Charged Assets Payment Date in respect of the relevant Charged Assets held by Seller from time to time (for the avoidance of doubt, as may be adjusted pursuant to the terms of the Credit Support Annex) in accordance with the terms and conditions of such Charged Assets in effect as at the Trade Date.

Non-Standard Event Determination Date: Applicable.

Conditions to Settlement: Credit Event Notice.

Notifying Party: Buyer.

Notice of Publicly Available Information: Applicable.

Public Sources: As specified in Section 1.36.

Specified Number: Two.

Credit Events: Failure to Pay.

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Repudiation/Moratorium.

Restructuring.

Multiple Holder Obligation: Not Applicable

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Grace Period Extension: Not Applicable.

Obligations: The Reference Obligation and any other obligation of the Reference Entity (either directly or as provider of any Relevant Guarantee or, if All Guarantees is specified as applicable, as provider of any Qualifying Guarantee) as described in accordance with the Obligation Category and Obligation Characteristics set out below.

Obligation Category: Borrowed Money.

Obligation Characteristics: None.

Excluded Obligations: None.

7. **Settlement Terms:**

Settlement Method: For purposes of the Credit Derivatives Definitions, Auction Settlement shall apply, provided however that Section 6.1 of the Credit Derivatives Definitions shall be amended (i) by the deletion of the words "Seller shall, subject to Section 5.1, pay to Buyer" and the insertion of the words "Buyer shall, subject to Section 5.1, pay to Seller" in the first sentence thereof; and (ii) in lieu of the payment of any Auction Settlement Amount, the Buyer shall instead pay to the Seller an amount equal to the Adjusted Notional Amount.

For the avoidance of doubt, if more than one set of Deliverable Obligation Terms are published by the DC Secretary in respect of the Credit Derivatives Auction Settlement Terms relating to the Reference Entity, the relevant Auction for the purposes of determining the Auction Final Price shall be the Auction (if any) in respect of which the Deliverable Obligation Terms require that the relevant obligations be Not Subordinated to obligations which are of the same seniority as the Reference Obligation.

Fallback Settlement Method: Cash Settlement, provided however that Section 7.1 of the Credit Derivatives Definitions shall be amended (i) by the deletion of the words "Seller shall, subject to Section 5.1, pay to Buyer" and the insertion of the words "Buyer shall, subject to Section 5.1, pay to Seller" in the penultimate line thereof; and (ii) in lieu of the payment of any Cash Settlement Amount, the Buyer shall instead pay to the Seller an amount equal to the Adjusted Notional Amount.

**Terms Relating to
Auction Settlement:**

Auction Settlement Amount: In respect of the Reference Entity, an amount equal to the greater of (i) (a) the Initial Notional Amount multiplied by (b) the Reference Price minus the Auction Final Price for the Reference Entity and (ii) zero.

Auction Settlement Date: Five (5) Business Days following the Auction Final Price Determination Date.

Auction Final Price: Auction Final Price (expressed as a percentage) has the meaning set forth in the Transaction Auction Settlement Terms in respect of the Reference Entity.

**Terms Relating to
Cash Settlement:**

Cash Settlement Amount:	In respect of the Reference Entity, an amount equal to the greater of (i) (a) the Initial Notional Amount multiplied by (b) the Reference Price minus the Final Price for the Reference Entity and (ii) zero.
Final Price:	<p>In respect of the Reference Obligation, the price of such Reference Obligation (expressed as a percentage) which shall be determined by the Calculation Agent in its sole and absolute discretion in accordance with the specified Valuation Method.</p> <p>References in Section 7.7(b) to a party that is not the Calculation Agent seeking Quotations shall be deleted.</p>
Costs:	An amount in USD (which shall be a positive amount if payable to the Buyer, and a negative amount if payable to the Seller) determined by the Calculation Agent, in its sole and absolute discretion, applying such commercially reasonable procedures as it deems appropriate, equal to the sum of (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, unwinding, liquidating, obtaining or re-establishing any hedge or related trading position) incurred as a result of terminating this Transaction early (which shall be a positive amount if payable to the Buyer, and a negative amount if payable to the Seller), (b) any costs, fees and expenses incurred in connection with the early redemption of the Notes and/or the delivery of the Charged Assets to the Buyer, including, without limitation, any brokers' commissions, fees and expenses, any taxes of any nature and stamp duties, any funding costs and any legal or other ancillary costs incurred by the Seller or the Buyer as a consequence of such early termination and (c) an amount by which the market value of (i) the Bond Charged Assets with a principal amount equal to the principal amount of the outstanding Notes has decreased from the Trade Date to the Early Termination Date (or, if earlier, the date upon which the Charged Assets are redeemed), provided that, for the purpose of determining the Bond Redemption Amount, the amount described in (c) shall be deemed to be zero.
Cash Settlement Date:	In respect of the Reference Entity, the date which is five (5) Business Days following the date upon which the Cash Settlement Amount in respect of the Reference Entity is determined.
Valuation Date:	Single Valuation Date. The Valuation Date shall be a Business Day selected by Buyer that is at least five (5) Business Days after the occurrence of an Auction Cancellation Date, a No Auction Announcement Date or such other date as referred to in Section 6.1 of the Credit Derivatives Definitions (as the case may be) upon which it is determined that the Fallback Settlement Method shall apply.

References in the Credit Derivatives Definitions to “Physical Settlement” or to “Delivery Date” shall be deemed to be references to the relevant Valuation Date.

Valuation Time: A time specified by the Calculation Agent as close as reasonably practicable to 11:00 a.m. in the relevant Calculation Agent City unless the Calculation Agent determines the principal market for transactions in the relevant Reference Obligation is closed at such time, in which case the Valuation Time shall be such other time selected by the Calculation Agent.

Quotation Method: Bid.

Quotation Amount: In respect of a Reference Obligation, an amount specified by the Calculation Agent not in excess of the greater of (i) the Initial Notional Amount of such Reference Obligation, and (ii) 1,000,000 units of the Settlement Currency (or, if Japanese Yen, 100,000,000 units of the currency) (or if such Reference Obligation is not denominated in the Settlement Currency, the equivalent of such amount in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Quotations: Exclude Accrued Interest.

Dealers: Dealers, financial institutions or funds that deal or invest in obligations of the type for which Quotations are to be obtained, as selected by and exclusive of Buyer. Neither the Buyer nor any of its affiliates shall be eligible to provide bid quotations.

Settlement Currency: The currency in which the Fixed Rate Calculation Amount is denominated.

Valuation Method: Highest.

The phrase “with only one Valuation Date” shall be deleted in Section 7.5(a). Section 7.5(b) of the Credit Derivatives Definitions shall not apply.

A. **Bond Settlement**

If a Bond Redemption Event occurs, Buyer shall have the right to deliver a Bond Event Notice to Seller and the following provisions shall apply. Any failure or delay by Buyer to deliver a Bond Event Notice shall not constitute a waiver of Buyer’s right to deliver such a notice in respect of the relevant Bond Redemption Event or in respect of any other Bond Redemption Event.

- (i) Following the date upon which the Bond Event Notice is delivered (the “**Bond Event Notice Delivery Date**”), Buyer shall promptly deliver a notice to Seller setting out its choice and designating the Early Termination Date (an “**Early Termination Notice**”);
- (ii) upon receipt by Seller of an Early Termination Notice from Buyer, Seller shall take reasonable efforts to deliver and/or pay the Charged Assets (together with the Cash Account Balance, if any), or to procure that the Charged Assets

(together with the Cash Account Balance, if any) are delivered and/or paid to, or to the order of, Buyer on or prior to the Early Termination Date (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). Any stamp duty or other tax, levy or duty and any other costs and expenses payable in respect of the delivery of the Charged Assets shall be the responsibility of, and payable by, Buyer and such delivery shall be subject to payment of the same by Buyer;

- (iii) if, despite the reasonable efforts of Seller, any of such Charged Assets have not been delivered to Buyer on or prior to the Early Termination Date or the Calculation Agent determines in its sole discretion that it is not practicable to deliver all or part of the Charged Assets to Buyer, whether by reason of any transfer restriction on the securities in question or the nature or status of Buyer or for any other reason, Seller shall be obliged to use its reasonable endeavours to procure such delivery as soon as practicable thereafter;
- (iv) provided that the Charged Assets (and the Cash Account Balance, if any) have been delivered and/or paid to Buyer on or prior to the Early Termination Date, Buyer shall pay to Seller an amount equal to the Bond Redemption Amount on the Early Termination Date. If the Charged Assets have not been delivered to Buyer on or prior to the Early Termination Date, Buyer shall pay to Seller an amount equal to the Bond Redemption Amount following receipt of the Charged Assets from Seller pursuant to sub-paragraph (iii) above; and
- (v) following satisfaction of Buyer's and Seller's respective payment and delivery obligations pursuant to sub-paragraphs (ii) and (iv) above, the Early Termination Date shall be the Termination Date and no further amounts shall be paid by either Buyer or Seller.

B. Credit Event Settlement

If an Event Determination Date occurs on or prior to the later of: (a) the Scheduled Termination Date and (b) the Securities Extension Date (and is not otherwise deemed not to have occurred) with respect to the Reference Entity, the following provisions shall apply:

- (i) on or after the Event Determination Date and on demand of Buyer, Seller shall take reasonable efforts to deliver and/or pay the Charged Assets (together with the Cash Account Balance, if any), or to procure that the Charged Assets (together with the Cash Account Balance, if any) are delivered and/or paid, to or to the order of Buyer on or prior to the Auction Settlement Date or the Cash Settlement Date (as the case may be) (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). Any stamp duty or other tax, levy or duty and any other costs and expenses payable in respect of the delivery of the Charged Assets shall be the responsibility of, and payable by, Buyer and such delivery shall be subject to payment of the same by Buyer;
- (ii) if, despite the reasonable efforts of Seller, any of such Charged Assets have not been delivered to Buyer by the Auction Settlement Date or the Cash Settlement Date (as the case may be) or the Calculation Agent determines in its sole discretion that it is not practicable to deliver all or part of the Charged Assets to Buyer, whether by reason of any transfer restriction on the securities in question or the nature or status of Buyer or for any other reason, Seller shall be obliged to

use its reasonable endeavours to procure such delivery as soon as practicable thereafter;

- (iii) on the Auction Settlement Date or the Cash Settlement Date (as the case may be), provided that the Charged Assets (and the Cash Account Balance, if any) have been delivered and/or paid to Buyer, Buyer shall pay to Seller an amount equal to the Adjusted Notional Amount; and
- (iv) following satisfaction of Buyer's and Seller's respective payment and delivery obligations pursuant to sub-paragraphs (i) and (iii) above, the Auction Settlement Date or the Cash Settlement Date (as the case may be) shall be the Termination Date and no further amounts shall be paid by either Buyer or Seller.

C. **Definitions:**

For the purposes hereof:

"Adjusted Notional Amount" means an amount equal to the greater of (a) zero and (b)(i) the Initial Notional Amount minus (ii) the Auction Settlement Amount or Cash Settlement Amount, as applicable, minus (c) the Extension Calculation Period Amount (to the extent applicable and if any) minus (d) Costs.

"Bond Charged Assets" has the meaning ascribed to it in the Conditions of the Notes.

"Bond Event Notice" means a notice delivered by Buyer to Seller, on or prior to the Scheduled Termination Date, specifying the occurrence of a Bond Redemption Event.

"Bond Redemption Amount" means either:

- (i) an amount equal to the market value of the Bond Charged Assets with a principal amount equal to the Reference Amount as determined by the Calculation Agent in its sole and absolute discretion:
 - a. less the aggregate of the Extension Calculation Period Amounts; and
 - b. less the Costs, if Costs are a positive amount deemed payable to Buyer; or
 - c. plus the absolute value of the Costs, if Costs are a negative amount deemed payable by the Buyer,

and provided that in each case, if the Bond Redemption Amount is an amount less than zero, the Bond Redemption Amount shall be deemed to be zero and no Bond Redemption Amount shall be payable.

"Bond Redemption Event" means the occurrence of any of the following at any time from and including 27 August 2019 and on or prior to the Scheduled Termination Date:

- (i) the Issuer satisfies the Trustee that the performance of its obligations under the Notes or ancillary thereto has or will become unenforceable, illegal or otherwise prohibited in whole or in part as a result of the Issuer's compliance with any applicable present or prospective law, rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof; or
- (ii) if the Charged Agreement is terminated (in whole but not in part and other than in consequence of Condition 7(h) or Condition 7(i) or in connection with a

redemption of the Notes pursuant to paragraph 25(B) or Condition 9 or pursuant to an Early Termination Date that is designated or deemed to occur as a result of an Event of Default in relation to the Swap Counterparty as the Defaulting Party); or

- (iii) a Bond Event of Default; or
- (iv) a Note Tax Event; or
- (v) the issuer of the Bond Charged Assets exercises its MREL Disqualification Event Call option (as described under the terms of the Bonds) to redeem all of the Bonds, in full, pursuant to an MREL Disqualification Event as defined under the terms of the Bonds, where such an event shall be deemed to occur upon receipt by the Issuer of a notice of redemption from the Bond Issuer, or if no such notice is received, on the date of the relevant redemption; or
- (vi) the issuer of the Bond Charged Assets exercises its option to substitute all of the Bonds or vary the terms of all of the Bonds upon the occurrence of an MREL Disqualification Event or an Alignment Event or an Amending Act Exchange Event (each as defined under the terms of the Bonds), where such event shall be deemed to occur upon receipt by the Issuer of a notice of substitution or variation from the Bond Issuer;
- (vii) a Bond Resolution Event; or
- (viii) a Bond Restructuring Event,

Where:

“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 failure of the issuer of the Bond Charged Assets, uncured after 5 business days (as defined in the terms and conditions of the Relevant Debt), to pay interest on the Relevant Debt when due in accordance with the respective terms and conditions of such Relevant Debt (in each case in effect as of the Trade Date);
- (ii) the failure of the issuer of the Bond Charged Assets to pay the stated principal amount of the Relevant Debt on its respective applicable legal maturity date in accordance with the respective terms and conditions of such Relevant Debt (in each case in effect as of the Trade Date);
- (iii) the occurrence of certain events of bankruptcy, insolvency or reorganisation of the issuer of the Bond Charged Assets in accordance with the respective terms and conditions of such Relevant Debt as of the Trade Date;
- (iv) any mandatory, optional or other early redemption event occurs under the Bond Charged Assets 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 without giving effect to any subsequent amendments thereof;
- (v) the occurrence of either of the following events: the issuer of the Bond Charged Assets (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, its obligations under the Bond Charged Assets 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 Bond Charged Assets; or

- (vi) on any due date for payment in respect of the Bond Charged Assets in accordance with the respective terms and conditions (in each case in effect as of the Trade Date) of the Bond Charged Assets, a withholding, deduction or account is made in respect of any payment due to the Issuer in respect of the Bond Charged Assets for any reason,

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

“Bond Restructuring Event” means, a determination by the Calculation Agent in respect of this Transaction (being the same entity as the Determination Agent in respect of the Notes), in its sole and absolute discretion, that any actual or proposed restructuring or similar event in respect of the Charged Assets and/or any Relevant Debt (A) which has taken effect and/or (B) in respect of which the Issuer and/or any Agent has notice, including, in each case and without limitation, any amendment, modification and/or supplement to the terms and conditions of the Charged Assets and/or any Relevant Debt in effect as at the Trade Date resulting in (1) the reduction of any principal, premium, interest or any other amounts payable or accruing thereunder (including by way of redenomination), (2) any change in the dates for the payment of any amounts contemplated under item (1) herein, (3) any change of identity of any obligor in respect thereof, (4) any change in the ranking in priority of payments in respect thereof, (5) any change in currency of any amount payable in respect thereof, and/or (6) any release or change in respect of any security relating to the obligations of any obligor in respect of the Charged Assets and/or any Relevant Debt.

“Bond Resolution Event” 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) any obligor in respect of the Bond Charged Assets (a **“Bond Obligor”**) becomes subject to any bank resolution and recovery regime (or equivalent) in any jurisdiction; and/or
- (ii) pursuant to the terms of the Bond Charged Assets and/or any legal or regulatory regime in any jurisdiction to which any Bond 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 Bond Obligor irrespective of whether such event is expressly provided for under the terms of the Bonds:
 - (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 Bond Obligor or another person;
 - (b) any of the payment obligations of any Bond 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 Assets, causing the subordination of such Bond Charged Assets to any other Relevant 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 sub-paragraphs (a) to (h).

“Cash Account Balance” means the amount standing to the credit of a Cash Account from time to time including any interest thereon.

“Cash Account Interest Amount” means in respect of a Cash Account Interest Period, the amount of interest accrued on a Cash Account in respect of such period, as calculated in accordance with the methodology described in the Condition of the Notes, provided that such amount of accrued interest shall always be subject to a minimum of zero.

“Cash Account Interest Payment Date” means the first day of each month except that the first Cash Account Interest Payment Date shall fall on the first day of the month on which any Redemption Proceeds are credited to a Cash Account.

“Cash Account Interest Period” means the period beginning on (and including) one Cash Account Interest Payment Date 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 Scheduled Termination Date.

“Cash Settlement Amount” means the “Cash Settlement Amount” as determined by the Calculation Agent in accordance with Paragraph 7.

“Cash Settlement Date” has the meaning ascribed to it in Paragraph 7.

“CDDC Rules” means the Credit Derivatives Determinations Committees Rules as made available on the website of the Credit Derivatives Determinations Committees at www.cdsdeterminationscommittees.org/ (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.

“Charged Assets” has the meaning ascribed to it in the Conditions of the Notes.

“Credit Derivatives Auction Settlement Terms” means any Credit Derivatives Auction Settlement Terms published by the DC Secretary, a form of which will be published by the DC Secretary on its website at www.cdsdeterminationscommittees.org/ (or any successor website thereto) from time to time and may be amended from time to time in accordance with the CDDC Rules.

“Credit Event Backstop Date” means (a) For purposes of any event that constitutes a Credit Event (or with respect to Repudiation/ Moratorium, if applicable, the event

described in Section 4.6(a)(ii) (Repudiation/ Moratorium) of the Credit Derivatives Definitions) as determined by a DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the first date on which both the Credit Event Notice and, Notice of Publicly Available Information are delivered by the Swap Counterparty to the Paying Agent (the "Notice Delivery Date"), and are effective during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

"Credit Event Notice" means an irrevocable notice from the Buyer (which may be in writing (including by facsimile and/or email) and/or telephone) to the Seller that describes a Credit Event that occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and, on or prior to the Extension Date (as defined in the Credit Derivatives Definition) (determined by reference to Greenwich Mean Time). Any Credit Event Notice that describes a Credit Event that occurred after the Scheduled Termination Date must relate to the relevant Repudiation/Moratorium.

"DC Credit Event Announcement" has the meaning ascribed to it in Section 1.28 of the Credit Derivatives Definitions and for the purposes of such definition, the definition of Extension Date shall have the meaning ascribed to it in the Credit Derivatives Definitions.

"DC Secretary" has the meaning set forth in the CDDC Rules.

"Deliverable Obligation Category" means Bond or Loan.

"Deliverable Obligation Characteristics" means Specified Currency, Transferable, Assignable Loan, Consent Required Loan, Not Bearer, Maximum Maturity: 30 years.

"Determination Agent" means the determination agent appointed under the Conditions of the Notes.

"Early Termination Date" means the date that is specified as such by Buyer in its Early Termination Notice, and where it is specified following a Bond Event Notice Delivery Date, such date shall be at least five Business Days following the Business Day falling after the corresponding Bond Event Notice Delivery Date.

"Extension Notice" means an irrevocable notice (which may be oral including by telephone) from Buyer to Seller, the Calculation Agent and the Paying Agent given on or prior to the Scheduled Termination Date specifying that the Buyer has determined in its sole and absolute discretion that the Reference Entity (or any Obligations in respect thereof) may be subject to a Credit Event, or that a Potential Repudiation/Moratorium may have occurred. An Extension Notice is effective when given and if given after 4.00 p.m. London time on a Business Day will be deemed given on the next Business Day.

"Initial Charged Assets" has the meaning ascribed to it in the Conditions of the Notes.

"Initial Notional Amount" means an amount equal to the Fixed Rate Calculation Amount.

"Note Tax Event" 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) either the Issuer or the Calculation Agent determines that 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, each case, (i) 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 (as defined in Condition 8(d))) 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, such a withholding, deduction or account is actually made in respect of any payment under the Notes (other than where such event occurs due to circumstances described under item (vi) of the definition of Bond Event of Default).

“Notice Delivery Period” means the period from and including the Trade Date, to and including a day that is three (3) Business Days following the date that is 14 calendar days after the later of (i) the Scheduled Termination Date, and (ii) the Repudiation/Moratorium Evaluation Date. Section 1.23 (*Notice Delivery Period*) of the Credit Derivatives Definitions shall be amended accordingly.

“Redemption Proceeds” means any proceeds in any applicable currency from a redemption in respect of the Charged Assets in accordance with the terms and conditions of such Charged Assets.

“Reference Amount” means (i) as of the Trade Date and Issue Date, the Initial Reference Amount, and (ii) at any other time, the outstanding Principal Amount of the Notes.

“Relevant Debt” means (a) any of the Bond Charged Assets and (b) all other debt of the issuer of the Bond Charged Assets which ranks in priority of payment on a *pari passu* basis with such Charged Assets.

“Replacement Charged Assets” has the meaning ascribed to it in the Conditions of the Notes.

“Repudiation/Moratorium Evaluation Date” means if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date, the date that is the later of (i) the date that is sixty calendar days after the date of such Potential Repudiation/Moratorium, and (ii) the first payment date under any such Bond (as defined in the Credit Derivative Definitions) comprised in the Obligations after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date).

“Sale Proceeds” means the net proceeds from the sale and/or realisation of the Charged Assets (excluding any Charged Assets which comprise cash) by the Realisation Agent in accordance with the Conditions (after deduction therefrom by the Realisation Agent of its usual fees and any costs and expenses incurred in connection with the sale of such Charged Assets).

“Transaction Auction Settlement Terms” means the Credit Derivatives Auction Settlement Terms applicable to the Reference Entity and obligations of the Reference Entity that are Not Subordinated to obligations which are of the same seniority as the Reference Obligation and for which this Transaction would be an “Auction Covered Transaction” (where for the avoidance of doubt, for such purpose in relation to the definition of “Auction Covered Transaction”, this Transaction shall meet the criteria outlined in paragraph (b) of the definition of “Covered Non-Swaption Transaction” (as defined in such Transaction Auction Settlement Terms) relating to “Auction Settlement” being the applicable Settlement Method).

8. **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. With respect to any notice delivered to it by Buyer, Seller shall deliver or arrange for the delivery of a copy thereof to any holder of the Notes, provided the delivery of or failure to deliver such copies to any such holder by or on behalf of Seller will not affect the effectiveness of such notices delivered by Buyer to Seller.
- D. The Calculation Agent shall notify Seller 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, in lieu of the second sentence of Section 1.5 of the Credit Derivatives Definitions, 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.

- E. Bond Event Notices, Credit Event Notices, Notices of Publicly Available Information and Extension Notices are subject to the requirements regarding notices set forth in Section 1.38 unless otherwise specifically provided herein and shall, in each case, be copied by Buyer to the Principal Paying Agent and the Trustee, provided that the delivery of or failure to deliver any such copy to the Principal Paying Agent or the Trustee will not affect the effectiveness of such notice.
- F. Seller agrees that Buyer 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.

9. Specific Amendments to Credit Derivatives Definitions:

- A. The Credit Derivatives Definitions are amended as follows:
 - (a) The phrases “in consultation with the parties” and “after consultation with the parties” shall be deleted in wherever they appear in the Credit Derivatives Definitions.
 - (b) Section 1.36 is amended by inserting at the end thereof the following:

“and such other published or electronically displayed news or information sources as are referred in any Notice of Publicly Available Information”.
 - (c) Section 2.2(n) is amended:
 - (i) by deleting Section 2.2(n)(ii) and replacing it by “in respect of each New Credit Derivative Transaction, the Buyer Calculation Amount A and the Fixed Rate Calculation Amount, if any, and the Cash Settlement Amount will be the Buyer Calculation Amount A and the Fixed Rate Calculation Amount and the Cash Settlement Amount, as applicable, of the original Credit Derivative Transaction divided by the number of Successors; and”.
 - (ii) by adding a new Section 2.2(n)(iv) as follows:

“(iv) the Calculation Agent shall make such other conforming and consequential changes to the Notes as it shall deem appropriate, in its sole and absolute discretion, to preserve the economic effects of the original Credit Derivative Transaction in the New Credit Derivative Transactions including, without limitation, the amendment of Condition 7 of the Notes to allow, inter alia, for redemption of a Principal Amount of the Notes equal to the Buyer Calculation Amount A and the Fixed Rate Calculation Amount of the New Credit Derivative Transaction in respect of which an Event Determination Date has occurred, with the remainder of the Principal Amount of the Notes remaining outstanding and accruing interest on such reduced Principal Amount (until such time as a further Event Determination Date in respect of a

New Credit Derivative Transaction may occur or a redemption of the remaining Principal Amount of the Notes may otherwise occur pursuant to the terms hereof).”.

(iii) by adding a new Section 2.2(n)(v) as follows:

“(v) the Calculation Agent shall provide copies of an amended Charged Agreement detailing each Reference Entity and the portion of the Principal Amount of the Notes allocated to each such Reference Entity to Seller and Buyer and Seller shall provide notice thereof (including copies of the amended Charged Agreement) to the Noteholders (provided that the failure of Seller to deliver any such notice shall not affect the effectiveness of any such notice delivered by the Calculation Agent).”.

(d) Section 3.13(b)(i)(A) shall be amended by the insertion of the words “of the relevant Reference Entity” immediately after the words “Reference Obligation” in the second line thereof.

(e) Section 3.32(a) is amended as follows:

(1) any reference to “Physical Settlement” shall be deemed to be a reference to “Cash Settlement”;

(2) the words “a Deliverable Obligation may be specified (or deemed specified pursuant to Section 9.8(i) (*Alternative Procedures Relating to Loans Not Delivered*)) in the Notice of Physical Settlement or specified in any NOPS Amendment Notice, as applicable,” appearing in the sixth, seventh and eighth lines thereof shall be deleted and replaced with the words “an obligation may be specified as a Reference Obligation”; and

(3) the words “in each case, as both the NOPS Effective Date and the Delivery Date” appearing in the tenth and eleventh line thereof shall be deleted and replaced with “as of the date on which the Reference Obligation is selected by the Swap Counterparty”.

(f) Section 3.32(b) is amended by deleting the words, “in each case, as of both the NOPS Effective Date and the Delivery Date” appearing in the fourth line thereof and replacing them with, “as of the date on which the Reference Obligation is selected by the Swap Counterparty”.

(g) Section 11.4 is deleted.

(h) Article VIII is deleted, save to the extent that definitions and other terms defined therein are applicable for the

purposes of other sections of the Credit Derivatives Definitions and in particular save for Section 8.12.

- (i) References to Deliverable Obligation in the definition of Reference Obligation are for convenience only and are not intended to amend the Settlement Method.

10. **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 II LIMITED

By:

EXHIBIT I
Notice and Account Details

Notices to Buyer:

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 Buyer:

EUR

Bank: Barclays Bk Plc, London
Swift: BARCGB22
A/C: Barclays Head Office Swaps
A/C No: 78659111

GBP

Bank: Barclays Bk Plc, 54 Lombard Street, London
S/C: 20-00-00
Swift: BARCGB22
A/C: Barclays Swaps
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 Seller:

ARLO II 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 Seller:

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 II
Account Name: ARLO II Series CLN-28
Account Number: 226538-8400
Ref: ARLO II Series CLN-28

SCHEDULE 6 : FORM OF PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

PARAGRAPH 11 OF THE CREDIT SUPPORT ANNEX

References herein to “Party A” are to Barclays Bank PLC and to “Party B” are to ARLO II Limited but only in respect of its Series CLN-28 USD 12,000,000 Secured Limited Recourse Credit Linked Notes due 24 July 2024 (the “Notes”).

Paragraph 11. Elections and Variables

(a) Base Currency and Eligible Currency

- (i) “**Base Currency**” means USD (and any successor currency).
- (ii) “**Eligible Currency**” means the Base Currency, JPY, Euro and the lawful currency of the United Kingdom (and any successor currency to any such currencies).

(b) Credit Support Obligations

- (i) Delivery Amount, Return Amount and Credit Support Amount
 - (A) “**Delivery Amount**” has the meaning specified in Paragraph 2(a) provided that (a) any Delivery Amount to be transferred by Party B shall be transferred only to the extent that such Delivery Amount does not exceed the Value of the Charged Assets held by Party B on the relevant Valuation Date (as determined by the Valuation Agent), and (b) any Delivery Amount to be transferred by Party A shall be transferred only to the extent that such Delivery Amount does not exceed an amount equal to the outstanding Principal Amount of the Notes plus accrued but unpaid interest.
 - (B) “**Return Amount**” has the meaning specified in Paragraph 2(b).
 - (C) “**Credit Support Amount**” has the meaning specified in Paragraph 10.
- (ii) **Eligible Credit Support**
 - (A) In respect of Party A and Party B, each of the items described below must qualify as Eligible Credit Support on each Valuation Date.

	<i>Valuation Percentage</i>
(a) cash in an Eligible Currency	100%
(b) Debt Obligations issued by Cooperatieve Rabobank U.A.	100%
(c) Negotiable Debt Obligations issued by the Government of:-	
Austria	100%
Belgium	100%
Canada	100%
Denmark	100%
Finland	100%
France	100%
Germany	100%

Japan	100%
Netherlands	100%
Spain	100%
Sweden	100%
Switzerland	100%
United States	100%

For the purpose of this provision, Negotiable Debt Obligations must be rated by Moody's Investors Service, Inc. or its successor thereto ("**Moody's**"), and/or Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., or any successor thereto ("**S&P**"), "A3" and "A-" respectively, or higher.

- (B) Notwithstanding sub-paragraph (A) above, the following securities shall qualify as Eligible Credit Support on each Valuation Date:

The obligations of Party B under this Annex to transfer Eligible Credit Support shall be limited to the Charged Assets held by Party B from time to time, so that if the principal amount of Charged Assets held by Party B is zero at the relevant time then no obligation to transfer shall arise under the terms of this Annex at such time. For the avoidance of doubt, this limitation is without prejudice to, and does not amend or alter, the calculation of Exposure, Delivery Amount or Return Amount, or any obligation of Party B under any other provisions of this Annex.

(iii) **Thresholds**

- (A) "**Independent Amount**" means with respect to Party A and Party B, zero.
- (B) "**Threshold**" means with respect to Party A and Party B, zero.
- (C) "**Minimum Transfer Amount**" means with respect to Party A and Party B, 10,000,000 units of the Base Currency (where the Base Currency is JPY) or 100,000 units of the Base Currency (where the Base Currency is a currency other than JPY) provided that (i) if an Event of Default or a Potential Event of Default has occurred and is continuing with respect to a party, the Minimum Transfer Amount for that party shall be zero; or, (ii) where the Credit Support Amount with respect to a party on a Valuation Date is zero, for the purposes of calculating any Return Amount, the Minimum Transfer Amount, shall be zero and Rounding shall not apply.
- (D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down, in each case, to the nearest integral multiple of 100,000 units of the Base Currency respectively.

(c) **Valuation and Timing**

- (i) "**Valuation Agent**" means Party A in all instances.
- (ii) "**Valuation Date**" means every Monday, provided if such Monday is not a London Business Day; the Valuation Date shall be the following London Business Day.
- (iii) "**Valuation Time**" means the close of business in the relevant market, as determined by the Valuation Agent, on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

- (iv) **"Notification Time"** means 10.00 a.m., London time, on the applicable Valuation Date or date of calculation as applicable.
- (d) **Exchange Date**
"Exchange Date" has the meaning specified in Paragraph 3(c)(ii).
- (e) **Dispute Resolution**
 - (i) **"Resolution Time"** means 10.00 a.m., London time, on the first Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 4.
 - (ii) **Value.** For the purposes of Paragraphs 4(a)(4)(i)(C) and 4(a)(4)(ii), the Value of the Credit Support Balance or of any transfer of Eligible Credit Support or Equivalent Credit Support, as the case may be, will be calculated as follows:
 - (A) with respect to any Eligible Credit Support or Equivalent Credit Support comprising the securities or any other Negotiable Debt Obligations, by the Valuation Agent seeking bid prices as of the relevant Valuation Date (or date of transfer) from three principal market makers in the securities in question. The Value will be the sum of (I) the arithmetic mean of the bid prices received by the Valuation Agent, plus (II) accrued interest, multiplied by the Valuation Percentage, if any; and
 - (B) with respect to any cash, the Base Currency Equivalent of the amount thereof.
 - (iii) **Alternative.** The provisions of Paragraph 4 will apply, unless an alternative dispute resolution procedure is specified here: none.
- (f) **Distributions and Interest Amount**
 For the purposes of Paragraph 5(c), neither Party A nor Party B shall be required to transfer Equivalent Distributions or Interest Amounts, save in relation to any AV Negative Interest Amount in respect of the Extension Calculation Period.
- (g) **Addresses for Transfers**
 Party A: To be advised by Party A.
 Party B: To be advised by Party B's custodian.
- (h) **Other provisions:**
 - (i) **Transfer Timing.**
 - (A) The final paragraph of Paragraph 3(a) shall be deleted and replaced with the following:
 "Subject to Paragraph 4, and unless otherwise specified, any transfer of Eligible Credit Support or Equivalent Credit Support (whether by the Transferor pursuant to Paragraph 2(a) or by the Transferee pursuant to Paragraph 2(b)) shall be made not later than the close of business on the Settlement Day."

- (B) The definition of “Settlement Day” shall be deleted and replaced with the following:

“Settlement Day” means the next Local Business Day after the Demand Date.

- (C) For the purposes of this Paragraph 11(h)(i):

“Demand Date” means, with respect to a transfer by a party:

- (A) in the case of a transfer pursuant to Paragraph 2, Paragraph 3 or Paragraph 4(a)(2), the relevant Valuation Date. For the avoidance of doubt, for the purposes of Paragraph 2 and Paragraph 4(a)(2), the Transferor will be deemed to receive notice of the demand by the Transferee to make a transfer of Eligible Credit Support; and
- (B) in the case of a transfer pursuant to Paragraph 3(c)(ii)(A), the date on which the Transferee has given its consent to the proposed exchange.

(ii) **Early Termination.**

The heading for Paragraph 6 shall be deleted and replaced with “Early Termination” and the following shall be added after the word “Default” in the first line of Paragraph 6: “or a Termination Event in relation to all (but not less than all) Transactions.”.

(iii) **Cost of Transfer or Exchange.**

Notwithstanding Paragraph 8, Party A will be responsible for, and will reimburse Party B for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support either from the Transferor to the Transferee or from the Transferee to the Transferor.

(iv) **Calculations.**

Paragraph 3(b) of this Annex shall be amended by inserting the words “and shall provide each party (or the other party, if the Valuation Agent is a party) with a description in reasonable detail of how such calculations were made, upon request” after the word “calculations” in the third line thereof.

(v) **Paragraph 6.**

For the purposes of Paragraph 6, Value shall have the meaning set out in Paragraph 10 of the Annex save that any reference to “...multiplied by the applicable Valuation Percentage, if any ...” shall be deleted from the definition.

(vi) **Substitution of Eligible Credit Support in the event that the issuer of the Negotiable Debt Obligations is downgraded.**

If the rating assigned by Moody’s or S&P to the Negotiable Debt Obligations held as Eligible Credit Support falls below the minimum rating requirements imposed under the definition of “Eligible Credit Support” in Paragraph 11(b)(ii) (the **“Affected Credit Support”**), then the party that holds the Affected Credit Support shall be entitled to demand (by telephonic notice, facsimile transmission, in writing or by electronic messaging system or email) the further transfer to it of substitute Eligible Credit Support in exchange for the Affected Credit Support

(such substitute Eligible Credit Support to be of equal value to the Affected Credit Support, in the determination of the Valuation Agent).

The party obligated to provide substitute Eligible Credit Support shall make such transfer on the first Local Business Day following the date on which it receives such notice. The party demanding such transfer will only be obligated to return the Affected Credit Support after receiving the substitute Eligible Credit Support.

(vii) **Taxes.**

The Transferee shall have the right to (i) refuse to accept a transfer of any cash or securities by the Transferor and / or to (ii) insist on the immediate substitution of any cash or securities already held by the Transferee as Eligible Credit Support, if at any time there occurs a change in taxation in relation to such cash or securities which has a negative impact on the Transferor or Transferee (as determined by the Valuation Agent).

(viii) **Amendment to the Valuation Percentages applicable to Negotiable Debt Obligations held as Eligible Credit Support.**

On any Valuation Date, Party A may increase or decrease the Valuation Percentages applicable to the Negotiable Debt Obligations. Party A must provide Party B with written notice stating that the Valuation Percentages will be amended 5 (five) Local Business Days prior to the relevant Valuation Date (the “**VP Effective Date**”). For the avoidance of doubt, written notice will be delivered in accordance with Section 12 of the ISDA Master Agreement. Any such increase or decrease in the Valuation Percentages applicable to the Negotiable Debt Obligations will be deemed to be incorporated into this Annex on the VP Effective Date.

(ix) **Amendments to Paragraph 10 (Definitions).**

(A) Capitalised words and expressions defined in the Confirmation shall, except so far as the context otherwise requires, have the same meaning in this Annex. In the event of any inconsistency between the definitions in the Confirmation and this Annex, this Annex shall prevail.

(B) The definition of “**Resolution Time**” in Paragraph 10 of this Annex shall be deleted in its entirety and replaced with the following:-

“**Resolution Time**” has the meaning specified in Paragraph 11(e)(i).

(C) The following additional definitions shall be added to Paragraph 10 of this Annex:

“**Confirmation**” means the confirmation between Barclays Bank PLC and ARLO II Limited dated on or about the date of the ISDA Master Agreement of which this Credit Support Annex forms a part, including the Annexes and Exhibit thereto, the purpose of which is to confirm the terms and conditions of the Transaction entered into between Party A and Party B.

“**Debt Obligations**” means any debt obligations issued or guaranteed by Cooperatieve Rabobank U.A..

“Government” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) with respect to a country.

“Negotiable Debt Obligations” means any negotiable debt obligations issued or guaranteed by the Government of the relevant country listed in the table in item (c) of Paragraph 11(b)(ii)(A) of this Annex.

(D) The definition of “Exposure” in Paragraph 10 of this Annex shall be amended by:

(i) inserting the following immediately after the words “(i) that party is not the Affected Party”:

“, (ii) (A) Initial Exchange, Final Exchange and Interim Exchange shall be disregarded, (B) the Variable Amount payable by Seller to Buyer on each Variable Amount Payment Date shall be deemed to be the amount of stated coupon payable in respect of the Bond Charged Assets with a principal amount equal to the principal amount outstanding of the Notes, and (C) each Variable Amount Payment Date shall be deemed to be the Business Day following the stated coupon payment date of the Bond Charged Assets;”; and

(ii) the reference to “(ii)” in the sixth line thereof shall be amended to “(iii)”,

provided that, for the purposes of determining “Exposure”, notwithstanding paragraph 6.2 (*Negative Interest Rates*) of the Charged Agreement, if, but for this proviso, the Buyer Payment Amount would be negative, the Buyer Payment Amount shall be deemed to be zero.

(x) **Demands and Notices.**

All demands, specifications and notices under this Annex will be made pursuant to Section 12 of the ISDA Master Agreement.

(xi) **Protocol Covered Collateral Agreement.**

This Annex shall be deemed to be a “Protocol Covered Collateral Agreement” for the purposes of the ISDA 2014 Collateral Agreement Negative Interest Protocol published on 12 May 2014 by ISDA (the “**Negative Interest Protocol**”), solely in respect of the Extension Calculation Period, if any.

IN WITNESS whereof, the parties hereby enter into this Annex by their duly authorised officers
as of the date written above

BARCLAYS BANK PLC

ARLO II LIMITED

By:
Name:
Title:

By:
Name:
Title:

Date:

Date: