

Base Prospectus

Earls Eight Limited

(Incorporated with limited liability in the Cayman Islands)

U.S.\$10,000,000,000 Secured Note Programme

Under the U.S.\$10,000,000,000 Secured Note Programme (the “**Programme**”) described in this base prospectus (the “**Base Prospectus**”), Earls Eight Limited (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes (the “**Notes**”) and/or incur other secured limited recourse indebtedness (“**Alternative Investments**”) as more fully described in “*Overview of the Programme – Alternative Investments*” and in conjunction therewith may from time to time buy, sell or enter into options, swaps or repurchases, substantially on the terms set out in respect of each issue by a prospectus (each a “**Prospectus**”). Notes of a Series (as defined in the section entitled “*Overview of the Programme*”) will not be issued by way of final terms pursuant to Article 5(4) of the Prospectus Directive (as defined below). The aggregate principal amount of Notes and Alternative Investments outstanding will not at any time exceed U.S.\$10,000,000,000. This Base Prospectus replaces and supersedes any base prospectus previously issued by the Issuer. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes already in issue.

This Base Prospectus constitutes a base prospectus pursuant to Directive 2003/71/EC (as amended by Directive 2010/73/EU) (the “**Prospectus Directive**”) and Commission Regulation (EC)809/2004 (as amended).

Notes will be issued in Series (as defined in the section entitled “*Overview of the Programme*”) and, unless otherwise stated in the relevant Prospectus, each Series will be secured by a first fixed charge on and/or an assignment of and/or other security interest in favour of the Trustee (as defined in the relevant trust instrument (the “**Trust Instrument**”)) over or in respect of certain bonds, notes, warrants, options, swaps, loans or any other financial obligations assigned to or acquired by the Issuer or any other agreed assets (the “**Collateral**”) owned or entered into by the Issuer and by a first fixed charge in favour of the Trustee over the Issuer's right to all funds held from time to time by the Agents (as defined herein) for payments due under the Notes of such Series and may also be secured by an assignment in favour of the Trustee of the Issuer's rights under an interest rate and/or currency and/or other exchange agreement (the “**Swap Agreement**”) or a repurchase agreement (the “**Repurchase Agreement**”) and/or a credit support document (the “**Credit Support Document**”), together with such additional security, if any, as may be described in the relevant Prospectus (together, the “**Mortgaged Property**”). The respective rankings for priority of the interests of the holders of the Notes of such Series and of the counterparty to the relevant Swap Agreement (the “**Swap Counterparty**”) and each other party entitled to the benefit of such first fixed charge and/or assignment and/or other security interest in favour of the Trustee (each, a “**Secured Party**”) in the proceeds of such first fixed charge and/or assignment and/or other security interest shall be specified in the relevant Prospectus. The obligations of the Issuer under a Swap Agreement to the Swap Counterparty to such Swap Agreement may also be secured by certain assets comprised in the Mortgaged Property of that Series.

The Notes and Alternative Investments constitute secured, limited recourse obligations of the Issuer. Claims against the Issuer by holders of the Notes of a particular Series and, if applicable, each Swap Counterparty and each Secured Party will be limited to the Mortgaged Property applicable to that Series. If the net proceeds of the enforcement of the Mortgaged Property for a Series are not sufficient to make all payments due in respect of the Notes and Coupons (if any) of that Series and, if applicable, due to each Swap Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of holders of the Notes of that Series and, if applicable, any such Swap Counterparty or Secured Party in respect of any such shortfall shall be

extinguished and no such party will be able to petition for the winding up of the Issuer as a consequence of any such shortfall.

The Issuer may from time to time issue Further Notes on the same terms as Existing Notes and such Further Notes shall be consolidated and form a single Series with such Existing Notes; provided that unless otherwise approved by Extraordinary Resolution of Noteholders of the relevant Series, the Issuer provides additional assets as security for such Further Notes and such Existing Notes in accordance with Condition 15.

Alternative Investments will be secured in the manner set out above in relation to Notes or in such other manner as may be set out in the relevant Prospectus. In all cases the recourse of the creditors in respect of such Alternative Investments and, if applicable, each Swap Counterparty and each Secured Party, will be limited in the manner set out above in relation to Notes.

The Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to The Irish Stock Exchange plc (the “**Irish Stock Exchange**”) for certain Series of Notes or Alternative Investments issued under the Programme to be admitted to the Official List and trading on its regulated market. However, unlisted Notes and Alternative Investments may be issued pursuant to the Programme. Such approval relates only to Notes or Alternative Investments which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. The relevant Prospectus in respect of a Series will specify whether or not such Notes or Alternative Investments will be admitted to trading on the Irish Stock Exchange (or any other stock exchange) during the period of 12 months from the date of this Base Prospectus. The aggregate principal amount of, interest (if any) payable in respect of, the issue price of, the issue date of, and maturity date (if any) of, the Mortgaged Property, and any other terms and conditions not contained herein which are applicable to each Series of Notes or to any Alternative Investments will be set forth in the relevant Prospectus which, with respect to Notes or Alternative Investments to be listed, will be delivered to the relevant stock exchange on or around the issue date of the Notes or Alternative Investments.

Notes to be issued in bearer form (“**Bearer Notes**” comprising a “**Bearer Series**”) will only be sold to persons that are not (i) U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) and that are not Non-Permitted Transferees (as defined in the section headed “Subscription and Sale and Transfer Restrictions”) and will initially be represented by interests in a temporary Global Note or by a permanent Global Note, in either case in bearer form (each, a “**Temporary Global Note**” and a “**Permanent Global Note**”, respectively, and together, “**Global Notes**”), without interest coupons, which may be deposited with a common depositary on behalf of Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor entity thereto (“**Euroclear**”) and Clearstream Banking, société anonyme or any successor entity thereto (“**Clearstream, Luxembourg**”), or such other clearing system approved by the Trustee on the relevant issue date. The provisions governing the exchange of interests in Global Notes for bearer notes in definitive form (“**Definitive Bearer Notes**”) are described in the section entitled “*Summary of Provisions Relating to Notes while in Global Form*”. Notes to be issued in registered form (“**Registered Notes**” comprising a “**Registered Series**”) which are sold only to persons that are not (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) and that are not Non-Permitted Transferees and which are sold in an “**offshore transaction**” within the meaning of Regulation S under the Securities Act together with each Bearer Series, (each a “**Non-U.S. Series**”) will be represented by interests in a permanent global certificate (each a “**Global Certificate**”), without interest coupons, which will be registered in the name of a nominee for, and shall be deposited on its issue date with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg. If Notes of a Registered Series are also to be offered and sold in the United States or to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention

regulations issued under Section 15G of the Exchange Act) (each, a “**U.S. Series**”), a Global Certificate (a “**DTC Regulation S Global Certificate**”) will be deposited with or on behalf of The Depository Trust Company (“**DTC**”) for the accounts of Euroclear and Clearstream, Luxembourg. Provided however, that if so specified in the applicable Prospectus, a Registered Series, all or a portion of which is to be offered or sold to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act) or U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act), may be issued either (i) in fully registered definitive form (each, an “**Individual Certificate**”) which will not be eligible for trading in any clearing system or, if the Issuer is relying on the exemption from registration as an investment company provided by Section 3(c)(7) of the U.S. Investment Company Act (the “**Investment Company Act**”) and on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder, (ii) in the form of one or more fully registered global notes (each, a “**DTC Global Certificate**”) which will be deposited with or on behalf of DTC and registered in the name of its nominee. See “*Summary of Provisions Relating to Notes while in Global Form - Special Provisions Relating to DTC Global Certificates*” herein. The form of any Alternative Investments will be as specified in the relevant Prospectus.

THE NOTES AND ALTERNATIVE INVESTMENTS WILL BE OBLIGATIONS SOLELY OF THE ISSUER AND WILL NOT BE GUARANTEED BY, OR BE THE RESPONSIBILITY OF, ANY OTHER ENTITY.

IMPORTANT – EEA RETAIL INVESTORS – If the Prospectus in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Benchmark Regulation – Amounts payable under the Notes may be calculated by reference to LIBOR, EURIBOR or SHIBOR (or such other benchmark as may be specified in the relevant Prospectus) which is provided by Intercontinental Exchange, Inc. (in the case of LIBOR), the European Money Markets Institute (in the case of EURIBOR) or the People's Bank of China (in the case of SHIBOR) (or such other administrator as specified in the relevant Prospectus). As at the date of this Base Prospectus, the Intercontinental Exchange, Inc., the European Money Markets Institute and the People's Bank of China do not appear, as at the date of the Base Prospectus, on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”).

As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that Intercontinental Exchange, Inc. (in the case of LIBOR), the European Money Markets Institute (in the case of EURIBOR) or the People's Bank of China (in the case of SHIBOR) are not currently required to obtain, or may be in the process of obtaining, authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

MIFID II product governance / target market – The Prospectus in respect of any Notes will include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target

market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

ARRANGER
Deutsche Bank AG, London Branch

The attention of potential investors is drawn to the sections headed “***Risk Factors***” and “***Investor Suitability***” on pages 16 to 34 of this Base Prospectus.

The date of this Base Prospectus is 1 March 2018.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that this is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Neither the delivery of this Base Prospectus nor any sale made in connection herewith at any time shall under any circumstances, create the implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that any other information supplied in connection with the Notes or Alternative Investments is correct as of any time subsequent to the date on which it is supplied.

*In relation to the information under the heading "Information concerning the Swap Counterparty", Deutsche Bank, AG, London Branch also takes responsibility for such information (the "**Deutsche Bank Information**").*

The Issuer has not conducted due diligence on the Deutsche Bank Information, nor made any enquiries as to its own possession of non-publicly available information.

To the best of the knowledge and belief of the Issuer and, in the case of the Deutsche Bank Information, Deutsche Bank AG, London Branch, the information contained in this Base Prospectus for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and/or in the relevant Prospectus in connection with the issue or sale of the Notes and Alternative Investments and, if given or made, such information or representation must not be relied upon as having been authorised by, as applicable, the Issuer or the Arranger or the Trustee (each as defined in "Overview of the Programme").

Neither this Base Prospectus nor any Prospectus constitutes an offer of, or an invitation by or on behalf of the Issuer, the Arranger or any other person to subscribe for, or purchase, any Notes or Alternative Investments.

This Base Prospectus contains summaries of certain provisions of, or extracts from the Trust Deed executed in relation to the Notes or Alternative Investments and the documents and agreements referred to therein. Such summaries and extracts are subject to, and are qualified in their entirety by, the actual provisions of such documents and agreements, copies of which are available for inspection at the registered office of the Issuer, the principal office of the Trustee, the specified office of the Principal Paying Agent. Holders of the Notes or Alternative Investments to which this Base Prospectus and/or the relevant Prospectus relates, and any other person into whose possession this Base Prospectus and/or in the relevant Prospectus comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of such Notes or Alternative Investments.

*The distribution of this Base Prospectus and the offering or sale of the Notes or Alternative Investments in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restriction. The publication of this Base Prospectus is not intended as an offer or solicitation for the purchase or sale of any Notes or Alternative Investments in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction. The Notes and Alternative Investments have not been and will not be registered under the Securities Act and will not be approved by the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), and may include Notes or Alternative Investments in bearer form that are subject to U.S. tax law requirements. The Issuer has not registered and will not register under the Investment Company Act. Consequently, the Notes and the Alternative Investments may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, (i) U.S. persons (as defined in Regulation S under the Securities Act) except in accordance with the Securities Act or an exemption therefrom, (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act), or (iii) for any purpose*

under the CEA or any rule, guidance or order proposed or issued under the CEA, and under circumstances which will not require the Issuer to register under the Investment Company Act. The Notes and Alternative Investments of a U.S. Series may only be sold (a) outside the United States to persons that are not (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act in “offshore transactions” within the meaning of Regulation S under the Securities Act; or (b) within the United States to (i) qualified institutional buyers, as defined in Rule 144A under the Securities Act (“QIBs”) that are also “qualified purchasers” (“QPs”, and each a “QP”) within the meaning given to that term in Rule 2(a)(51) of the Investment Company Act, or (ii) institutions that qualify as “accredited investors” (“AIs”) (as defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D of the Securities Act) that are also QPs, who are acquiring the Notes or Alternative Investments for investment purposes and not with a view to the resale or distribution thereof. Deutsche Bank Securities Inc. will act as dealer in respect of sales of Notes or Alternative Investments in the United States or to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act), unless otherwise specified in the relevant Prospectus. If so specified in the relevant Prospectus, further transaction parties may be appointed on a Series by Series basis. For a description of certain restrictions on offers and sales of Notes and Alternative Investments and on distribution of this Base Prospectus, see “Subscription and Sale and Transfer Restrictions”.

The Issuer is an exempted company. This Base Prospectus does not constitute an invitation to the public within the meaning of the Cayman Islands Companies Law (2016 Revision).

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

EACH PURCHASER OF NOTES OR ALTERNATIVE INVESTMENTS MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR ALTERNATIVE INVESTMENTS OR POSSESSES OR DISTRIBUTES THIS BASE PROSPECTUS OR ANY PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES OR ALTERNATIVE INVESTMENTS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES AND NEITHER THE ISSUER OR THE ARRANGER (INCLUDING THE DIRECTORS, OFFICERS OR EMPLOYEES THEREOF) SHALL HAVE ANY RESPONSIBILITY THEREFOR. NOTES MAY BE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE AS DESCRIBED FURTHER IN THIS BASE PROSPECTUS.

Available Information

To permit compliance with Rule 144A under the Securities Act in connection with the sale of Notes or Alternative Investments, the Issuer will be required pursuant to the relevant Trust Instrument (as defined below) in connection with the relevant Notes or Alternative Investments offered and sold to U.S. persons in reliance on Rule 144A to furnish, upon request of any holder of such Note or Alternative Investment, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is not a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “dollars”, “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars, and references to “euro”, “EUR”, or “€” are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

*In connection with the issue and distribution of any Series of Notes, or any Alternative Investments, the Arranger (if any) disclosed as a stabilising agent (the “**Stabilising Agent**”) in the relevant Prospectus may over-allot or effect transactions which stabilise or maintain the market price of the Notes or Alternative Investments at a level which might not otherwise prevail. However, there may be no obligation on the Stabilising Agent to do this. Such stabilising, if commenced, may be discontinued at any time and will be carried out in accordance with applicable laws and regulations.*

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus and, in relation to each Series of Notes and Alternative Investments. Each Series of Notes shall have its terms set out in a Prospectus (as defined below) relating to such Series of Notes. Words and expressions defined or used in “**Terms and Conditions of the Notes**” or in the relevant Prospectus shall have the same meaning herein.

Issuer:	Earls Eight Limited.
Description:	U.S.\$10,000,000,000 Secured Note Programme.
Size:	Up to U.S.\$10,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes or Alternative Investments outstanding at any one time.
Arranger:	Deutsche Bank AG, London Branch or as otherwise specified in the relevant Prospectus.
Mortgaged Property:	The Notes of each Series will be secured in the manner set out in Condition 4 of the Terms and Conditions of the Notes, including (unless otherwise stated in the relevant Prospectus) a first fixed charge and/or assignment of and/or security interest over or in respect of certain Collateral (as specified in the relevant Prospectus) and a first fixed charge over the Issuer's interest in funds held by the Agents (as defined in the Terms and Conditions of the Notes) under the Agency Agreement (as so defined) to meet payments due in respect of the Notes of that Series. Each Series may also be secured by an assignment of the Issuer's rights under a Swap Agreement and/or Purchase Agreement and/or Repurchase Agreement and/or Credit Support Document, together with such additional security as may be described in the relevant Prospectus.
Other Secured Parties:	If so specified in the relevant Prospectus, any of the Swap Counterparty under any Swap Agreement, the Custodian, the Agent and the Registrar may be entitled to the benefit of the security for each Series of Notes. The priority of each person entitled to the benefit of such security will be as specified in the relevant Prospectus.
Trustee:	As specified in the relevant Prospectus.
Issuing and Paying Agent:	Deutsche Bank AG, London Branch
Registrar:	As specified in the relevant Prospectus.
Custodian:	Unless otherwise specified in the relevant Prospectus, Deutsche Bank AG, London Branch. If specified in the relevant Prospectus, one or more sub-custodians may be appointed in relation to the Collateral for any Series.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis and will be in series (each a “ Series ”). The Notes in each Series will have one or more issue dates and be on terms otherwise identical (or identical other than in respect of the first payment of interest) and will be intended to be interchangeable with all other

Notes of that Series.

Issue Price:

Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes:

The Notes may be issued in bearer form only ("**Bearer Notes**"), in bearer form exchangeable for Notes in registered form ("**Exchangeable Bearer Notes**") or in registered form only ("**Registered Notes**").

Each Series of Bearer Notes or Exchangeable Bearer Notes will initially be represented by a Temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "*Overview of the Programme - Selling and Transfer Restrictions*") and otherwise such Series will be represented by a Permanent Global Note. Permanent Global Notes will be exchangeable for definitive Notes in the limited circumstances set out therein. See "*Summary of Provisions Relating to Notes while in Global Form*".

Notes to be issued in registered form ("**Registered Notes**" comprising a "**Registered Series**") and which are sold only to persons that are not (i) U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**")) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) and that are not Non-Permitted Transferees (as defined in the section headed "*Subscription and Sale and Transfer Restrictions*") in an "offshore transaction" within the meaning of Regulation S under the Securities Act, will be represented by interests in a permanent global certificate (each, a "**Global Certificate**"), without interest coupons, which will be deposited on its issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg.

If so specified in the applicable Prospectus, a Registered Series, all or a portion of which is to be offered or sold to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act), may be issued either (i) in fully registered definitive form (each, an "**Individual Certificate**") which will not be eligible for trading in any clearing system or, if the Issuer is relying on the exemption from registration as an investment company provided by Section 3(c)(7) of the Investment Company Act and on the exemption from the registration requirements of the Securities Act provided by Rule 144A thereunder, (ii) in the form of one or more fully registered global notes (each, a "**DTC Global Certificate**") which will be deposited with or on behalf of The Depository Trust Company ("**DTC**") and registered in the name of its nominee. See "*Summary of Provisions Relating to*

Notes while in Global Form" herein.

In relation to Notes in definitive form, references in this Base Prospectus to “**Noteholder**” mean the bearer of any Bearer Note and the Receipts (as defined under “*Terms and Conditions of the Notes*”) relating to it or the person in whose name a Registered Note is registered (as the case may be) and to “**holder**” (in relation to a Note, Receipt, Coupon or Talon) (as each term is defined under “*Terms and Conditions of the Notes*”) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

Prospectus

Each Series of Notes shall have its terms set out in a prospectus (the “**Prospectus**”). Under no circumstances shall the Prospectus constitute final terms pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended, including by Directive 2010/73/EU).

In relation to any Series of Notes, the offering document shall only be referred to as a ‘Prospectus’ if such document is approved as a Prospectus pursuant to the Prospectus Directive. For any Series of Notes for which a Prospectus is not required to be published, the offering document shall be referred to as a ‘Supplemental Series Memorandum’ or such other term specified in the Trust Instrument and references herein to ‘Prospectus’ shall, in the context of such Series of Notes, be interpreted as references to the Supplemental Series Memorandum (or such other term specified in the Trust Instrument).

Swap Agreement and Repurchase Agreement:

Any Swap Agreement or Repurchase Agreement entered into in connection with Notes of any Series by the Issuer will be a limited recourse obligation of the Issuer and will be on the terms set out in the relevant Prospectus.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currency or currencies as the Issuer and the relevant Arranger(s) agree.

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity between seven days and perpetuity as set out in the relevant Prospectus.

Denomination:

Notes will be in such denominations as may be specified in the relevant Prospectus in accordance with all relevant laws, regulations and directives, but such denomination will be at least EUR 100,000 or the equivalent thereof in any other currency.

Fixed Interest Rate Notes:

Fixed Interest Rate Notes will bear interest payable in arrear on the date or dates in each year specified in the relevant Prospectus.

Floating Rate Notes:

Floating Rate Notes will bear interest set separately for each Series by reference to EURIBOR or LIBOR (or such other benchmark as may be specified in the relevant Prospectus) as adjusted for any applicable margin. Interest periods will be

specified in the relevant Prospectus.

Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest (except as provided in Condition 7.4).
Variable Coupon Amount Notes:	The Prospectus issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to an index, formula, asset or as otherwise provided in the relevant Prospectus.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Prospectus.
Variable Redemption Amount Notes:	The Prospectus issued in respect of each issue of variable redemption amount Notes will specify the basis for calculating the redemption amounts payable, which may be by reference to an index, formula, asset or as otherwise provided in the relevant Prospectus.
Redemption by Instalments:	The Prospectus in respect of each issue of Notes which are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step up Notes, step down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, partly-paid Notes and any other type of Note which the Issuer and any Arranger may agree that the Issuer can issue under the Programme will be set out in the relevant Prospectus.
Optional Redemption:	The Prospectus in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer and/or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.
Mandatory Redemption:	If all or some of the Collateral relating to a Series becomes repayable or becomes capable of being declared due and repayable prior to its stated date of maturity (unless the Trustee agrees otherwise) or there is a payment default in respect of any of the Collateral or there is a Regulatory Event (as defined in Condition 8.4) or if any Credit Support Document relating to such Series is terminated or if there is early termination of the Swap Agreement (if any) or Repurchase Agreement (if any) relating to such Series, the Notes of that Series shall, subject to the provisions of the Trust Instrument become repayable in whole or in part. See " <i>Terms and Conditions of the Notes - Redemption, Purchase and Options</i> ".
Status of Notes and Limited Recourse:	The Notes of each Series will be secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves (unless otherwise specified in the relevant Prospectus) and secured in the manner described in

“Terms and Conditions of the Notes”.

Recourse in respect of any Series of Notes will be limited to the Mortgaged Property relating to that Series. Claims of Noteholders and, if applicable, any counterparty to a Swap Agreement in respect of any Series of Notes and any other persons entitled to the benefit of the security for such Series shall rank in accordance with the priorities specified in the relevant Trust Instrument and in the relevant Prospectus.

The net proceeds from the realisation of the Mortgaged Property may be insufficient to pay all amounts due to the Swap Counterparty, the Noteholders and the other Secured Parties. No other assets of the Issuer (including without limitation assets securing any other Series of Notes) are available to make up any shortfall. All claims in respect of the Notes shall be extinguished and the Trustee, the Noteholders, the Couponholders (if any) and the Swap Counterparty shall have no further claims against the Issuer in respect of any unpaid amounts.

Non-Petition:

Neither the Trustee or the Swap Counterparty or the Repurchase Counterparty or the Custodian or the Agent or the Registrar nor any Noteholder or Couponholder, nor any other party to the Trust Instrument shall be entitled to petition or take any other step for the bankruptcy, suspension of payments, winding-up, dissolution or administration of the assets of the Issuer or similar proceedings in respect of the Issuer.

No Guarantee:

The Notes are obligations of the Issuer alone and are not obligations of or guaranteed in any way by any other party.

Negative Pledge/Restrictions:

There is no negative pledge. However, so long as any of the Notes remains outstanding, the Issuer will not, without the prior written consent of the Trustee and the Swap Counterparty (if any) incur any indebtedness for moneys borrowed or raised other than in respect of Permitted Investments or Permitted Indebtedness (as defined in Condition 6), engage in any activity other than certain activities related to the Notes or any Permitted Investments or Permitted Indebtedness, as described in Condition 6, have any subsidiaries or employees, declare any dividends, purchase, own, lease or otherwise acquire any real property or consolidate or merge with any other person or issue any shares.

Cross Default:

None.

Withholding Tax:

All payments of principal and interest by the Issuer in respect of the Notes, Receipts and Coupons will be made subject to any withholding or deduction for, or on account of, any applicable taxation without any additional payment in respect of such taxation. In the event of the imposition of any such taxes, the Issuer will (subject to certain exceptions) use all reasonable endeavours (subject to the consent of the Trustee, the Swap Counterparty and the Repurchase Counterparty) to arrange for the substitution of its obligations by a company incorporated in another jurisdiction or (subject as provided above) to change its residence for taxation purposes to another jurisdiction, failing

which, or if it is unable to do so in a tax efficient manner, it shall redeem the Notes, subject to certain exceptions.

Further Issues:

Unless otherwise provided in the relevant Prospectus the Issuer may from time to time issue Further Notes of any Series on the same terms as Existing Notes and such Further Notes shall be consolidated and form a single Series with such Existing Notes of the same Series; provided that unless otherwise approved by Extraordinary Resolution of Noteholders of the relevant Series, the Issuer shall provide additional assets as security for such Further Notes and Existing Notes in accordance with Condition 15.

Governing Law of Notes:

English law.

Listing:

Application will be made to the Irish Stock Exchange for certain Series of Notes or Alternative Investments of any Series issued under the Programme to be admitted to the Official List and to trading on its regulated market or on any other stock exchange specified in the relevant Prospectus.

Such Notes shall be listed within 12 months of the date of this Base Prospectus. Unlisted Notes or Alternative Investments may also be issued as specified in the relevant Prospectus.

No assurance can be given that such listing can be obtained and/or maintained.

Selling and Transfer Restrictions:

There are restrictions on the sale of Notes and the distribution of offering materials in various jurisdictions. See “*Subscription and Sale and Transfer Restrictions*”.

The applicable Prospectus in relation to the Notes of a particular Series or Tranche or in relation to Alternative Investments may contain additional or other restrictions on the offer or sale of, or grant of a participation in, the Notes of the relevant Series or Tranche or Alternative Investment.

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

In addition, the Prospectus for each Series of Notes, all or a portion of which are to be offered and sold in the United States or to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under

Section 15G of the Exchange Act), will disclose the exemption from the Investment Company Act being relied upon by the Issuer, together with the selling and transfer restrictions applicable to such exemption. See “*Subscription and Sale and Transfer Restrictions*” herein.

The Notes may be void and/or transfer of the Notes may be required if the provisions of Condition 8.3 are breached.

Alternative Investments:

The Issuer may from time to time incur secured limited recourse indebtedness in a form other than Notes. Alternative Investments may take the form of limited recourse asset-backed debt instruments in non-standard form or governed by laws other than the laws of England or limited recourse asset-backed debt incurred under loan or facility agreements, including agreements governed by laws other than the laws of England, or such other form as may be determined by the Issuer and the Arranger in respect of such Alternative Investments and will be secured in the manner described under Condition 4 of the Notes, *mutatis mutandis*, or in such other manner as may be determined by the Issuer and the Arranger in respect of such Alternative Investments. The terms and conditions and form of, and security for, each Alternative Investment will be as set out in the relevant Prospectus or in such other document as may be appropriate and agreed by the Issuer and the Arranger in respect of such Alternative Investments.

RISK FACTORS

There are risks associated with an investment in Notes. Purchasers of Notes should ensure that they understand fully the nature of the Notes, as well as the extent of exposure to risks associated with an investment in the Notes and Noteholders should consider the suitability of an investment in the Notes in light of each Noteholder's own particular financial, fiscal and other circumstances. Noteholders should be aware that the Notes may decline in value and must be prepared to sustain a total loss of investment in the Notes.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but a decline in the value of, or the payments due under, the Notes and/or the inability of the Issuer to pay amounts on or in connection with any Notes may occur for other reasons. The Issuer does not represent that the statements below regarding the risks of holding Notes are exhaustive. This Base Prospectus and the relevant Prospectus do not describe all of the risks and investment considerations associated with the purchase of the Notes or Alternative Investments and are provided as general information only. Purchasers of Notes should also consider all other relevant market and economic factors, and their own personal circumstances. Purchasers should read the detailed information set out elsewhere in this Base Prospectus and the relevant Prospectus, including the considerations set forth below and reach their own views prior to making any investment decision.

The Arranger and the Trustee disclaim any responsibility to advise Noteholders of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date of this Base Prospectus or from time to time thereafter.

The Notes are not guaranteed by the Arranger, or any of its respective affiliates and none of the Arranger nor any of its respective affiliates has or will have any obligations in respect of the Notes. The Notes will represent secured limited recourse obligations of the Issuer only. The ranking relating to the relevant Series of Notes will be set out in the relevant Conditions.

Risks described in this Base Prospectus as being applicable to Notes may also apply to Alternative Investments and in which case these risk factors shall be construed accordingly.

Risks relating to the Issuer

The Issuer is a Special Purpose Vehicle

The Issuer is a special purpose vehicle. The Issuer's sole business is the raising of money by issuing Notes or entering into other Alternative Investments for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted (amongst other things) not to, as long as any Note remains outstanding engage in any business other than the issuance of or entry into any Notes or other Alternative Investments, the entry into related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, provided always that such Notes or other Alternative Investments are secured on assets of the Issuer other than the Issuer's share capital and those assets securing any other Notes or other Alternative Investments of the Issuer. In addition, the Issuer will be subject to certain other restrictions (as set out in the Conditions) including, but not limited to, that it will not, without the consent of the Trustee, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein.

Accordingly, the Issuer has, and will have, no assets other than its issued and paid-up share capital and any Mortgaged Property and any other assets on which Notes or other Alternative Investments are secured. Assets which are secured for a particular series of Notes or Alternative Investments will not be available to satisfy the claims of holders of a different series of Notes or Alternative Investments.

No requirement for the Issuer to be licensed or authorised by any Regulatory Authority

The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. There is no assurance, however, that the regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by any such regulatory authority could have an adverse impact on the Issuer, or the holders of Notes issued by the Issuer or counterparties to the Alternative Investments.

No Registration under the Investment Company Act

The Issuer has not registered with the U.S. Securities and Exchange Commission as an investment company pursuant to the Investment Company Act.

If the U.S. Securities and Exchange Commission or a court of competent jurisdiction were to find that the Issuer is required to register but, in violation of the Investment Company Act, had failed to register as an investment company, possible consequences include, but are not limited to the following: the U.S. Securities and Exchange Commission could apply to a district court to enjoin the violation; investors in the Issuer could sue the Issuer and recover any damages caused by the violation; and any contract to which the Issuer is party that is made in, or whose performance involves a, violation of the Investment Company Act would be unenforceable by any party to the contract. Should the Issuer be subjected to any of the foregoing, the Issuer would be materially and adversely affected.

Anti-Money Laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined to be in violation of any such legislation, it could become subject to criminal penalties. Any such violation could materially and adversely affect payments made by the Issuer in respect of the Issuer's Notes.

Cayman Islands Anti-Money Laundering Legislation

Each of the Share Trustee, the Administrator and the Issuer is subject to the Anti-Money Laundering Regulations, 2017 of the Cayman Islands ("**Regulations**"). The Regulations apply to anyone conducting "relevant financial business" in or from the Cayman Islands intending to form a business relationship or carry out a one-off transaction. The Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an "applicant for business"; e.g. an investor, as well as the identity of the beneficial owner/controller of the investor, where applicable. Except in certain circumstances, including where an entity is regulated by a recognised overseas regulatory authority and/or listed on a recognised stock exchange in an approved jurisdiction, the Administrator will likely be required to verify each investor's identity and the source of the payment used by such investor for purchasing the Notes and/or Alternative Investments in a manner similar to the obligations imposed under the laws of other major financial centres. Application of an identity verification exemption at the time of purchase of the Notes and/or Alternative Investments may nevertheless require verification of identity prior to payment of proceeds from the Notes and/or Alternative Investments. In addition, if any person in the Cayman Islands knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority of the Cayman Islands ("**FRA**"), pursuant to the Proceeds of Crime Law (2017 Revision) of the Cayman Islands ("**PCL**"), if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2017 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. If the Issuer were determined by the Cayman Islands authorities to be in violation of the PCL, the Terrorism Law or Regulations, the Issuer could be subject to

substantial criminal penalties and/or administrative fines. The Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amount of payments by the Issuer to the holders of the Notes and/or Alternative Investments.

Risk relating to Limited Recourse Obligations

Limited Recourse Obligations and Related Risks

Notes and Alternative Investments will be direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property secured by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties.

The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the relevant Series of Notes or Alternative Investments.

No assurance can be given that the proceeds available for and allocated to the repayment of the relevant Series of Notes or Alternative Investments at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes or Alternative Investments, as the case may be. If the proceeds of the realisation of the relevant Mortgaged Property received by the Trustee for the benefit of the relevant Noteholders prove insufficient to make payments on the relevant Series of Notes or Alternative Investments and the other secured parties, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation in accordance with the relevant Trust Instrument, the Issuer will have no further obligation to pay any amounts in respect of such deficiency. Any such shortfall will be borne by the Noteholders.

No action against the Issuer

Noteholders will have no right to take any action or proceed directly against the Issuer in respect of any related claim or take title to, or possession of, the relevant Mortgaged Property unless the Trustee, having become bound to do so, fails to take action against the Issuer within a reasonable time.

Further, the Trustee and the Noteholders will not be entitled at any time to petition or take any other step for the winding-up of, suspension of payments, bankruptcy or similar proceedings of the Issuer provided that the Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party.

No person other than the Issuer will be obliged to make payments on the Notes.

Non-limited recourse liabilities

The Issuer will seek to contract with all counterparties on a limited recourse basis such that claims in respect of any liability which is not Series-specific may not be made in respect of the Mortgaged Property of any other Series.

Noteholders should be aware that the Issuer may become subject to claims or other liabilities (whether in respect of the Notes or otherwise) which are not themselves subject to limited recourse or non-petition provisions.

Any liability which is not a Series-specific liability which is not otherwise funded may be apportioned between each outstanding Series. The apportionment of such liability will reduce the return that would otherwise have been payable on the Notes of each such Series.

Any liabilities of the Issuer which are not limited recourse and are not subject to non-petition clauses may result in the insolvency of the Issuer which would result in an event of default in respect of all Series and losses to the holders of such Series.

Priority of Claims

In general and subject to the provisions of the relevant Trust Instrument, following enforcement of the security and provided “Counterparty Priority” is specified in the Terms, the rights of the Noteholders to be paid amounts due under the Notes will be subordinated to (i) payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the relevant Trust Instrument and/or any Additional Security Document (which shall include any taxes required to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the Trustee's remuneration); and (ii) on a *pari passu* basis, payment of any amounts owing to (a) the Swap Counterparty under the Swap Agreement (which shall include any amounts owing to the Custodian for reimbursement in respect of payments made to such Swap Counterparty relating to sums receivable on or in respect of the Collateral and any termination amounts payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement) and (b) the Agent or the Registrar, as applicable, for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts.

Trustee indemnity

Noteholders may, in certain circumstances, be dependent on the Trustee to take actions in respect of a Series of Notes, in particular if the security in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, the Trustee is entitled to require to be indemnified and/or secured and/or prefunded to its satisfaction. If the Trustee is not indemnified and/or secured and/or prefunded to its satisfaction it may decide not to take such action and such inaction will not constitute a breach by it of its obligations under the relevant Trust Instrument. Noteholders should be prepared to bear the costs associated with any such indemnity and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to take action directly against the Issuer to pursue remedies for any breach by the Issuer of the relevant Trust Instrument or the Notes.

Risks relating to Collateral

Realisation of Collateral

The Collateral relating to any Notes will be subject to a variety of risks including credit, liquidity and interest rate risks. In the event of an insolvency of an obligor of any Collateral, various insolvency and related laws applicable to such obligor may (directly or indirectly) limit the amount the Issuer or the Trustee may recover in respect such Collateral.

On redemption of the Notes, the Collateral relating thereto may be sold or otherwise realised (except where otherwise transferred in accordance with the Conditions). Noteholders should be aware that they may be exposed to fluctuations in the market price of the Collateral. There can be no assurance as to the amount of proceeds of any sale or realisation of such Collateral as the market value of such Collateral will be affected by a number of factors including the creditworthiness and financial condition of the obligor of the Collateral, volatility of financial markets, general economic conditions, domestic and international political events, trends in a particular industry, interest rates, yields and foreign exchange rates, the time remaining to the scheduled maturity of the Collateral and the liquidity of the Collateral.

The price at which such Collateral is sold or realised may therefore be at a substantial discount to the market value and/or the principal amount of the Collateral on the issue date and the proceeds of any such sale or realisation when taken together with the proceeds of termination of any related Swap Agreement and any other assets available to the Issuer that relate to the relevant Series of Notes may not be sufficient, following deduction of amounts to be paid to prior ranking claimants in accordance with the Conditions, to repay the principal of and interest on the relevant Notes that the holders of such Notes would expect to receive in the event that the Notes were redeemed in accordance with their terms on their Maturity Date.

NOTEHOLDERS SHOULD RECOGNISE THAT NOTEHOLDERS BEAR A RISK OF A DEFAULT OF THE COLLATERAL AS WELL AS ANY DECLINE IN VALUE OF THE

COLLATERAL. IF THE VALUE OF ANY COLLATERAL HAS DECLINED SINCE THE DATE OF PURCHASE, THE NOTES MAY DECLINE IN VALUE AND NOTEHOLDERS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF NOTEHOLDERS' INVESTMENT IN THE NOTES.

Illiquid Collateral

The Collateral may comprise or include privately placed, unlisted securities or domestic securities or other assets which are not admitted to any trading market and which are not readily realisable.

Country and Regional Risk

The price and value of the Collateral and/or the ability of the issuer of the Collateral to perform its obligations under the Collateral may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of or obligor in respect of the Collateral is incorporated or has its principal place of business or of the country in the currency of which the Collateral is denominated. In certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

Emerging Markets

The assets comprising the Collateral or, as the case may be, to which the return on any Series of Notes may be linked may originate from an emerging markets country. Investing in securities issued by entities in emerging market countries or in securities, the return on which is linked to such securities involves certain systemic and other risks and special considerations which include:

- the prices of emerging market assets may be subject to sharp and sudden fluctuations and declines;
- emerging market securities and other assets tend to be relatively illiquid. Trading volume may be lower than in debt of higher grade credits. This may result in wide bid/offer spreads prevailing in adverse market conditions. In addition, the sale or purchase price quoted for a portion of the Collateral may be better than can actually be obtained on the sale of the entire holding of the Collateral;
- published information in or in respect of emerging market countries and the issuers of or obligors in respect of emerging market securities or other assets has been proven on occasions to be materially inaccurate;
- in certain cases the holders of Notes or Alternative Investments may be exposed to the risk of default by a Sub-Custodian in an emerging markets country;
- realisation of Collateral comprising emerging market securities or other assets may be subject to restrictions or delays arising under local law; and
- issuers of emerging markets securities and/or governmental authorities in emerging markets jurisdictions have sometimes sought to restructure their debt obligations during times of economic crisis, including postponing and rescheduling debt obligations and making repayment of existing debt obligations, conditional on investors' providing new funds for further newly issued debt obligations.

Collateral Proceeds Paid to Swap Counterparty

The terms of the Notes may provide that the proceeds of redemption of any Collateral redeemed (other than due to a default) prior to the Maturity Date will be paid to the Swap Counterparty and the Swap

Counterparty will not deliver any eligible investments by way of replacement of such Collateral. In the event that the proceeds of redemption of the Collateral are applied in this manner then the Noteholders will have no further rights to such proceeds of redemption and their principal credit exposure at any time thereafter will be to the Swap Counterparty pursuant to the Swap Agreement.

Early redemption following early redemption of the collateral or collateral default

If any of the Collateral in respect of a Series of Notes becomes repayable or becomes capable of being declared due and payable prior to its stated date of maturity, or if there is a payment default in respect of any such Collateral, the Issuer may be required to redeem the Notes of such Series in whole or in part as set out in Condition 8.2 (Mandatory Redemption).

Substitution of Collateral

The terms of the Notes may provide that the Collateral may be substituted in accordance with the Conditions at the direction of the Swap Counterparty. The Swap Counterparty will exercise such rights of substitution acting in its sole and absolute discretion and may act without regard to the interests of the Noteholders or of any other persons other than itself.

Confidential Information

The Arranger or any of its affiliates may have acquired, or may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information to any Noteholder or the Issuer. No investigations, searches or other enquiries have been or will be made by or on behalf of the Issuer or the Trustee in respect of the Collateral (if any) relating to any Series of Notes. No representations or warranties, express or implied, have been given by the Issuer, the Arranger, the Trustee or any other person on their behalf in respect of the Collateral relating to any Series of Notes.

Credit Risk of Counterparties

In cases where there is no Collateral the security for the Notes or Alternative Investments may be limited to the claims of the Issuer against the Swap Counterparty under a Swap Agreement, Repurchase Agreement or other agreement entered into by the Issuer to such Notes or Alternative Investments. In such circumstances, Noteholders will be exposed to the risk of the Swap Counterparty.

Risks relating to terms of the Notes

Early Redemption of the Notes

The Notes may be redeemed on a date other than on the Maturity Date, upon any of the Collateral being called for redemption or repayment prior to its scheduled maturity date or becoming capable of being declared due and payable prior to its scheduled maturity date or upon the occurrence of certain regulatory events and/or tax events with respect to the Notes or the Collateral, or upon the termination of the Swap Agreement. In addition, the Notes may be redeemed upon the occurrence of an Event of Default with respect to the Notes.

The amount payable per Note to Noteholders in such circumstances will be specified in the applicable Conditions, subject to the payment of all prior ranking amounts as provided in the Conditions. The Issuer will fund such payments under a Series of Notes from payment(s) due to it under, or on the realisation of, the Collateral (if applicable) and/or the relevant Swap Agreement (if applicable). Noteholders are exposed to the market value of the Collateral and the Swap Agreement.

If, following the realisation in full of the Mortgaged Property relating to the relevant Series of Notes and application of available cash sums as provided in the Conditions, there are any outstanding claims against the Issuer in respect of such Series of Notes which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances, the investors in the Notes may not receive their investment and may receive zero.

Meetings of Noteholders, modification, waiver and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally (including amendments to the Conditions and/or the relevant Trust Instrument). It should be noted that Extraordinary Resolutions (including Extraordinary Resolutions to amend the Conditions and/or the relevant Trust Instrument) may be effected in circumstances where not all Noteholders agree with the terms thereof and an Extraordinary Resolution in respect of any such amendments once passed in accordance with the provisions of the Conditions will be binding on all Noteholders.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to any modification of any of the Conditions or any of the provisions of the note transaction documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, any other modification, and any waiver or authorisation of any breach or proposed breach of any of the Conditions or the transaction documents that is in the opinion of the Trustee not materially prejudicial to the interest of the Noteholders subject to the prior written consent of the Swap Counterparty.

The terms of the Notes provide that the Trustee may agree, without the consent of the Noteholders but subject to the prior written consent of the Swap Counterparty, to the substitution of any other company in place of the Issuer as principal obligor under the Notes, the Trust Instrument and the transaction documents (the "**New Issuer**"). In such situation, the Noteholders will assume the insolvency risk with regard to the New Issuer in the same way as they assumed the risk with regard to the initial Issuer.

Currency risk

An investment in Notes denominated or payable in a currency other than the currency of the jurisdiction of a particular noteholder, entails significant risks that are not associated with a similar investment in Notes denominated and/or payable in the noteholder's currency. These risks include, but are not limited to:

- the possibility of significant market changes in rates of exchange between the Noteholder's currency and the currency in which the Notes are denominated and/or payable;
- the possibility of significant changes in rates of exchange between the Noteholder's currency and the currency in which the Notes are denominated and/or payable resulting from the official redenomination or revaluation of the currency; and
- the possibility of the imposition or modification of foreign exchange controls by either the jurisdiction of the purchaser or foreign governments.

Further Issues of Notes by the Issuer

Where the Issuer issues Further Notes pursuant to the Conditions, the method of calculation used by the Issuer to provide additional security for such Further Notes could affect the value of the original security provided for the Notes.

Notes in global form

As the Global Notes will be held by or on behalf of DTC or Euroclear and/or Clearstream, Luxembourg, as applicable, investors will have to rely on their procedures for transfer, payment and communication with the Issuer. DTC or Euroclear and/or Clearstream, Luxembourg, as the case may be, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through DTC or Euroclear and/or Clearstream, Luxembourg, as the case may be.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payments obligations under the Notes by making payments to DTC or Euroclear and/or Clearstream, Luxembourg, as

the case may be, for distribution to their accountholders. A holder of an interest in a Global Notes must rely on the procedures of DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the relevant Notes. Neither the Issuer nor the Swap Counterparty has responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Global Notes.

Holders of beneficial interests in Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by DTC or Euroclear and/or Clearstream, Luxembourg, as the case may be, to appoint appropriate proxies.

Integral multiples of the Specified Denomination

If Notes are issued in one or more integral multiples of the specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of the minimum specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than such minimum specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to the specified Denomination. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum specified Denomination may be illiquid and difficult to trade.

Regulatory Risk

The global financial crisis of 2008 onwards led to an increased regulation of financial activities. The United States of America, the European Union and other jurisdictions have implemented, and are still in the process of implementing, various reform measures. Such regulatory changes and the method of their implementation may have a significant effect on the operation of financial markets. In many cases, it is uncertain how such regulatory reform would affect the Issuer, the treatment of instruments such as the Notes or the activities of other parties that have roles with respect to the Notes, such as (without limitation) the Swap Counterparty, the Arranger and the Trustee. Investors should note that the Issuer shall redeem the Notes early upon the occurrence of a Regulatory Event as determined by the Calculation Agent. In addition, the Swap Counterparty has the right to terminate the Swap Agreement upon the occurrence of a similar event. Any such termination would cause the early redemption of the Notes at an amount, which may be less than the principal amount and may be zero.

Areas of regulatory change that might affect the Issuer include (without limitation):

- ***Alternative Investment Fund Managers Directive.*** The EU Directive 2011/61/EU on Alternative Investment Fund Managers (“AIFMD”), which became effective on 22 July 2013. This provides, amongst other things, that all alternative investment funds (each, an “AIF”) must have a designated alternative investment fund manager (“AIFM”) with responsibility for portfolio and risk management. The application of the AIFMD to special purpose entities such as the Issuer is unclear. The Issuer does not operate in the same manner as a typical alternative investment fund. The Issuer has been established solely for the purpose of issuing securities, bonds, notes, debt or entering into loans agreement or other similar agreements and entering into agreements in relation thereto and performing acts incidental thereto or necessary in connection therewith, provided always that such obligations are secured on assets of the Issuer other than the Issuer’s share capital and those assets securing any other obligations of the Issuer, and that they are entered into on a limited recourse basis. However, the definition of AIF and AIFM in the AIFMD is broad and there is only limited guidance as to how such definition should be applied in the context of a special purpose entity such as the Issuer.

Were the Issuer to be found to be an AIF or an AIFM, or were Deutsche Bank AG, London branch acting in any capacity in respect of the Notes and/or the Trustee to be found to be acting as an AIFM with respect to the AIF, the AIFM would be subject to the AIFMD. Owing to the special

purpose nature of the Issuer, it would be unlikely that either the AIFM could comply fully with the requirements of the AIFMD.

In the event that such circumstance is determined by the Calculation Agent, acting in its discretion, to be a Regulatory Event, then the Issuer shall redeem the Notes early as a result of the occurrence of a Regulatory Event.

No assurance can be given as to how ESMA or national regulators might, in the future, interpret the AIFMD or whether any such interpretation might find the Issuer to be an AIF or an AIFM, or find Deutsche Bank AG, London branch acting in any capacity in respect of the Notes and/or the Trustee to be acting as an AIFM with respect to the Issuer.

- **U.S. Dodd-Frank Act.** Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”) establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts (referred to in this Prospectus as “covered swaps”). Among other things, Title VII provides the U.S. Commodity Futures Trading Commission (the “**CFTC**”) and the U.S. Securities and Exchange Commission (the “**SEC**”) with jurisdiction and regulatory authority over many different types of derivatives, requires the establishment of a comprehensive registration and regulatory framework applicable to covered swap dealers and other major market participants, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities and centrally cleared, and contemplates the imposition of capital requirements and margin requirements for uncleared transactions in covered swaps. Title VII has not yet been fully implemented. As a result, a complete assessment of the exact nature and effects of Title VII and the rules to be adopted thereunder cannot be made at this time.

The Issuer has imposed certain restrictions on sales in order to fall outside of the scope of the Dodd-Frank Act. However, there remains considerable uncertainty in respect of the extraterritorial scope of the CFTC’s regulations, so there is no assurance that the restrictions imposed by the Issuer would be sufficient. Accordingly, there is no assurance that the Swap Agreement would not be treated as a covered swap under the Dodd-Frank Act nor is there assurance that the Issuer or the Swap Counterparty would not be required to comply with additional regulation under the U.S. Commodity Exchange Act, as amended, including by the Dodd-Frank Act (the “**CEA**”) as described below.

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

In the event that such circumstance is determined by the Calculation Agent, acting in its discretion, to be a Regulatory Event, then the Issuer shall redeem the Notes early as a result of the occurrence of a Regulatory Event.

Section 619 of the Dodd-Frank Act, known as the “**Volcker Rule**”, and its final implementing regulations restrict the ability of a banking entity to engage in proprietary trading or to acquire or retain an ownership interest in, sponsor, or engage in certain transactions with certain private funds (“covered funds”). The Volcker Rule became effective on July 21, 2012, and the final regulations became effective on April 1, 2014.

The Issuer believes that, under the final regulations, it is not a covered fund with respect to non-U.S. organized or located banking entities. However, if the Issuer were deemed to be a covered fund with respect to certain banking entities subject to the Volcker Rule, those banking entities would be restricted from acquiring or retaining certain ownership interests in or sponsoring the Issuer, and from engaging in “covered transactions”, as defined in section 23A of the Federal Reserve Act, with the Issuer. In addition, if the Issuer were deemed to be a covered fund with respect to the

Swap Counterparty, it might become illegal for the Swap Counterparty to perform its obligations under the Swap Agreement.

In the event that such circumstance is determined by the Calculation Agent, acting in its discretion, to be a Regulatory Event, then the Issuer shall redeem the Notes early as a result of the occurrence of a Regulatory Event.

It is not certain how all aspects of the Volcker Rule and its final implementing regulations will be interpreted and applied, or what impact the Volcker Rule and such final regulations will have on the Issuer. The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of relevant prospective purchasers to invest in the Notes and may have a negative impact on the price and liquidity of the Notes in the secondary market. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures, and none of the Issuer, the Arranger, the Trustee or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding such position, including with respect to the ability of any investor to acquire or hold the Notes, or regarding the application of the Volcker Rule to the Issuer, now or at any time in the future.

- ***United States Commodity Pool Regulation.*** The CFTC has rescinded the rule which formerly provided an exemption from registration as a “commodity pool operator” (a “CPO”) and a “commodity trading advisor” (“CTA”) under the CEA, in respect of certain transactions. In addition, the Dodd-Frank Act expanded the definition of a “commodity pool” to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. The Issuer has imposed certain restrictions on sales in order to fall outside of the scope of the Dodd-Frank Act. However, if the Issuer were deemed to be a “commodity pool”, then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association by the initial offering date of the Notes. While there remain certain limited exemptions from registration, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a “commodity pool”, it would have to comply with a number of reporting requirements that are designed to apply to traded commodity pools. It is presently unclear how a special purpose entity such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would involve material ongoing costs to the Issuer. In addition, if the Issuer were deemed to be a “commodity pool” this might have adverse consequences for Deutsche Bank AG, acting through its London branch, in its capacity as Swap Counterparty and/or Arranger, or for the Trustee.

In the event that such circumstance is determined by the Calculation Agent, acting in its discretion, to be a Regulatory Event, then the Issuer shall redeem the Notes early as a result of the occurrence of a Regulatory Event.

- ***European Market Infrastructure Regulation.*** Regulation (EU) No 648/2012 of the European Parliament and Council on OTC Derivatives, Central Counterparties and Trade Repositories dated 4 July 2012 (“EMIR”) came into force on 16 August 2012. EMIR establishes certain requirements for OTC derivatives contracts, including mandatory clearing obligations and reporting requirements. EMIR also prescribes risk mitigation requirements for certain non-cleared derivatives contracts, including collateralisation requirements, as well as requirements relating to execution of trade confirmations and prescribed reconciliation processes. Some requirements are subject to phased implementation. Investors should be aware that certain currently applicable requirements of EMIR impose obligations on the Issuer, to the extent it enters into derivative transactions, and future requirements of EMIR may impose further obligations on the Issuer directly, or indirectly, by impacting upon the terms that the Swap Counterparty is able to enter into under agreements with the Issuer.

Investors should be aware that EMIR is currently subject to review and may consequently be modified. In particular, should any future obligation of EMIR require the Issuer to modify the

economic terms of any derivative transaction into which it enters, there is a risk that this may materially increase the costs associated with such derivative transaction or replacement derivative transaction. This is a particular risk should any derivative transaction into which the Issuer enters become subject to (i) the requirement to exchange collateral with the Swap Counterparty, which forms a part of the risk-management requirements, or (ii) to mandatory clearing. It is not currently possible to conclude whether the Issuer will be or become subject to such requirements or obligations as there remains legislative uncertainty. However, irrespective of becoming subject to such requirements or obligations, and irrespective of it becoming necessary to amend or replace derivative transactions into which the Issuer enters, the Issuer may in any event have to bear certain costs or fees arising out of steps it is required to take to comply with the requirements of EMIR.

Investors should be aware of the risk that the requirements of EMIR may result in the Notes being redeemed early, possibly at an amount less than invested, where a Regulatory Event occurs. The Issuer expects to enter into agreements, which do not amend or modify the terms of any Notes, with the Swap Counterparty or third parties in order to facilitate compliance with EMIR, and investors should be aware that the Issuer may enter into such or similar agreements without Trustee consent, or, alternatively, that the Trustee may consent to such or similar agreements without Noteholder consent.

Investors should be aware that the Issuer will be required to disclose the details of any derivative transaction into which it enters to a “trade repository” and/or to regulatory authorities as a consequence of the requirements of the trade reporting obligation under EMIR.

There may also be changes to the regulatory framework, interpretation and/or practice in jurisdictions outside the EU, which may be similar in effect and application to the changes applying as a result of EMIR. Such changes may have a significant impact on the operation of the financial markets and may also affect the value of the Notes.

Potential investors in the Notes or Alternative Investments should take independent advice and make an independent assessment about these risks in the context of any potential investment decision with respect to the Notes or Alternative Investments.

In the event that such circumstance is determined by the Calculation Agent, acting in its discretion, to be a Regulatory Event, then the Issuer shall redeem the Notes early as a result of the occurrence of a Regulatory Event.

- ***Risks related to Notes which are linked to “benchmarks”.*** The London Interbank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”) and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform, including the implementation of the European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on 30 June 2016, as well as proposals such as the IOSCO Principles for Financial Market Benchmarks (July 2013). Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021, and indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could result in, among other things, a fallback methodology being applied to determine amounts payable under the Notes, which could adversely affect the return on such Notes, the value of such Notes and the trading market for such Notes. At this time, no consensus exists as to what rates or indices may become accepted alternatives to LIBOR or other benchmarks and it is impossible to predict the effect that any such alternative may

have on the value of Notes that are linked to existing benchmarks. Any such consequence could have a material adverse effect on the return on, value of and market for any such Notes.

In addition to the above, there may be other regulatory changes which cause there to be a Regulatory Event. There can be no assurance that a Regulatory Event will not occur and investors should be aware that, should a Regulatory Event occur, it may lead to an early redemption of the Notes.

The UK's EU Referendum

Pursuant to the European Union Referendum Act 2015, a referendum on the United Kingdom's membership of the EU (the "**UK's EU Referendum**") was held on 23 June 2016 with the majority voting to leave the EU. On 29 March 2017, the UK Government exercised its right under Article 50 of the Lisbon Treaty to leave the EU. There is expected to be a 2-year period of negotiations between the UK Government and the Governments of the other EU Member States which will determine the manner of the UK's departure from the EU.

Whilst the medium to long-term consequences of the decision to leave the EU remain uncertain, there could be short-term volatility which could have a negative impact on general economic conditions in the UK and business and consumer confidence in the UK, which may in turn have a negative impact elsewhere in the EU and more widely. The longer-term consequences may be affected by the length of time it takes for the UK to leave the EU and the terms of any future arrangements the UK has with the remaining member states of the EU. Among other things, the UK's decision to leave the EU could lead to instability in the foreign exchange markets, including volatility in the value of the pound sterling or the euro.

Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity; (ii) higher levels of default rates and impairment; and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties.

No assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the Notes in the secondary market and/or the ability of the Issuer to satisfy its obligations under the Notes.

Certain Investors in the Notes are not permitted

Unless otherwise expressly specified in the terms of the Notes, the Notes of any Series may not be at any time offered, sold, pledged or otherwise transferred:

- (A) (in the case of a Non-U.S. Series) in the United States or to (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act, (b) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) or (c) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the CFTC thereunder (including but not limited to any person who is not a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) (excluding for the purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not "**Non-United States persons**")); or
- (B) (in the case of a U.S. Series) (a) outside the United States to (i) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act, (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act or (iii) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the CFTC thereunder (including but not limited to any person who is not a "Non-United States person" under CFTC Rule 4.7(a)(1)(iv) (excluding for the purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not "**Non-United States persons**")), or (b) in the United States to persons other than (i) QIBs that are also QPs, or (ii) institutions that qualify as IAs that are also QPs, who are

acquiring the Notes or Alternative Investments for investment purposes and not with a view to the resale or distribution thereof,

in either case, (any such person or account, a "**Non-Permitted Transferee**"). Any transfer of Notes to a Non-Permitted Transferee will be void ab initio and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note.

The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (a) an Affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 8.3.

The foregoing restrictions on the offer, sale, pledge or other transfer of Notes to a Non-Permitted Transferee may adversely affect the ability of an investor in the Notes to dispose of the Notes in the secondary market, if any, and significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

ERISA considerations

By its purchase and acceptance of a Note, each holder will be deemed to have represented and warranted that either (i) no ERISA Plan (as defined below) assets have been used to purchase such Note or (ii) one or more prohibited transaction statutory or administrative exemptions applies such that the use of such plan assets to purchase and hold such Note will not constitute a non-exempt prohibited transaction under the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**").

As used herein "ERISA Plan" means employee benefit plans subject to Title 1 of ERISA or an individual retirement account or employee benefit plan subject to Section 4975 of the Internal Revenue Code or entities which may be deemed to hold the assets of any such plans.

Taxation

Investors' attention is also drawn to the sections of this Base Prospectus entitled "Cayman Islands Tax Information" and "The Foreign Account Tax Compliance Act".

General tax considerations

Potential investors should be aware that payments in respect of the Notes, Coupons or Receipts may be subject to withholding or deduction for or on account of tax. In the event of such withholding or deduction, payments will be made net of such withholding or deduction and investors will not be entitled to any additional amounts in respect of such withholding or deduction and, in certain circumstances, the Notes may be redeemed at their outstanding Redemption Amount (together with any accrued interest). The Notes may also be so redeemed if the Issuer is subject to tax such that it is unable to make the full amount of any payments in respect of the Notes, Coupons or Receipts.

Potential investors should also be aware that transfers of any Notes or interests or rights in the Notes may be subject to stamp, documentary or other transfer taxes, duties or charges, including (without limitation) in the jurisdiction where the Notes or interests or rights in the Notes are transferred. Transfers (or the registration thereof) of any Notes or interests or rights in the Notes may not be effected by or on behalf of the Issuer, Registrar or any Transfer Agent unless such tax, duty or charge is paid or indemnified by the relevant investor.

Potential investors should also be aware that, in certain circumstances, information and/or documentation relating to investors, including (without limitation) payments made to investors, may be required to be disclosed to a tax authority by or on behalf of the Issuer.

Potential investors should also be aware that any statements as to taxation in this Base Prospectus do not constitute legal or tax advice. Such statements do not cover all aspects of taxation that may be relevant and are based on current tax law and published practice as at the date of this Base Prospectus and as such are subject to change. Investors are advised to consult their own independent advisers on the tax implications of acquiring, holding or disposing of the Notes, Coupons or Receipts.

Information to be provided by Noteholders

Information required to be provided by Noteholders. Each purchaser and subsequent transferee of Notes or interest therein will agree or be deemed to agree to (i) provide the Issuer (and any applicable Intermediary) with the holder's FATCA information and (ii) permit the Issuer, any intermediaries, the Cayman Islands Tax Information Authority, the Administrator and the Trustee (on behalf of the Issuer) to (x) share such information with the IRS and any other taxing authority, except (i) to the extent disclosure may be required by law by any regulatory or governmental authority and (ii) to the extent that the Trustee, in its sole discretion, may determine that such disclosure is consistent with its obligations under the Trust Instrument.

Disclosure of Relevant Information by the Issuer

By subscribing for Notes, investors consent and agree to the provision by the Issuer of relevant information pertaining to such investor as may be required for compliance by the Issuer with its obligations under the Notes and any transaction agreement relating thereto, or as may be required by law or by any regulatory or governmental authority.

Risks relating to liquidity of the Notes

No Secondary Market

No secondary market is expected to develop in respect of the Notes and Alternative Investments. Accordingly, the purchase of Notes and Alternative Investments is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and Alternative Investments and the financial and other risks associated with the Notes and Alternative Investments. Investors must be prepared to hold the Notes and Alternative Investments for an indefinite period of time or until final maturity.

Even if a Series of Notes is listed on the Official List of the Irish Stock Exchange or any other stock exchange, it is not possible to predict if and to what extent a secondary market may develop in any Notes or at what price any Notes will trade in the secondary market or whether such market will be liquid or illiquid. If such Notes are listed, no assurance is given that any such listing or quotation will be maintained. The fact that any Notes may be so listed or quoted does not necessarily lead to greater liquidity than if they were not so listed or quoted.

If a Series of Notes is not listed or traded on any exchange, pricing information for such Notes may be more difficult to obtain and the liquidity of such Notes may be adversely affected.

The Arranger may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation. Since the Arranger may be the only market-maker in the Notes of a Series, the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Notes to realise value for the Notes prior to the maturity date.

Furthermore, the liquidity of such Notes may also be affected by restrictions on offers and sales of such Notes in some jurisdictions.

Risks relating to the Swap Counterparty and the Swap Agreement

If the Issuer enters into a Swap Agreement in relation to a Series of Notes, the ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap Agreement.

Consequently, the Issuer is exposed not only to the occurrence of a collateral default in relation to any applicable Collateral and/or the volatility in the market value of any applicable Collateral, but also to the ability of the Swap Counterparty to perform its obligations under the relevant Swap Agreement. Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

In the circumstances specified in any Swap Agreement entered into by the Issuer in connection with the Notes, the Issuer or the Swap Counterparty may terminate all outstanding transactions under the Swap Agreement in full. Any termination of the transactions under a Swap Agreement will result in a redemption in full of the relevant Series of Notes at their redemption amount specified in the Prospectus. Upon any such redemption, the amount paid to Noteholders to redeem such Notes may be significantly less than the Noteholder's original investment in such Notes and may be zero.

Termination of the Swap Agreement

The Swap Agreement may be terminated early, including in the following circumstances:

- (a) if at any time the Notes are cancelled or redeemed in accordance with the Conditions prior to the Maturity Date;
- (b) at the option of either party, if there is a failure by the other party to pay any amounts due under the Swap Agreement;
- (c) if (subject as provided in the Swap Agreement) withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement;
- (d) if the Swap Counterparty determines that (x) as a result of an adoption of, or any change in, any applicable law or regulation, or (y) a promulgation of, or any change in the interpretation of any applicable law or regulation by any court, tribunal, government or regulatory authority (each a "relevant authority") including informal public or private statements or actions by, or responses of, any relevant authority acting in an official capacity, or other economic circumstances, it becomes, or is reasonably likely to become, unlawful, impossible or impracticable for either the Swap Counterparty or the Issuer to maintain or carry out the transaction or any activity contemplated by the transaction under the Swap Agreement, or for the Swap Counterparty to hedge its obligations thereunder, or that compliance with the foregoing will result in increased costs for either the Swap Counterparty or the Issuer; or
- (e) upon the occurrence of certain other events with respect to either party and the Swap Agreement, including insolvency.

Prospective investors of the Notes should note that, if certain provisions of the Wall Street Transparency and Accountability Act of 2010 (the "**Dodd-Frank Act**") are implemented as described in the Dodd Frank Act and the corresponding implementing regulations currently proposed by the relevant regulators, it will become illegal for the Swap Counterparty to perform its obligations under the Swap Agreement, in which case the Swap Agreement may be terminated early.

Swap Counterparty Discretion

If the Issuer enters into a Swap Agreement in connection with the Notes where the Swap Counterparty is entitled to exercise its discretion in such capacity in respect of the Swap Agreement, in respect of the terms and conditions or otherwise in respect of the Notes, then unless specified to the contrary therein, the Swap Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising its discretion, the Swap Counterparty is likely to maximise any payments due to it and minimise any payments

due from it and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates that may result directly or indirectly from any such exercise of discretion.

Risks relating to the Custodian and the Issuing and Paying Agent

Where any Collateral is held by the Custodian in book entry form, the security interests granted in respect of such Collateral might take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral rather than a charge over or an encumbrance on the Collateral. Noteholders are therefore exposed to risks in respect of the Custodian.

Custodian risk

Collateral in the form of cash or transferable securities will be held in an account of, and in the name of, the Custodian. Where the Collateral consists of assets other than cash or transferable securities, it may be held in the name of or under the control of the Custodian. The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement for the Notes (if the Collateral is so held).

Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes.

Sub-Custodian and other risks

Under the Agency Agreement, the Custodian may hold the Collateral at the Custodian or in the Custodian's account or accounts with certain specified securities depositories or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise the Collateral or sub-custodians. Where the Collateral is held with a securities depository, clearing system or sub-custodian (if applicable), the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Agency Agreement and, in turn, the Custodian will be dependent upon receipt of payments from such securities depository, clearing system or sub-custodian (if applicable).

Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral and the Custodian in respect of the performance of its obligations under the Agency Agreement for such Notes, but also on the creditworthiness of any duly appointed securities depository, clearing system or sub-custodian (if applicable) holding the Collateral.

Issuing and Paying Agent risk

Any payments made to Noteholders in accordance with the terms and conditions of the Notes will be made by the Issuing and Paying Agent on behalf of the Issuer. If the Issuing and Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Issuing and Paying Agent. While the Issuer will remain liable to Noteholders in respect of such unpaid amounts, the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them.

Consequently Noteholders are relying not only on the creditworthiness of the obligor of the Collateral, but also on the creditworthiness of the Issuing and Paying Agent in respect of the performance of its obligations under the Agency Agreement to make payments to Noteholders.

Risks relating to the Calculation Agent

Calculation Agent Determinations

The terms of the Notes confer on the Calculation Agent certain discretions in making determinations and calculations in relation to, inter alia, Collateral and the occurrence of various events including (without limitation) a regulatory event. There can be no assurance that the exercise of any such discretion will not affect the value of the Notes or the occurrence of an early redemption or the amount payable or deliverable in connection therewith.

No obligations owing by the Calculation Agent

The Calculation Agent shall have no obligations to the Noteholders, and shall only have the obligations expressed to be binding on it pursuant to the Agency Agreement, unless otherwise specified in the Conditions. All designations and calculations made by the Calculation Agent in respect of any Notes shall be conclusive and binding on the Noteholders.

Risks relating to the Selling Agent

Realisation of Collateral

Where the Notes are to be redeemed other than on the Maturity Date, (unless otherwise specified in the applicable Conditions) the Selling Agent is generally required to sell or otherwise liquidate the Collateral. The Selling Agent is permitted to sell all or any part of the Collateral at any time or at different times during the relevant period or in stages in respect of smaller portions, and shall have no responsibility or liability for any higher price that could have been obtained had such sale taken place at a different time during such specified period.

Conflicts of Interest

General

Any transaction party and any of its affiliates in its various capacities may enter into business dealings relating to the Notes or the Collateral or any asset to which the Notes or Collateral are exposed, including the acquisition and/or sale of the Notes, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

Any transaction party and any of its affiliates may from time to time be in possession of certain information (confidential or otherwise) and/or opinions with regard to the issuer or obligor of any Collateral which information and/or opinions might, if known by a Noteholder, affect decisions made by it with respect to its investment in the Notes. Notwithstanding this, none of the transaction parties or any of their affiliates shall have any duty or obligation to notify the Noteholders or the Issuer or any other transaction parties (including any directors, officers or employees thereof) of such information and/or opinions.

Any transaction party and any of its affiliates may deal in any obligation of the issuer or obligor of any Collateral and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer or obligor of any Collateral and may act with respect to such transactions in the same manner as if the relevant Swap Agreement and the Notes of the relevant Series did not exist and without regard to whether any such action might have an adverse effect on the issuer or obligor of any Collateral, the Issuer or the holders of the Notes of the relevant Series.

Any transaction party and any of its affiliates may at any time be active and significant participants in or act as market maker in relation to a wide range of markets for currencies, instruments relating to currencies, securities and derivatives. Activities undertaken by any transaction party and any of its affiliates may be on such a scale as to affect, temporarily or on a long-term basis, the price of such currencies, instruments relating to currencies, securities and derivatives or securities and derivatives based on, or relating to the Notes or any Collateral. Notwithstanding this, none of the transaction parties nor any of their affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Notes when effecting transactions in such markets.

One or more of the transaction parties and their affiliates may: (1) have placed or underwritten, or acted as a financial arranger, structuring agent or adviser in connection with the original issuance of, or may act as a broker or dealer with respect to the Collateral; (2) be a counterparty to issuers of, or obligors with respect to, certain of the Collateral under a swap or other derivative agreements; (3) lend to certain of the issuers of, or obligors with respect to, the Collateral or their respective affiliates or receive guarantees from such issuers, obligors or their respective affiliates; (4) provide other investment banking, asset management, commercial banking, financing or financial advisory services to the issuers of, or obligors with respect to, the Collateral or their respective affiliates; (5) have an equity interest, which may be a substantial equity interest, in certain obligors with respect to, the Collateral or their respective affiliates; or (6) act as trustee, paying agent and in other capacities in connection with certain of the Collateral or other classes of securities issued by an obligor with respect to, the Collateral or an affiliate thereof.

As a counterparty under swaps and other derivative agreements, a transaction party may take actions adverse to the interests of the Issuer, including, but not limited to terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a transaction party may take actions including, but not limited to, restructuring a loan, foreclosing on or exercising other remedies with respect to a loan, requiring additional collateral or other credit enhancement, charging significant fees and interest, placing the issuers of, or obligors with respect to, any Collateral in bankruptcy and/or demanding payment on a loan guarantee or under other credit enhancement. The Issuer's acquisition, holding and sale of the Collateral may enhance the profitability or value of investments made by a transaction party in the obligors in respect thereof. As a result of all such transactions or arrangements between a transaction party and obligors with respect to, the Collateral or their respective affiliates, a transaction party may have interests that are contrary to the interests of the Issuer and the Noteholders.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES OR ALTERNATIVE INVESTMENTS.

INVESTOR SUITABILITY

Prospective investors should determine whether an investment in the Issuer is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in any Notes or Alternative Investments and to arrive at their own evaluation of the investment.

Attention is drawn, in particular, to the section headed “Risk Factors” above.

Investment in the Notes and Alternative Investments is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Base Prospectus as incorporated into the relevant Prospectus and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) are acquiring the Notes or Alternative Investments for their own account for investment, not with a view to resale, distribution or other disposition of the Notes or Alternative Investments (subject to any applicable law requiring that the disposition of the investor's property be within its control);
- (4) recognise that it may not be possible to make any transfer of the Notes or Alternative Investments for a substantial period of time, if at all;
- (5) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities, including inter alia treasuries and finance companies of large enterprises which are active on a regular and professional basis in the financial markets for their own account;
- (6) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Alternative Investments; and
- (7) understand thoroughly the terms of the Notes or Alternative Investments and are familiar with the behaviour of any relevant indices and financial markets.

Investors' attention is also drawn to the sections of this Base Prospectus entitled “Cayman Islands Tax Information” and “The Foreign Account Tax Compliance Act”.

The tax consequences for each investor in the Notes can be different and therefore investors are advised to consult with their tax advisers as to their specific consequences.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented, modified or varied in accordance with the provisions of the relevant Trust Instrument in relation to a particular Series only, will (subject as provided in the section headed “Summary of Provisions relating to Notes while in Global Form”) be applicable to the Global Note(s) or Global Certificate(s) representing each Series and to the Definitive Bearer Notes or Individual Certificates (if any) issued in exchange therefor (each as defined in these Terms and Conditions) and which, subject further to deletion of non-applicable provisions, will be endorsed on such Definitive Bearer Notes or Individual Certificates. Details of applicable definitions for each Series will be set out in the relevant Trust Instrument. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes which may be issued under the Programme. The terms and conditions of any Alternative Investments will be as set out in the relevant Trust Instrument.

The Notes are constituted and secured by a trust instrument dated the issue date (the “**Issue Date**”) specified in such trust instrument (the “**Trust Instrument**”) and made between, *inter alios*, the Issuer and the person specified therein as Trustee (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Instrument) as trustee for the holders of the Notes. By executing the Trust Instrument, the Issuer and the Trustee have entered into an Agency Agreement in respect of the Notes (the “**Agency Agreement**”) on the terms set out in and/or incorporated by reference into the Trust Instrument with the persons (if any) executing the Trust Instrument in the capacity of issuing and paying agent (the “**Agent**”) and/or as paying agent (the “**Paying Agent**”) and/or as transfer agent (the “**Transfer Agent**”) and/or as registrar (the “**Registrar**”) and/or as custodian (the “**Custodian**”) and/or as calculation agent (the “**Calculation Agent**”) and/or as selling agent (the “**Selling Agent**”) and/or as credit event monitoring agent (the “**Credit Event Monitoring Agent**”) and/or in such other capacity as may be specified in the Trust Instrument. References to “**Paying Agents**” shall include the Agent and any substitute or additional paying agents appointed in accordance with the Trust Instrument. References to “**Transfer Agents**” shall include the Transfer Agent and any substitute or additional transfer agents appointed in accordance with the Trust Instrument. “**Agents**” means the Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Calculation Agent, the Selling Agent, the Credit Event Monitoring Agent or any of them and shall include such further or other person or persons as may be appointed from time to time an agent under the Agency Agreement with the prior written approval of the Trustee under the Trust Instrument. References in these Conditions to the “**Sub-Custodian**” are to the person (if any) specified in the Trust Instrument as the sub-custodian of the Custodian. If any person has executed the Trust Instrument in the capacity of swap counterparty (the “**Swap Counterparty**”), the Issuer and the Swap Counterparty have by executing the Trust Instrument entered into an agreement in respect of the Notes on the terms set out in and/or incorporated by reference into the Trust Instrument (such agreement, as supplemented by a confirmation entered into by the Issuer and the Swap Counterparty and dated the Issue Date and, if applicable, the Credit Support Annex (as defined in Condition 4.2(C)), the “**Swap Agreement**”). If any person has executed the Trust Instrument in the capacity of repurchase counterparty (the “**Repurchase Counterparty**”), the Issuer and the Repurchase Counterparty have by executing the Trust Instrument entered into an agreement (the “**Repurchase Agreement**”) in respect of the Notes on the terms set out in and/or incorporated by reference into the Trust Instrument. If any person has executed the Trust Instrument in the capacity of credit support provider (the “**Credit Support Provider**”), the Credit Support Provider has executed a letter of credit, guarantee or other credit support document (the “**Credit Support Document**”) in favour of the Issuer in respect of the Notes on the terms set out or summarised in and/or incorporated by reference into the Trust Instrument. By executing the Trust Instrument the Issuer and the person or persons executing the Trust Instrument in the capacity of purchaser (the “**Purchaser**”) have entered into an agreement (the “**Purchase Agreement**”) in respect of the Notes on the terms set out in and/or incorporated by reference into the Trust Instrument.

These terms and conditions (the “**Conditions**”) apply in relation to the Notes in definitive form as completed, modified and amended by the provisions of the Terms (as defined in the Trust Instrument) set out in the Trust Instrument and the other provisions of the Trust Instrument. Each reference herein to a specific numbered Condition is to such Condition as so completed, modified or amended. These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Instrument.

Copies of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, the Swap Agreement (if any), the Repurchase Agreement (if any), the Credit Support Document (if any) and the Purchase Agreement) are available for inspection during normal office hours at the offices of Deutsche Bank AG, London Branch, the Trustee and each of the Paying Agents specified in the Prospectus. The Noteholders (as defined below), the holders (the “**Couponholders**”) of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) and the holders of the instalment receipts (the “**Receipts**”) appertaining to the payment of principal by instalments are deemed to have notice of, and shall be bound by, all of the provisions of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, the Swap Agreement (if any), the Repurchase Agreement (if any), the Credit Support Document (if any) and the Purchase Agreement) applicable to them.

These Conditions apply to Notes in global form as completed, modified and amended by the provisions of the Terms, the other provisions of the Trust Instrument and by the provisions of the relevant Temporary Global Note, Permanent Global Note or Global Certificate.

References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts (each as defined in the Trust Instrument) and all other amounts in the nature of principal payable pursuant to Condition 8 and (ii) “**interest**” shall be deemed to include all Interest Amounts (as defined in Condition 7.7) and all other amounts payable pursuant to Condition 7.

These Conditions apply separately to each series (a “**Series**”) of Notes, being Notes issued by the Issuer on the same date, bearing interest (if any) on the same basis and at the same rate and on terms identical to other Notes of the same Series and identified as forming a Series, together with any Further Notes issued pursuant to Condition 15 and being consolidated and forming a single series with such Notes.

The Collateral (if any) will be identified in the Terms. Except where the context otherwise requires, references in these Conditions to the “**Collateral**” includes any Replacement Collateral or Substitute Collateral (each as defined in Condition 4.5) delivered, transferred or assigned to the Issuer in accordance with Condition 4.5 and any Purchased Collateral or Fungible Collateral (each as defined in Condition 5.2) delivered to the Issuer pursuant to Condition 5.2 and shall exclude any Replaced Collateral with effect from the date of such Replacement.

All capitalised items which are not defined in the Conditions shall have the meanings given to them in the Trust Instrument.

1. **Form, Denomination and Title**

The Notes may be issued in bearer form and serially numbered (“**Bearer Notes**”, which expression includes Notes which are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case in the Denomination(s) specified in the Trust Instrument. If it is stated in the Terms that the form of some or all of the Notes are “**Bearer**”, such Notes are Bearer Notes. If it is so stated that the form of some or all of the Notes are “**Exchangeable Bearer**”, such Notes are Exchangeable Bearer Notes. If it is so stated that the form of some or all of the Notes are “**Registered**”, such Notes are Registered Notes. Unless otherwise stated in the Terms, the form of all of the Notes of a particular Series on issue will be the same.

All Registered Notes of the same Series shall have the same Denomination. For such purpose, if the applicable Trust Instrument specifies that the Denomination of the Notes comprises an authorised denomination and integral multiples of an amount in excess thereof in the context of Registered Notes only, the Denomination for such Registered Notes shall be deemed to be an amount equal to the minimum amount specified for such integral multiples and the authorised denomination shall represent the minimum aggregate holding required of a Noteholder. Transfers

that would result in a holding of less than such minimum aggregate holding shall not be permitted. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Notes.

In respect of Bearer Notes relating to a Series to be issued in definitive form, such Bearer Notes will be issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note, the principal amount of which is redeemed in instalments, may be issued with one or more Receipts attached.

Unless otherwise specified in the applicable Trust Instrument, Registered Notes of any Series, all or a portion of which will be offered to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)) (a “**U.S. Series**”), will be issued only in authorised denominations of US\$250,000 and integral multiples of US\$1,000 in excess thereof (each, an “**Authorised Denomination**”). The applicable Trust Instrument will specify whether any Notes of a U.S. Series are to be issued in the form of definitive registered certificates (“**Individual Certificates**”) or in the form of DTC Global Certificates (as defined below). If the Trust Instrument applicable to a U.S. Series specifies that DTC Global Certificates are to be issued, then any Notes to be offered and sold in the United States or to or for the account or benefit of (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) will be represented by a registered global note (a “**DTC Restricted Global Certificate**”) which will be deposited with or on behalf of The Depository Trust Company (“**DTC**”) and registered in the name of its nominee. Any Notes of such U.S. Series to be offered and sold outside the United States to persons that are not (i) U.S. persons in reliance on Regulation S under the Securities Act or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) will be represented by a registered global note (a “**DTC Regulation S Global Certificate**”) (together with the DTC Restricted Global Certificate, the “**DTC Global Certificates**”) deposited with or on behalf of DTC for the accounts of Euroclear and Clearstream, Luxembourg.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall, in compliance with applicable law, pass by delivery. Title to the Registered Notes shall pass by registration in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person will be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

2.1 Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2.6, each Exchangeable Bearer Note may be exchanged (in whole but not in part) for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 9.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes and Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

2.2 Transfer and Exchange of Registered Notes

- (A) **Non-U.S. Series and U.S. Series Represented by Individual Certificates.** Unless otherwise provided in the applicable Trust Instrument, the following conditions will apply to each Series of Registered Notes to be sold in compliance with Regulation S under the Securities Act (each, a “**Non-U.S. Series**”) or if the applicable Trust Instrument specifies that the Notes of a U.S. Series are not to be offered in the form of DTC Global Certificates and are being offered and sold in accordance with Section 3(c)(1) of the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), or Section 3(c)(7) thereof in which event additional conditions will be specified in the applicable Trust Instrument.

One or more Registered Notes may be transferred upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Individual Certificate or Individual Certificates relating to the Registered Notes to be transferred, together with the form of transfer endorsed on such Individual Certificate(s) duly completed and executed and such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Individual Certificate, a new Individual Certificate will be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred will be issued to the transferor. In no event may the Registrar or any Transfer Agent register the transfer of a Registered Note or an Individual Certificate in violation of the restrictive legend (if any) set forth on the face of such Individual Certificate.

- (B) **U.S. Series represented by DTC Global Certificates.** Unless otherwise provided in the applicable Trust Instrument, the following conditions will apply to each U.S. Series where the applicable Trust Instrument specifies that Notes are being offered under circumstances which will not require the Issuer to register as an investment company under the Investment Company Act in reliance on the exception contained in Section 3(c)(7) thereof and also specifies that the Notes are being issued in the form of DTC Global Certificates.

- (i) **Transfers between the DTC Regulation S Global Certificate and the DTC Restricted Global Certificate.** If the Trust Instrument for a U.S. Series specifies that the Notes are to be issued in the form of DTC Global Certificates, then, until the first day following the expiry of 40 days after the later to occur of (i) the first date the Notes were offered to the public or (ii) the settlement date for the Notes (such period, the “**Distribution Compliance Period**”), beneficial interests in the DTC Regulation S Global Certificate may not be offered or sold in the United States or to (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) unless the transferor delivers to the Registrar a duly completed Rule 144A Transfer Certificate and the transferee delivers a duly completed Investment Letter (each in the form attached to the applicable Trust

Instrument). In addition, in the event a person holding a beneficial interest in the DTC Restricted Global Certificate makes a transfer to a non-U.S. person in accordance with either Rule 903 or Rule 904 of Regulation S under the Securities Act, the transferor will be required to deliver a Regulation S Transfer Certificate in the form attached to the applicable Trust Instrument and the transferee will be required to deliver an Investment Letter certifying, among other things, its status as a non-U.S. person. In the event of any such transfers, the Registrar will make the appropriate entries in the Register to reflect the principal amount of the Notes represented by each of the DTC Global Certificates. The Issuer and the Registrar reserve the right prior to any sale or other transfer to require the delivery of such other certifications, legal opinions and other information as the Issuer or the Registrar may reasonably require to confirm that the proposed sale or other transfer complies with the restrictions described herein. Transfers by a holder of an interest in a DTC Global Certificate to a transferee who wishes to take delivery of such interest through the same DTC Global Certificate may be made at any time without certification.

- (ii) **Exchange of DTC Global Certificates for definitive Registered Notes.** So long as DTC or its nominee is the registered holder of a DTC Global Certificate, DTC or such nominee, as the case may be, will be considered the sole holder of the Notes represented thereby for all purposes. Registration of title to Notes in a name other than a depositary or a nominee for DTC will not be permitted unless (i) DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the DTC Global Certificates, or ceases to be a “clearing agency” registered under the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC or (ii) the Issuer, at its option, elects to terminate the book-entry system through DTC. In such circumstances, the Issuer will cause sufficient Individual Certificates in registered form to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholders. A person having an interest in the DTC Global Certificates must provide the Registrar with: (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Individual Certificates; and (ii) in the case of the DTC Restricted Global Certificate only, a completed and signed Investment Letter in the form included in the Trust Instrument (copies of which are available from the Registrar). Any Individual Certificates so issued shall bear a legend substantially to the effect set forth on the DTC Restricted Global Certificate and any transfers thereof will thereafter require the delivery of a Rule 144A Transfer Certificate and Investment Letter each substantially in the form included in the applicable Trust Instrument and available from the Registrar, with such modifications and amendments as are necessary to account for the definitive nature of the Notes.

2.3 Exercise of Options or Partial Redemption in respect of Registered Notes

In the case of an exercise of an Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, redeemed. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent.

2.4 **Delivery of new Individual Certificates**

Each new Individual Certificate to be issued pursuant to Condition 2.1, 2.2 or 2.3 will be available for delivery within five business days of surrender of the relevant Exchangeable Bearer Note or, as the case may be, the relevant Individual Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Individual Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom surrender of such Individual Certificate and, if applicable, delivery of such request, form of transfer or notice of exercise shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified. In this Condition 2.4 “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

2.5 **Exchange and transfer free of charge**

Exchange and transfer of Notes or Individual Certificates on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the relevant Noteholder (or the giving by the relevant Noteholder of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

2.6 **Closed periods**

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 calendar days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 calendar days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 8.9 or by the Noteholders pursuant to Condition 8.10, (iii) after any such Note has been drawn for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Individual Certificate is simultaneously surrendered not later than the Record Date for such redemption.

3. **Status**

3.1 **Status**

The Notes, Coupons and Receipts are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 4.8.

3.2 **Non-applicability**

Where no reference is made in the Trust Instrument to any Credit Support Document, Swap Agreement, Repurchase Agreement, Custodian, Sub-Custodian or Selling Agent, references in these Conditions to any such document or agreement and to any Credit Support Provider, Swap Counterparty, Repurchase Counterparty, Custodian, Sub-Custodian or Selling Agent, as the case may be, shall not be applicable.

4. **Security for the Notes**

4.1 Collateral

Unless otherwise specified in the Terms, the Purchaser will pursuant to the Purchase Agreement procure that the Collateral is delivered to the Custodian on the Issue Date or within the period thereafter specified in the Terms and, with effect from such delivery, the Collateral will be held by the Custodian (or, if so specified in the Terms, the Sub-Custodian), on behalf of the Issuer, subject to the security created by or pursuant to the Trust Instrument.

4.2 Security

- (A) If it is stated in the Terms that the security for the Notes is “**Collateral charged to Trustee**”, the Issuer has in the Trust Instrument created the following security:
- (1) (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee of the Collateral and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, any proceeds of the sale thereof) and (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian;
 - (2) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each relevant Credit Support Document, Swap Agreement and/or Repurchase Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder;
 - (3) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Agent and/or any Paying Agent and/or the Custodian and/or the Registrar to meet payments due in respect of the Notes, (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Credit Support Document, Swap Agreement and/or Repurchase Agreement, and (iii) all of the Issuer's rights as against the Custodian in respect of any sum standing to the credit of the Deposit Account (as defined in Condition 4.5) or the Repurchase Account (as defined in Condition 5.2);
 - (4) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Notes; and
 - (5) to the extent that at any time the Collateral has not been delivered to the Custodian (or, if so specified in the Purchase Agreement, the Sub-Custodian) to be held on behalf of the Issuer as provided in the Purchase Agreement, (i) an assignment by way of first fixed charge in favour of the Trustee of the Issuer's rights, title and interest under the Purchase Agreement and any sums received or receivable by the Issuer thereunder and (ii) a first fixed charge in favour of the Trustee of any sums received or receivable by the Issuer under the Purchase Agreement.
- (B) If it is stated in the Terms that the security for the Notes is “**Collateral charged to Trustee; additional foreign law security**”, the Issuer has in the Trust Instrument created the security specified in Condition 4.2(A) and has in addition, and without prejudice to the security specified in Condition 4.2(A)(1), executed in favour of the Trustee the pledge or security or other agreement or document specified in the Terms (each an “**Additional Security Document**”).
- (C) If it is stated in the Terms that the security for the Notes is “**Collateral delivered to the Swap Counterparty under Credit Support Annex**”, the Issuer has in the Trust Instrument created the security specified in Conditions 4.2(A)(2) to (4) and will on the Issue Date pursuant to the Credit Support Annex (as defined in the Terms) transfer the

Collateral to the Swap Counterparty free and clear of any liens, claims, charges or encumbrances or any other interest of any third party. Following such transfer, the Issuer will not have any right, title or interest in or to the Collateral but the Swap Counterparty will pay to the Issuer amounts equal to all payments and interest received on the Collateral (“**Distributions**”).

- (D) The Trustee shall release from such security interest any part of the Mortgaged Property to the extent that such part is required to enable the Issuer to meet payment of all sums and performance of all obligations under the Swap Agreement (including any Credit Support Document), the Repurchase Agreement or the Notes.

In these Conditions and in the Trust Instrument, “**Mortgaged Property**” means, in relation to any Series of Notes, the Collateral (unless it is stated in the Terms that Condition 4.2(C) applies) and the other property, assets and/or rights of the Issuer which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Trust Instrument and/or any Additional Security Document.

Where Condition 4.2(C) applies, the security for the Notes will not include any pledge or other security interest in or over the Collateral or of any of the Issuer's rights in respect of, or sums derived from, the Collateral.

Where an English law charge is expressed to be taken over the Collateral and the Collateral is held by a Custodian through the Clearing Systems, security taken over the Collateral will take the form of an assignment by way of security over the Issuer's rights against the Custodian under the Agency Agreement to the extent that such rights relate to the Collateral rather than a charge over the Collateral itself.

4.3 General provisions relating to security

Unless otherwise specified in the Terms, the security constituted or created pursuant to the Trust Instrument and any Additional Security Document will be granted to the Trustee for itself and as trustee under the Trust Instrument as continuing security (i) for the payment of fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under the Trust Instrument and/or any Additional Security Document or due under the Notes, Coupons or Receipts (which shall include any taxes required to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the Trustee's remuneration), (ii) for the performance of the Issuer's obligations under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement), (iii) for the payment of all sums payable to the Custodian for reimbursement in respect of payments made to the Swap Counterparty by the Custodian relating to sums receivable on or in respect of the Collateral pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Custodian for any payment made by the Custodian to the Swap Counterparty relating to sums receivable on or in respect of the Collateral before actual payment to the Custodian of the amount receivable on or in respect of the Collateral and (iv) for the payment of all sums payable to the Agent or the Registrar pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Agent or the Registrar for any amount paid out by the Agent or the Registrar, as the case may be, to the holders of Notes, Coupons or Receipts before receipt of the corresponding amount due from the Issuer.

Unless otherwise specified in the Terms, but subject to Condition 12, the security constituted by or created pursuant to the Trust Instrument and any Additional Security Document shall become enforceable upon the first to occur of (i) the circumstances specified in Condition 8.2 or 8.4 or 8.5 or 8.6, (ii) the circumstances specified in Condition 11 and (iii) the Swap Agreement Termination

Date (as defined in Condition 5.1) if sums remain due and payable but unpaid to the Swap Counterparty under the Swap Agreement.

Unless the Notes are secured as described in Condition 4.2(C) or it is otherwise specified in the Terms, the Collateral will be held by the Custodian (which expression shall include any additional or other Custodians from time to time appointed) on behalf of the Issuer on and subject to the terms and conditions of the Agency Agreement and, where applicable, subject to the security referred to in Condition 4.2(A) or (B). The Issuer reserves the right at any time with the prior written consent of the Trustee to change the Custodian. Notice of such change shall be given to the Noteholders in accordance with Condition 16. If it is specified in the Terms that there is a Sub-Custodian in relation to the Collateral, such Sub-Custodian (which expression shall include any additional or other Sub-Custodians from time to time appointed) shall hold the Collateral on behalf of the Custodian, on and subject to the terms of an agreement (the “**Sub-Custody Agreement**”) between the Sub-Custodian and the Custodian and/or such other persons as shall be specified in the Terms.

The Trust Instrument provides that the Trustee shall not be bound or concerned to make any investigation into, or be responsible for:

- (i) the creditworthiness of the Collateral or any obligor or guarantor in respect of the Collateral or of any Swap Counterparty, Repurchase Counterparty, Credit Support Provider, the Custodian or the sub-Custodian or other person which is a party to any other agreement or document constituting or evidencing any of the Collateral or the Mortgaged Property; or*
- (ii) the validity or enforceability of the obligations of any such person as is referred to in subparagraph (i) above or of the security constituted by or pursuant to the Trust Instrument or any other agreement or document constituting the security for the Notes; or*
- (iii) whether the cashflows relating to the Collateral and/or the Mortgaged Property and the Notes are matched.*

None of the Issuer, the Purchaser, the Swap Counterparty, the Custodian, any Sub-Custodian or the Trustee will have any responsibility for the performance by any clearing system (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations. None of the Issuer, the Trustee or the Swap Counterparty will have any responsibility for the performance by the Custodian of its obligations under the Agency Agreement or for the performance by any Sub-Custodian of its obligations under the relevant Sub-Custody Agreement.

4.4 Application of Proceeds of Enforcement of Mortgaged Property

The Trustee shall (subject to the provisions of the Trust Instrument) apply all moneys received by it under the provisions of the Trust Instrument and any Additional Security Document in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument and any Additional Security Document in accordance with the following provisions of this Condition 4.4:

- (A)** If “**Counterparty Priority**” is specified in the Terms, the Trustee shall apply such moneys received by it:
 - (i)** first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (including, without limitation, any taxes required to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the remuneration of the Trustee and any receiver);

- (ii) secondly, pro rata in payment of any amounts owing to (i) the Swap Counterparty under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement) (ii) the Custodian for reimbursement in respect of payments made to such Swap Counterparty relating to sums receivable on or in respect of the Collateral and (iii) the Agent or the Registrar for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts;
 - (iii) thirdly, pro rata in payment of any amounts owing to the holders of Notes, Coupons and Receipts; and
 - (iv) fourthly, in payment of the balance (if any) to the Issuer.
- (B) If “**Pari Passu Ranking**” is specified in the Terms, the Trustee shall apply such moneys received by it:
 - (i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (including, without limitation, any taxes to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the remuneration of the Trustee and any receiver);
 - (ii) secondly, pro rata in payment of any amounts owing to (i) the Swap Counterparty under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement) (ii) the holders of Notes, Coupons and Receipts (iii) the Custodian for reimbursement in respect of payments made to the Swap Counterparty relating to sums receivable on or in respect of the Collateral and (iv) the Agent or the Registrar for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts); and
 - (iii) thirdly, in payment of the balance (if any) to the Issuer.
- (C) If “**Noteholder Priority**” is specified in the Terms, the Trustee shall apply such moneys received by it:
 - (i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (including, without limitation, any taxes to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the remuneration of the Trustee and any receiver);
 - (ii) secondly, pro rata in payment of any amounts owing to (i) the holders of Notes, Coupons and Receipts and (ii) the Agent or the Registrar for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts;
 - (iii) thirdly, pro rata in payment of any amounts owing to (i) the Swap Counterparty under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement) and (ii) the Custodian for

reimbursement in respect of payments made to the Swap Counterparty relating to sums receivable on or in respect of the Collateral; and

- (iv) fourthly, in payment of the balance (if any) to the Issuer.
- (D) If “**Custodian Priority**” is specified in the Terms, the Trustee shall apply such moneys received by it:
- (i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (including, without limitation, any taxes to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the remuneration of the Trustee and any receiver);
 - (ii) secondly, in payment of any amounts owing to the Custodian for reimbursement in respect of payments made to the Swap Counterparty under the Swap Agreement relating to sums receivable on or in respect of the Collateral;
 - (iii) thirdly, pro rata in payment of any amounts owing to (i) the Swap Counterparty under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement) (ii) the holders of Notes, Coupons and Receipts and (iii) the Agent or the Registrar for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts; and
 - (iv) fourthly, in payment of the balance (if any) to the Issuer.
- (E) If “**Other Priority**” is specified in the Terms, the Trustee shall apply such moneys received by it in the manner set out in the Trust Instrument.

4.5 Replacement and/or Substitution of Collateral

- (A) If it is specified in the Terms that this Condition 4.5(A) applies to the Notes, and the security for the Notes is as described in Condition 4.2(A) or (B), the Swap Counterparty may from time to time, at its cost and subject to and in accordance with the provisions of the Trust Instrument, by notice in writing to the Issuer, the Trustee and, if there is a Repurchase Agreement, the Repurchase Counterparty (a “**Replacement Notice**”) in, or substantially in, the form set out in the Agency Agreement, require that any securities or other assets for the time being comprising all or part of the Collateral (but excluding any Collateral which has been transferred to the Repurchase Counterparty pursuant to an exercise of the Purchase Option (as defined in Condition 5.2)) (hereinafter referred to as the “**Replaced Collateral**”) be replaced (a “**Replacement**”) by Eligible Securities (“**Replacement Collateral**”) provided, however, that:
- (i) upon any release of the Replaced Collateral from the security created by or pursuant to the Trust Instrument and/or any Additional Security Document, any such Replacement Collateral being substituted for the Replaced Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Replaced Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document;
 - (ii) such other conditions as may be specified in the Terms are satisfied; and

- (iii) the Issuer will procure that there is issued to the Irish Stock Exchange a notice of amendment for review and approval.

Upon receipt of a Replacement Notice, the Issuer shall forthwith notify the Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes), the Custodian, the Sub-Custodian, the Calculation Agent and, in accordance with Condition 16, the Noteholders. The Trustee shall not be liable to the Issuer, any Swap Counterparty, the Noteholders or any other person and the Issuer shall not be liable to the Trustee, any Swap Counterparty or the Noteholders for any loss arising from any arrangement referred to in the Replacement Notice or otherwise from the operation of this Condition 4.5.

If it is specified in the Terms that this Condition 4.5(A) applies to the Notes, and the security for the Notes is as described in Condition 4.2(C), the Swap Agreement provides that the Swap Counterparty may from time to time, at its own cost, by notice in writing to the Issuer, require that there be a Replacement. Any such notice shall specify the Eligible Securities comprising the Replacement Collateral and the date as from which the Replacement takes effect. For the avoidance of doubt, the Replacement Collateral will as from such date be deemed to have been transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex free and clear of any liens, claims, charges or encumbrances or any other interest of any third party and on terms that, with effect from such date, the Swap Counterparty will pay to the Issuer amounts equal to all Distributions received on the Replacement Collateral.

As used in this Condition 4.5, “**Eligible Securities**” means securities or other assets of the type or types specified for this purpose in the Terms.

The Trust Instrument provides that, in connection with any Replacement relating to Notes the security for which is as described in Condition 4.2(A) or (B), the Trustee shall receive a certificate from the Swap Counterparty describing the replacement and confirming that sub-paragraphs (i) and (ii) above have been complied with, and that it may rely absolutely upon such certificate for all purposes and need make no enquiry of any nature. By subscription for, or acquisition of, any Note, each Noteholder accepts and is bound by this provision.

The Trust Instrument provides that the Trustee shall not be liable to the Issuer, the Swap Counterparty, the Repurchase Counterparty, any Noteholder or any other person, nor shall the Issuer be liable to the Trustee, any Noteholder, the Swap Counterparty, the Repurchase Counterparty or any other person for any loss arising from any arrangement referred to in any Replacement Notice or otherwise from the operation of Condition 4.5(A).

The Swap Counterparty shall bear and pay, and shall indemnify the Issuer and the Trustee against, all costs, expenses and taxes (including, without limitation, stamp duty) (if any) payable in connection with a Replacement.

- (B) (1) If securities and/or other assets which comprise all or part of the Collateral have a maturity date which falls prior to the maturity date or other date for final redemption of the Notes (“**Maturing Collateral**”) and it is provided in the Terms that this Condition 4.5(B) applies to the Notes and the security for the Notes is as described in Condition 4.2(A) or (B), the proceeds of redemption received upon maturity of such Maturing Collateral shall be applied by the Custodian on behalf of the Issuer:
 - (i) in the purchase of Eligible Securities (“**Substitute Collateral**” and each such purchase a “**Substitution**”); and/or

- (ii) by crediting such proceeds of redemption to an interest bearing account in the name of the Custodian (the “**Deposit Account**”) opened by the Custodian with a bank or other financial institution (which shall be the Custodian unless otherwise specified in the Terms) on terms that the funds standing to the credit of such Deposit Account shall earn the rate or rates of interest (which may be a floating rate) specified in the Terms or, if no rate is so specified, such rate or rates as may be determined from time to time by the bank or other financial institution with which the Deposit Account is opened. The Custodian may from time to time apply the funds standing to the credit of the Deposit Account in the purchase of Eligible Securities, in which case such purchase, and the Eligible Securities so purchased, will be deemed to be a Substitution and Substitute Collateral, respectively, for the purposes of this Condition 4.5(B)(1). Subject to any such application by the Custodian, the Issuer will procure that funds credited to the Deposit Account from time to time (including capitalised interest) shall be debited from the Deposit Account on or before the Maturity Date or other date for redemption of the Notes to be applied by the Issuer in connection with such redemption, as specified in the Trust Instrument.

Not later than the date of each Substitution pursuant to this Condition 4.5(B)(1), the Swap Counterparty shall give a notice to the Issuer, the Trustee and, if there is a Repurchase Agreement, the Repurchase Counterparty (a “**Substitution Notice**”) in, or substantially in, the form set out in the Agency Agreement, specifying, among other things, the details of any Substitute Collateral and the date on which it is to be purchased. Upon receipt of a Substitution Notice, the Issuer shall forthwith notify the Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes), the Custodian, the Swap Counterparty and, in accordance with Condition 16, the Noteholders, and a Substitution Notice, once given by the Swap Counterparty, shall be conclusive and binding on the Issuer, and on such other persons so notified by the Issuer (save in the case of manifest error).

Notwithstanding the foregoing, a Substitution may only be made if:

- (a) the Substitute Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Maturing Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document; and
- (b) such other conditions as are specified in the Terms are satisfied.

All determinations of the availability of Substitute Collateral, and all determinations and calculations of the purchase price and applicable date for purchase thereof shall be made by the Swap Counterparty in accordance with the Trust Instrument and all such determinations and calculations shall be binding on the Issuer, the Trustee, the Noteholders and all other persons (in the absence of manifest error). The Trustee shall not be liable to the Issuer, the Noteholders or any other person nor shall the Issuer be liable to the Trustee or any Noteholder for any loss arising from any arrangement referred to in any Substitution Notice or for the purchase price of the Substitute Collateral or otherwise from the operation of this Condition 4.5(B)(1).

The Trust Instrument provides that, in connection with any Substitution, the Trustee shall receive a certificate from the Swap Counterparty describing the Substitution and confirming that subparagraphs (a) and (b) above have been complied with, and it may rely absolutely upon such certificate for all purposes and

need make no enquiry of any nature. By subscription for, or acquisition of, any Note, each Noteholder accepts and is bound by this provision.

- (2) If there is Maturing Collateral and it is provided in the Terms that this Condition 4.5(B) applies to the Notes and the security for the Notes is as described in Condition 4.2(C), the Swap Agreement provides that the Swap Counterparty shall on the maturity date of the Maturing Collateral, subject to payment in full of all principal, interest and other sums falling due on such date in respect of the Maturing Collateral, replace the Maturing Collateral with Eligible Securities. Such Eligible Securities will as from the date of such replacement be deemed to have been transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex free and clear of any liens, claims, charges or encumbrances or any other interest of any third party and on terms that, with effect from such date, the Swap Counterparty will pay to the Issuer amounts equal to all Distributions received on such Eligible Securities.
- (C) All rights of Replacement and/or Substitution under Condition 4.5(A) or (B) shall cease forthwith upon the security constituted by the Trust Instrument becoming enforceable whether in whole or in part.
- (D) Where the security for the Notes is as described in Condition 4.2(C), the Collateral may be replaced or substituted by the Swap Counterparty in accordance with the provisions of the Swap Agreement.

In respect of any Notes listed on the Irish Stock Exchange, in the case of a Replacement and/or Substitution in accordance with this Condition 4.5, a notice of amendment will be prepared for submission to the Irish Stock Exchange.

4.6 Purchase of Collateral maturing after the Maturity Date

If any securities forming all or part of the Collateral have a maturity date falling after the Maturity Date of the Notes (“**Remaining Collateral**”), then unless otherwise provided in the Terms, the Swap Agreement provides that the Swap Counterparty shall on the Maturity Date for the Notes purchase the Remaining Collateral (excluding any interest payable on the Remaining Collateral on the Maturity Date for the Notes but including any interest accrued but not falling due for payment until after the Maturity Date for the Notes) from the Issuer at a price equal to 100 per cent. of the principal amount of the Remaining Collateral, provided that the Remaining Collateral has not become repayable or become capable of being declared due and repayable on or prior to the Maturity Date for the Notes and provided further that no payment default has occurred in respect of the Remaining Collateral on or at any time prior to the Maturity Date for the Notes.

4.7 Realisation of the Mortgaged Property relating to the Notes

(A) Realisation of Security

In the event of the security constituted by or created by the Trust Instrument over the Mortgaged Property becoming enforceable, the Trustee shall, subject to it being indemnified and/or secured and/or prefunded to its satisfaction:

- (1) if the security has become enforceable in the circumstances specified in Condition 8.4, or
- (2) in all other cases, only if directed in writing by (a) the holders of at least one fifth in aggregate principal amount of the Notes then outstanding (as defined in the Trust Instrument), or (b) an Extraordinary Resolution (as defined in the Trust Instrument) of the Noteholders, or (c) the Swap Counterparty (if the Swap Agreement has been terminated in accordance with its terms prior to the

Swap Agreement Termination Date and sums remain owing to the Swap Counterparty under the Swap Agreement),

instruct the Selling Agent to endeavour to sell or otherwise realise the Collateral in accordance with Condition 4.7 (B) and the provisions of the Agency Agreement, terminate and/or enforce and/or realise any Credit Support Document, Swap Agreement, Repurchase Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Mortgaged Property and otherwise enforce the security constituted by or pursuant to the Trust Instrument and/or any Additional Security Document.

Any request or direction given by the Instructing Creditor will have priority over any conflicting direction given under this Condition 4.7(A) and, in the absence of any request or direction given under this Clause 4.7(A)(2) above, the Trustee will decline to act on any request or direction given by any other person. "**Instructing Creditor**" means the Swap Counterparty.

(B) Selling Agent

If the Selling Agent is instructed by the Trustee in accordance with Condition 4.7(A) to endeavour to sell or otherwise realise the Collateral the Selling Agent shall, on behalf of and as the agent of the Trustee pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Collateral as soon as reasonably practicable on or after the date on which it receives such instruction at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Trust Instrument.

If, however, the Selling Agent determines that there is no available market for the Collateral, or if the Selling Agent otherwise determines that it is impossible to sell or otherwise realise the Collateral or any part of it, the Selling Agent will promptly notify the Issuer, the Trustee and the Swap Counterparty of such lack of availability or impossibility and the Selling Agent shall not be required to effect the sale or other realisation of the Collateral or any further part of it. Any such determination by the Selling Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, the Swap Counterparty, the Noteholders and the Couponholders. In the event that the Selling Agent makes such determination the Trustee at its discretion may, and shall if so requested or directed in accordance with Condition 4.7(A) (but subject in each case to its being indemnified and/or secured and/or prefunded in accordance with such Condition) realise all or part of the Collateral by other means.

In order to obtain its best execution price for the above purposes, the Selling Agent shall be required to take reasonable care to ascertain the price which is the best available for the sale or other realisation of the Collateral at the time of the sale or other realisation for transactions of the kind and size concerned and, unless circumstances require the Selling Agent to do otherwise in the interests of the Noteholders and the Couponholders, to deal at a price which is not less advantageous to the Noteholders and Couponholders.

The Trustee shall have no responsibility or liability for the performance by the Selling Agent of its duties under this Condition 4.7(B) or for the price at which any of the Collateral may be sold or otherwise realised.

4.8 Shortfall after application of proceeds

If the net proceeds of the realisation of the security created pursuant to the Trust Instrument and/or any Additional Security Document (the "**Net Proceeds**") are not sufficient to make all payments due in respect of the Notes, the Coupons and the Receipts and for the Issuer to meet its obligations, if any, in respect of the termination of the Swap Agreement (or a part of it) and/or any other obligations secured by the Trust Instrument, then the obligations of the Issuer in respect of the Notes and the Swap Agreement and/or any such other obligations will be limited to such net

proceeds. The other assets of the Issuer (including, in the case of a mandatory partial redemption where Condition 4.2(A) or (B) applies, the Collateral other than the Repayable Assets (as defined in Condition 8.2), which will remain available to those holders whose Notes have not been redeemed), will not be available for payment of any Shortfall (as defined below) arising therefrom. Any Shortfall shall be borne by the Noteholders and Couponholders, the Swap Counterparty and any other persons entitled to the benefit of such security according to the priorities specified in the Trust Instrument.

The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any right to receive any further sum in each case in respect of any Shortfall remaining after realisation of the security under Condition 4.7 and application of the proceeds in accordance with the Trust Instrument shall be extinguished and neither the Trustee nor any Swap Counterparty nor any Noteholder or Couponholder nor any other person entitled to the benefit of such security (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under Condition 11.

Where Condition 4.2(A) or (B) applies, the realisation of some only of the Collateral where there is a shortfall will not extinguish any claims in respect of the remaining Collateral.

In this Condition “Shortfall” means the amount, if any, by which the amount of the Net Proceeds is less than the payments which would but for this Condition 4.8 have been due under the Notes and the Swap Agreement and/or to any other person entitled to the benefit of the security created pursuant to the Trust Instrument and/or any Additional Security Document.

4.9 Division of security

If “**Pari Passu Ranking**” is specified in the Terms and the security has become enforceable, the Trustee shall (subject to certain conditions in the Trust Instrument), if so requested by the Swap Counterparty or the holders of one fifth in aggregate principal amount of the Notes then outstanding or by an Extraordinary Resolution divide the security constituted by the Trust Instrument and/or any Additional Security Document between the Swap Counterparty and the Noteholders and enforce such security separately in accordance with the terms of the Trust Instrument. For the avoidance of doubt, the Trustee shall still apply such moneys received by it in accordance with the provisions of “Pari Passu Ranking”.

4.10 Issuer's rights as holder of Collateral

The Issuer may exercise any rights in its capacity as holder of the Collateral only with the prior written consent of the Trustee (which consent may be given or withheld by the Trustee in its absolute discretion) or as directed by an Extraordinary Resolution of the Noteholders and in each case with the prior written consent of the Swap Counterparty (which consent may be given or withheld by the Swap Counterparty in its absolute discretion) and, if such consent or direction is given, the Issuer will act only in accordance with such consent or direction. In particular, the Issuer will not attend or vote at any meeting of holders of the Collateral, or give any consent or notification or make any declaration in relation to the Collateral, unless the Trustee shall give its prior written consent (which consent may be given or withheld by the Trustee in its absolute discretion) or by direction of any Extraordinary Resolution of the Noteholders and in each case with the prior written consent of the Swap Counterparty (which consent may be given or withheld by the Swap Counterparty in its absolute discretion).

5. Swap Agreement; Repurchase Agreement

5.1 Swap Agreement

The Swap Agreement will terminate on the date specified in the Swap Agreement (the “**Swap Agreement Termination Date**”), unless terminated earlier in accordance with its terms. Unless otherwise specified in the Terms, (i) the Swap Agreement will terminate in full if all the Notes are redeemed prior to their Maturity Date pursuant to any provision of Condition 8 or upon the occurrence of an Event of Default; and (ii) the Swap Agreement will terminate in part (on a pro rata basis in a proportion of its principal amount equal to the proportion that the principal amount of the relevant Notes being redeemed bears to the aggregate principal amount of the Notes of the relevant Series immediately prior to such redemption) if some of the Notes are redeemed or the Notes are redeemed in part prior to their Maturity Date pursuant to any provision of Condition 8. In the event of an early termination of the Swap Agreement, either party to the Swap Agreement may be liable to make a termination payment to the other party in an amount determined in accordance with the provisions of the Swap Agreement. In the event of an early termination of the Swap Agreement as a result of the redemption of the Notes pursuant to Condition 8.2, any obligation of the Issuer at any time to deliver the Collateral to the Swap Counterparty shall for the purposes of the calculation of such termination payment be deemed to be replaced by an obligation of the Issuer to pay to the Swap Counterparty a sum equal to the nominal amount of such Collateral.

Neither the Issuer nor the Swap Counterparty is obliged under the Swap Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Swap Agreement is terminable in such event. If the Issuer, on the occasion of the next payment due under the Swap Agreement, would be required by law to withhold or account for tax such that it would be rendered unable to make payment of the full amount due or would be required to account for tax or would suffer tax on its income in respect of the amount paid to it, the Issuer shall so inform the Trustee in writing, and shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction as the principal obligor in accordance with Condition 13.4 or to use all reasonable endeavours (subject to obtaining the prior written consent of the Trustee) to transfer its residence for tax purposes to another jurisdiction if it is possible to do so in a tax efficient manner.

To the extent that the Swap Counterparty fails to make payments due to the Issuer under the Swap Agreement, the Issuer will be unable to meet its obligations in respect of the Notes, Receipts and Coupons. In such event, the Swap Agreement may be terminated and upon any such termination the Notes will become repayable in accordance with Condition 8.5. Upon enforcement in respect of the Mortgaged Property, the net proceeds thereof may be less than the claims of the Swap Counterparty, the Noteholders and Couponholders and the other persons entitled to the benefit of such security.

5.2 Repurchase Agreement

If it is stated in the Terms that the Issuer has entered into the Repurchase Agreement, the Repurchase Counterparty may, subject to the provisions thereof, at any time and from time to time prior to the Maturity Date (and provided that the Notes have not fallen due and repayable prior to the Maturity Date) in its absolute discretion at its option (the “**Purchase Option**”), by giving not less than one Business Days' notice to the Issuer, the Trustee and the Custodian (a “**Purchase Notice**”), require the transfer of any amount of the assets comprised in the Collateral (the “**Purchased Collateral**”) (unless it is specified in the Terms that the Purchase Option may be exercised on the Issue Date, in which case the Purchase Option may in addition be exercised on the Issue Date by the delivery of the Purchase Notice to the Issuer, the Trustee and the Custodian) on terms that full legal and beneficial ownership of such Purchased Collateral shall vest in the Repurchase Counterparty free and clear of all charges, liens and encumbrances created by the Trust Instrument with respect thereto or otherwise by the Issuer and together with the benefit of all the Issuer's rights and entitlements thereto and therein subsisting at the time the Purchase Option is exercised against payment to the Issuer of the purchase price (the “**Purchase Price**”) (if any) specified in, or determined in accordance with the provisions of, the Terms and on terms that the

Repurchase Counterparty shall be obliged to deliver the Purchased Collateral or Fungible Collateral to the Issuer on the date specified in the relevant Purchase Notice or, if no date is so specified, on the date specified in the absolute discretion of the Repurchase Counterparty (each, a “**Redelivery Date**”) against payment of the repurchase price (the “**Repurchase Price**”) (if any) specified in, or determined in accordance with the provisions of, the Terms and that until the Purchased Collateral or Fungible Collateral is so delivered, all payments of principal, interest or other sums in respect of the Purchased Collateral will be made to the Repurchase Counterparty (each, a “**Purchase Transaction**”). Unless otherwise provided in the Terms, the Repurchase Price may not exceed the amount for the time being standing to the credit of the Repurchase Account (as defined below).

“**Fungible Collateral**” means an amount of debt or equity securities equivalent to the Purchased Collateral the subject of the relevant Purchase Transaction (provided that, if and to the extent that such Purchased Collateral has been redeemed, such expression shall mean a sum of money equivalent to (and in the same currency as) the proceeds of such redemption) and debt or equity securities are “**equivalent to**” Purchased Collateral if they (i) are of the same issuer or obligor, (ii) are part of the same issue, series or class, (iii) are of an identical type, nominal value and description and amount as the Purchased Collateral and (iv) have the same terms and conditions and rank in all respects *pari passu* and equally with the Purchased Collateral.

Under the Repurchase Agreement, the Repurchase Counterparty in respect of a Purchase Transaction will be required to make payments to the Issuer equal to each payment of principal, interest, dividends or other distributions made by an obligor of the relevant Purchased Collateral (each an “**Income Payment**”) on the date on which such payments under such Purchased Collateral are made by the obligor of such Purchased Collateral.

Unless otherwise specified in the Terms, if the Repurchase Counterparty exercises its Purchase Option under the Repurchase Agreement, the Issuer will be deemed to be authorised by the Trustee (and by all other persons entitled to the benefit of the security created by or pursuant to the Trust Instrument) to release from the security created by or pursuant to the Trust Instrument the Collateral which is the subject of the Purchase Transaction. If any Purchased Collateral or Fungible Collateral is redelivered to the Issuer pursuant to the Repurchase Agreement, the right of the Issuer to receive payments from the Repurchase Counterparty equal to the Income Payments made on or in respect of such Purchased Collateral or Fungible Collateral shall terminate and, upon redelivery of such Purchased Collateral or Fungible Collateral, such Purchased Collateral or Fungible Collateral shall be subject to the security constituted by or created pursuant to the Trust Instrument.

Any amount of Purchase Price paid by the Repurchase Counterparty to the Issuer pursuant to the Repurchase Agreement shall be credited to an interest bearing account in the name of the Custodian (the “**Repurchase Account**”) opened by the Custodian with a bank or other financial institution (which shall be the Custodian unless otherwise specified in the Terms) specified in the Trust Instrument on terms that the funds standing to the credit of the Repurchase Account shall earn the rate or rates of interest (which may be a floating rate) specified in the Trust Instrument. Funds credited to the Repurchase Account from time to time (including capitalised interest) shall be debited from the Repurchase Account on each Repurchase Date to be applied in payment of the Repurchase Price then due or as otherwise provided in the Trust Instrument.

To the extent that the Repurchase Counterparty fails to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement, the Issuer will be unable to meet its obligations in respect of the Notes, Receipts and Coupons. In such event, the Repurchase Agreement may be terminated and upon such termination the Notes will become repayable in accordance with Condition 8.5. Upon enforcement in respect of the Mortgaged Property, the net proceeds thereof may be less than the claims of the Swap Counterparty, the Noteholders and Couponholders and the other persons entitled to the benefit of such security.

The Trustee shall not be liable to the Issuer, any Noteholder, the Swap Counterparty or any other person for any loss arising from the exercise of any Purchase Option, any Purchase Transaction or any release of Mortgaged Property in connection therewith.

6. **Restrictions**

The Issuer has covenanted in the Trust Instrument that (*inter alia*) so long as any of the Notes remains outstanding, it will not, without the consent of the Trustee and the Swap Counterparty:

- (A) engage in any activity or do any thing whatsoever except:
 - (i) issue or enter into Investments (which as defined in the Trust Instrument include further Notes and other kinds of structured investments) which are subject to the enforcement and limited recourse provisions contained in the Trust Instrument (“**Permitted Investments**”) or otherwise incur indebtedness in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is secured on specified assets of the Issuer (other than its share capital) which do not form part of the Mortgaged Property and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets on which such indebtedness is secured (“**Permitted Indebtedness**”);
 - (ii) enter into any Agency Agreement, Trust Instrument, Swap Agreement, Repurchase Agreement or deed or agreement of any other kind related to any Permitted Investment or Permitted Indebtedness, but provided always that any such agreement is entered into on terms that the obligations of the Issuer thereunder are secured on specified assets of the Issuer (other than its share capital) which do not form part of the Mortgaged Property and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured;
 - (iii) acquire, or enter into any agreement constituting the Collateral in respect of any Permitted Investment or the assets securing any Permitted Indebtedness to enable it to discharge its obligations under such Permitted Indebtedness or the Agency Agreement, Trust Instrument, Swap Agreement or any Ancillary Agreement thereto;
 - (iv) perform its obligations under each Permitted Investment or Permitted Indebtedness and the Agency Agreement, Trust Instrument, Swap Agreement, Repurchase Agreement or other deeds or agreements incidental to the issue and constitution of, or the granting of security for, any Permitted Investment or Permitted Indebtedness;
 - (v) enforce any of its rights under the Agency Agreement, the Trust Instrument, the Swap Agreement, the Repurchase Agreement or any other deed or agreement entered into in relation to any Permitted Investment or Permitted Indebtedness;
 - (vi) perform any act incidental to or necessary in connection with any of the above;
- (B) have any subsidiaries or employees;
- (C) subject to sub-paragraph (A) above, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the Conditions relating to any Permitted Investment or the terms and conditions of any Permitted Indebtedness);
- (D) declare or pay any dividend or other distribution to its shareholders or third parties;
- (E) purchase, own, lease or otherwise acquire any real property;

- (F) consolidate or merge with any other person or demerge; or
- (G) issue any shares or grant any rights in relation to the issuance of shares.

7. Interest, Credit Events and other Calculations

7.1 Interest Rate and Accrual

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Interest Rate specified in the Terms, such interest being payable in arrear on each Interest Payment Date.

Interest will cease to accrue on each Note on the due date for redemption unless upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided in this Condition 7 to the Relevant Date.

7.2 Business Day Convention

If any date referred to in these Conditions which is specified in the Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Relevant Business Day.

7.3 Interest Rate on Floating Rate Notes

If the Interest Rate is specified in the Terms as being Floating Rate, then subject to the addition or subtraction of any Margin or to any other adjustment provided for in Condition 7.5, the Interest Rate for each Interest Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period in accordance with the following:

- (A) If the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
 - (ii) otherwise the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,in each case appearing on such Page at the Relevant Time on the Interest Determination Date.
- (B) If the Primary Source for the Floating Rate is Reference Banks or if Condition 7.3(A)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest

Determination Date or if Condition 7.3(A)(ii) above applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent.

- (C) If Condition 7.3(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or if the Relevant Currency is euro, in the Euro-zone (the “**Principal Financial Centre**”) as selected by the Calculation Agent are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or, if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe (y) to leading banks carrying on business in the Principal Financial Centre: except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Period and to the relevant Interest Period).

7.4 **Interest Rate on Zero Coupon Notes**

As from the Maturity Date, the Interest Rate for any overdue principal in respect of a Note the Interest Rate of which is specified in the Terms to be Zero Coupon shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 8.8).

7.5 **Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**

- (A) If any Margin or Rate Multiplier is specified in the Terms (either (x) generally, or (y) in relation to one or more Interest Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Periods in the case of (y), calculated in accordance with Condition 7.3 by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to Condition 7.5(B).
- (B) If any Maximum Interest Rate or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the Terms, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum as the case may be.
- (C) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up) save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “**unit**” means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

7.6 Interest Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note on the first day of such period by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Trust Instrument in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula).

7.7 Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quotation or make any determination or calculation, the Calculation Agent will determine the Interest Rate and calculate the amount of interest payable (the “**Interest Amount**”) in respect of each Denomination of the Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Issuer, the Trustee, the Agent, the Registrar, each of the Paying Agents, the Noteholders and, for so long as the Notes are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination but in no event later than (i) (except in the case of notices to the Noteholders) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate, Interest Payment Date and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination, and in any event not later than the relevant payment date. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 11, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no notification of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

7.8 Determination or Calculation by Trustee

If the Calculation Agent fails at any time for any reason to determine or calculate the Interest Rate for an Interest Period or the Interest Amount, Instalment Amount or Redemption Amount or to comply with any other requirement, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

7.9 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any

entity directly or indirectly under common control with the First Entity. For these purposes “control” means ownership of a majority of the voting power of an entity;

“**Benchmark**” means EURIBOR, LIBOR or such other benchmark as may be specified as the Benchmark in the Terms;

“**Business Day**” means a “business day” as specified in Condition 9.8;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual (ISDA)**” is specified in the Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the Terms, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified in the Terms, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

“ Y_1 ” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“ Y_2 ” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“ M_1 ” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“ M_2 ” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if “**30E/360 (ISDA)**” is specified in the Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

“**Effective Date**” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the Trust Instrument or, if none is so specified, the first day of the Interest Period to which such Interest Determination Date relates.

“**Euro-zone**” means the region comprising the member states of the European Union that adopt the euro as their lawful currency in accordance with the Treaty establishing the European Community, as amended by the Treaty of European Union as amended by the Treaty of Amsterdam.

“**Floating Rate**” means the rate identified as such in the Terms.

“**Interest Commencement Date**” means the Issue Date of the Notes or such other date as may be specified as such in the Trust Instrument.

“**Interest Determination Date**” means, with respect to an Interest Rate and Interest Period, the date specified as such in the Trust Instrument or, if none is so specified, the first day of such Interest Period if the Relevant Currency is sterling or the day falling two Relevant Business Days in London prior to the first day of such Interest Period if the Relevant Currency is not sterling.

“**Interest Payment Date**” means each date specified as such in the Terms.

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

“**Interest Rate**” means the rate of interest payable from time to time in respect of this Note and which is either specified in, or calculated in accordance with the provisions of, the Terms (after adding or subtracting any Margin or making any other adjustment provided for in Condition 7.5).

“**Notes Currency**” means the currency in which the Notes are denominated.

“**Page**” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuter Monitor Money Rates Service (“**Reuters Screen**”) and the Bloomberg service (“**Bloomberg Screen**”)) as may be specified as such in the Trust Instrument for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other page as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“**Primary Source**” has the meaning ascribed to it in the Terms.

“**Reference Banks**” means the institutions specified as such in the Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the Benchmark or, if the Relevant Currency is euro, the Euro-zone.

“**Relevant Business Day**” means:

- (a) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in each of the financial centres specified for this purpose in the Terms; and
- (b) in the case of euro, a day on which TARGET2 is open.

“**Relevant Currency**” means the currency specified as such in the Terms or if none is specified, the Notes Currency.

“**Relevant Date**” means, in respect of any Note, Receipt or Coupon, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date

on which notice is duly given to the Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre specified as such in the Terms or, if none is so specified the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected or if the Relevant Currency is euro, London.

“Relevant Rate” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Terms or, if none is specified, the local time in the Relevant Financial Centre (or, if the Relevant Financial Centre is the Euro-zone, Central European Time) at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre.

“Representative Amount” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified as such in the Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Specified Duration” means with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified as such in the Terms or, if none is specified, a period of time equal to the relative Interest Period, ignoring any adjustment pursuant to Condition 7.2.

“TARGET2” means the Trans-European Automated Real-Time Gross Settlement Express Transfer System (TARGET 2) or any successor thereto.

“Terms” means the provisions identified as such in the Trust Instrument.

8. **Redemption, Purchase and Options**

8.1 **Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at its Redemption Amount (which unless otherwise specified in the Terms, is its outstanding principal amount) on the Maturity Date specified on each Note.

8.2 **Mandatory Redemption**

If any of the Collateral becomes repayable or becomes capable of being declared due and repayable prior to its stated date of maturity for whatever reason (unless the Trustee otherwise agrees) or there is a payment default in respect of any of the Collateral on or prior to the Maturity Date (whether or not the Collateral forms part of the security for the Notes in accordance with Condition 4.2(A) or (B) or Condition 4.2(C) applies to the Notes), all such Collateral which has become so repayable or capable of being declared due and repayable prior to its stated maturity or in respect of which there is a payment default (the **“Affected Collateral”**) together with all remaining Collateral or, if so specified in the Terms, a part thereof only (which may or may not form obligations of the same person as those which have become repayable or in respect of which there has been such a payment default) shall be deemed to have become immediately repayable (the **“Repayable Assets”**). The Issuer shall then as soon as reasonably practicable give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Terms) to the Trustee, the Noteholders, the Swap Counterparty and the Repurchase Counterparty specifying the principal amount of the Repayable

Assets, the principal amount of the Notes to be redeemed and the due date for redemption and upon expiry of such notice (i) the Issuer shall redeem each Note in whole or, as the case may be, in part on a pro rata basis in a proportion of its Redemption Amount equal to the proportion that the principal amount of the Repayable Assets which are the subject of such notice bears to the principal amount of the Collateral which have not, at the date of the giving of the notice, been the subject of that or any other such notice and (ii) (in the case of Notes secured in the manner described in Condition 4.2(A) or (B)) the security constituted by or created pursuant to the Trust Instrument over the Repayable Assets shall become enforceable. Interest shall continue to accrue on the part of the principal amount of Notes which has become due for redemption until payment thereof has been made to the Trustee and notice is given in accordance with Condition 16 that such amount is available for payment. Failure to make any payment due in respect of a mandatory redemption under this Condition 8.2 of part of the principal amount of the Notes or interest thereon shall not constitute an Event of Default under Condition 11.

In the event of such redemption and the security constituted by or created pursuant to the Trust Instrument becoming enforceable the Trustee may take such action as is provided in Condition 4.7(A) and shall do so if so requested or directed in accordance with the provisions of such Condition (subject in each case to its being indemnified and/or secured and/or prefunded in accordance with such Condition and provided always that the Trustee shall not be required to do anything which is contrary to any applicable law).

8.3 **Forced transfer at the option of the Issuer on void transfer or other disposition**

Any transfer or other disposition of any legal or beneficial ownership interest in a Note to:

(A) (in the case of a Non-U.S. series):

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act;
- (b) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act); or
- (c) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the “CFTC”) thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)); or

(B) (in the case of a U.S. Series):

- (a) outside the United States to (i) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act, (ii) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) or (iii) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the CFTC thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)); or
- (b) in the United States to persons other than (i) QIBs that are also QPs, or (ii) institutions that qualify as IAIs that are also QPs, who are acquiring the Notes or Alternative Investments for investment purposes and not with a view to the resale or distribution thereof,

in either case (each such person or account, a “**Non-Permitted Transferee**”), shall be deemed to be void ab initio, with the result that such transfer or other disposition will be of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note, and the Issuer shall be entitled to cease to make any payments in respect of Notes held by a Non-Permitted Transferee.

Notwithstanding any other provision of these Conditions, the Issuer shall give notice to the Trustee, the Custodian and the Calculation Agent and shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (a) an Affiliate of the Issuer (to the extent permitted by applicable law) or (b) a person who is not a Non-Permitted Transferee, in each case, at a price equal to the lesser of (x) the purchase price paid for such interest by such Non-Permitted Transferee, (y) the principal amount of such interest and (z) the fair market value of such interest, less any costs or expenses incurred by or on behalf of the Issuer in connection with such sale.

8.4 **Redemption following Regulatory Event**

If in the determination of the Calculation Agent a Regulatory Event occurs then the Issuer shall forthwith give not more than 30 Business Days’ nor less than 10 Business Days’ notice to the Noteholders, the Trustee, the Swap Counterparty and, for as long as the Notes are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice (i) the Issuer shall redeem all but not some only of the Notes and with each Note being redeemed at their outstanding Redemption Amount; and (ii) the security constituted by or created pursuant to the Trust Instrument over the Mortgaged Property shall become enforceable.

“**Regulatory Event**” means that, as a result of a Regulatory Trigger Event:

- (i) there is a reasonable likelihood of it becoming unlawful; and/or
- (ii) it is or there is a reasonable likelihood of it becoming unduly onerous, impossible or impracticable (including but not limited to or as a result of a change in the regulatory, accounting or tax treatment of the Notes or Regulatory Event Party); and/or
- (iii) there is a material increase in costs relating to the Notes or any Transaction Document,
for
 - (1) the Issuer to maintain the Notes; and/or
 - (2) the Issuer to maintain any other series of notes issued by the Issuer; and/or
 - (3) any Regulatory Event Party to perform any duties in respect of or in connection with the Notes or any Transaction Document,

“**Regulatory Trigger Event**” means:

- (a) an implementation or adoption of, or change in, law, regulation, interpretation, action or response of a regulatory authority;
- (b) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with competent jurisdiction (a “**Relevant Authority**”) of, any relevant law or regulation; or

(c) the public or private statement or action by, or response of, any Relevant Authority or any official or representative of any Relevant Authority acting in an official capacity, in each case at any time after the Trade Date (as specified in the relevant Prospectus).

“Regulatory Event Party” means the Issuer, the Arranger, the Issuing and Paying Agent, the Trustee, the Swap Counterparty, the Calculation Agent or any member of the Swap Counterparty’s group of companies, (excluding when acting in their capacity as Noteholder).

8.5 **Redemption for taxation and other reasons**

If:

- (A) the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, then the Issuer shall so inform the Trustee, and shall use all reasonable endeavours to arrange (subject to and in accordance with Condition 13.4) the substitution of a company incorporated in another jurisdiction as the principal obligor or (with the prior written consent of the Trustee, the Swap Counterparty and the Repurchase Counterparty) to change its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee, the Swap Counterparty and the Repurchase Counterparty and if it is unable to arrange such substitution or change, or if it is unable to do so in a tax efficient manner, before the next payment is due in respect of the Notes; and/or
- (B) the Credit Support Document is terminated prior to the Maturity Date for any reason; and/or
- (C) the Swap Agreement is terminated in accordance with its terms prior to the Swap Agreement Termination Date; and/or
- (D) the Repurchase Agreement is terminated as a result of a failure by the Repurchase Counterparty to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement,

then the Issuer shall as soon as reasonably practicable give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Trust Instrument) to the Trustee, the Noteholders, the Swap Counterparty and the Repurchase Counterparty, and upon expiry of such notice the Issuer shall redeem all but not some only of the Notes at their outstanding Redemption Amount together with any interest accrued to the date fixed for redemption and the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these Conditions).

Notwithstanding the foregoing, if any of the taxes referred to in Condition 8.5(A) above arise (i) by reason of any Noteholder's or Couponholder's connection with the Relevant Taxing Jurisdiction otherwise than by reason only of the holding of any Note, Receipt or Coupon or receiving or being entitled to any Redemption Amount or interest in respect thereof; or (ii) by reason of the failure by the relevant Noteholder or Couponholder to comply with any applicable procedures required to establish non-residence, establish tax residence, claim entitlement to benefit from any double taxation treaty or make other similar claims for exemption from such tax; or (iii) pursuant to FATCA (as defined in Condition 9.4), then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder or Couponholder (and the Issuer shall not be liable as a result for, or otherwise obliged to pay, any additional amounts to any such Noteholder or Couponholder in respect of, or compensation for, any such withholding or deduction), all other Noteholders and Couponholders shall receive the due amounts payable to them and the Issuer shall not be required by reason of such deduction to endeavour to arrange any substitution, to change its

residence, or to redeem the Notes, pursuant to this Condition 8.5. Any such deduction shall not be an Event of Default under Condition 11.

In the event of such redemption and the security constituted by the Trust Instrument becoming enforceable, the Trustee may take such action as is provided in Condition 4.7(A) and shall do so if so requested or directed in accordance with the provisions of such Condition (subject in each case to its being indemnified in accordance with such Condition and provided that the Trustee shall not be required to do any thing which is contrary to applicable law).

For the purposes of this Condition 8.5 “**Relevant Taxing Jurisdiction**” means (1) the taxing jurisdiction in which the Issuer is incorporated, (2) any taxing jurisdiction in which the Issuer is resident for tax purposes or (3) any other relevant taxing jurisdiction, including any jurisdiction in or through which payment is made or any jurisdiction which has a political, taxation or other relevant agreement, union or federation with the jurisdiction in or through which payment is made.

8.6 Adverse Tax Event following delivery of Collateral to Swap Counterparty under Credit Support Annex

If Condition 4.2(C) applies to the Notes and an Adverse Tax Event (as defined in the Terms) has occurred and is continuing the Issuer may give to the Trustee and the Noteholders not less than five Business Days' notice (in accordance with Condition 16) of redemption and shall on the expiry of such Notice (the “**Adverse Tax Event Redemption Date**”) redeem all (but not some only) of the Notes at their Redemption Amount plus interest accrued to the date of redemption, provided that:

- (a) (if applicable) if the Adverse Tax Event shall result in any reduction in any payment received or receivable by the Issuer in respect of or referable to interest on the Collateral (whether upon payment of such interest or as a result of a reduction in the aggregate amount received by the Issuer upon the sale of the Collateral), the interest payable in respect of the Notes on such Adverse Tax Event Redemption Date shall be reduced pro rata; and
- (b) if the Adverse Tax Event shall result in any reduction in any payment received or receivable by the Issuer in respect of or referable to principal of the Collateral, the Principal Amount payable in respect of the Notes on such Adverse Tax Event Redemption Date shall be reduced pro rata.

Any reduction in the principal or (if applicable) interest payable in respect of the Notes on the Adverse Tax Event Redemption Date shall be determined by the person specified for this purpose in the Terms, acting as calculation agent under the Swap Agreement, and shall be binding on the Issuer, the Trustee, the Agent, the Noteholders and all other persons in the absence of manifest error. No liability shall attach to the person acting in such capacity.

Failure to make any payment due in respect of a redemption under this Condition 8.6 of part of the principal amount of the Notes or interest thereon shall not constitute an Event of Default under Condition 11.

In the event of such redemption and the security constituted by or created pursuant to the Trust Instrument becoming enforceable the Trustee may take such action as is provided in Condition 4.7(A) and shall do so if so requested or directed in accordance with the provisions of such Condition (subject in each case to its being indemnified and/or secured and/or prefunded in accordance with such Condition and provided always that the Trustee shall not be required to do anything which is contrary to any applicable law).

8.7 Purchases

Unless otherwise provided in the Terms, and subject to receipt by the Issuer of an amount (whether by sale of the Collateral (or in the case of a purchase of some only of the Notes, a proportion of the Collateral corresponding to the proportion of the Notes to be purchased) or otherwise) which, plus or minus any termination payment payable to or by the Issuer from or to the Swap Counterparty on the termination (or as the case may be partial termination) of the Swap Agreement, is sufficient to fund the purchase price payable by the Issuer, the Issuer may purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

8.8 Early Redemption of Zero Coupon Notes

- (A) The Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date (a “**Zero Coupon Note**”), the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Zero Coupon Note pursuant to Condition 8.2, 8.4, 8.5 or 8.6 or upon it becoming due and payable as provided in Condition 11, shall be the Amortised Face Amount of such Zero Coupon Note (calculated by the Calculation Agent as provided below).
- (B) Subject to the provisions of Condition 8.8(C) below, the “**Amortised Face Amount**” of any Zero Coupon Note shall be the scheduled Redemption Amount of such Zero Coupon Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the yield (the “**Amortisation Yield**”) specified as the Amortisation Yield in the Terms (or, if none is so specified, the Amortisation Yield, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year it shall be made on the basis of the Day Count Fraction shown in the Terms.
- (C) If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 8.2, 8.4, 8.5 or 8.6 or upon it becoming due and payable as provided in Condition 11 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 8.8(B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 7.4.

8.9 Redemption at the Option of the Issuer and Exercise of Issuer's Options

If so provided in the Terms, the Issuer may, on giving irrevocable notice to the Noteholders and the Trustee falling within the Issuer's Option Period (as specified in the Terms), redeem, or exercise any Issuer's option in relation to all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the Issuer's Optional Redemption Date or Dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

Where Notes are to be redeemed in part or the Issuer's option is to be exercised in respect of some only of the Notes, the Notes to be redeemed or in respect of which such option is exercised will be selected, in the case of Notes represented by definitive Notes, individually by lot, in such place as the Trustee shall approve and in such manner as the Trustee shall deem to be appropriate and fair, not more than 60 days prior to the date fixed for redemption and, in the case of Notes represented by a Global Note, in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). A notice setting out a list of the Notes called for redemption or in respect of which such option is exercised, the date fixed for redemption or exercise of such option and the redemption price or option price will be given by the Issuer not less than 30 days prior to such date in accordance with Condition 16.

8.10 **Redemption at the Option of Noteholders and Exercise of Noteholders' Options**

- (A) If so provided in the Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the date or dates so provided at its Redemption Amount together with interest accrued to the date fixed for redemption.

If the Terms for the relevant Series so provide, and, if so, in the circumstances specified therein, the Issuer's obligation to pay the Redemption Amount and interest accrued to the date of redemption may be satisfied by the Issuer delivering Collateral. The amount of such Collateral to be delivered (the “**Relevant Collateral**”) shall be the corresponding proportion of all such Collateral (rounded down to the nearest denomination of the Collateral) as the Notes held by that Noteholder bear to the then outstanding principal amount of the Notes. Delivery shall be made in the manner set out in the Terms.

- (B) If so provided in the Terms, a holder of any Note will have the option, with the consent of the Swap Counterparty, to require the Issuer at any time to redeem such Note at its Redemption Amount which shall be an amount equal to the realisable value of the Relevant Collateral (less any costs and expenses associated with the realisation of such Collateral and less any other amount specified in the Terms) on the date of receipt of the relevant option notice or on a date as soon as practicable thereafter, as determined by the Issuer.

If the Terms for the relevant Series so provide, and, if so, in the circumstances (if any) specified therein, the Issuer's obligation to pay such Redemption Amount may be satisfied by the Issuer delivering the Relevant Collateral (or any portion thereof specified in the Terms) in the manner set out in the Terms. The Issuer shall make the relevant payment or delivery on the date of expiry of the relevant option notice or on a date as soon as practicable thereafter.

- (C) To exercise any option referred to above or any other Noteholders' option which may be set out in the Terms the holder must deposit the relevant Note with any Paying Agent (in the case of Bearer Notes) or the Individual Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at such Agent's specified office, together with a duly completed option notice (a “**Put Notice**” or “**Option Notice**”, as appropriate) within the Noteholders' Option Period (as specified in the Terms). No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

8.11 **Redemption by Instalments**

If it is stated in the Terms that the Notes are “**Instalment Notes**”, then unless previously redeemed, purchased and cancelled as provided in this Condition 8, each Note will be partially redeemed on each Instalment Date specified in the Terms at the respective Instalment Amount so specified, whereupon the outstanding principal amount of such Note shall be reduced for all purposes by the Instalment Amount.

8.12 **Cancellation**

All Notes purchased by or on behalf of the Issuer or redeemed must be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to, or to the order of, the Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and in each case, when so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

9. **Payments and Talons**

9.1 **Bearer Notes**

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note) or (in the case of all other payments of principal or Redemption Amount) the relevant Bearer Notes or (in the case of interest, save as specified in Condition 9.6(F)) the relevant Coupons, as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due, drawn on or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; provided that (i) in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in the Euro-zone, and (ii) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

9.2 **Registered Notes**

Payments of principal (which for the purposes of this Condition 9.2 shall include the final Instalment Amount but not other Instalment Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Individual Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided below.

Interest (which for the purpose of this Condition 9.2 shall include all Instalment Amounts other than the final Instalment Amount) on Registered Notes will be paid to the person shown on the Register (or, if more than one person is so shown, to the first named person) at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Notwithstanding the foregoing, for as long as the Registered Notes are represented by a Global Certificate, the Record Date will be the Business Day immediately before the relevant due date.

Payments of principal or interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned (in the case of payment in Japanese yen to a non-resident of Japan, drawn on an authorised foreign exchange bank) or, in the case of euro, a bank in the Euro-zone, and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of principal or interest may be made by transfer to an account in the relevant currency maintained by, the payee with a bank in the principal financial centre of the country of that currency.

9.3 **Payments in the United States**

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided in Condition 9.1 when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

9.4 **Payments subject to law, etc.**

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any US or non-US fiscal or regulatory legislation, rules, guidance notes, regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (together, as amended from time to time “**FATCA**”) or analogous provisions of non-US law. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. All payments in respect of the Notes, Receipts or Coupons (if any) will be made subject to any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature which may be required to be withheld or deducted. In that event, such payment shall be made net of such withholding or deduction and the Issuer shall have no obligation to make additional payments in respect of, or compensation for, any such withholding or deduction or any other amounts so withheld or deducted to the Noteholders, holders of Receipts or Couponholders (if any).

9.5 **Appointment of Agents**

The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any of the Agents and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) an Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Calculation Agent where the Terms so require one, (v) a Paying Agent and, in relation to Registered Notes, a Transfer Agent having a specified office in a European city approved by the Trustee, (vi) a Custodian where the Terms so require, (vii) a Credit Event Monitoring Agent where the Terms so require and (viii) a Selling Agent where the Terms so require. For so long as the Notes are listed on any stock exchange, and the rules of such stock exchange so require the Issuer will maintain such other agents as may be required by the rules of such stock exchange.

In addition, the Issuer shall as soon as reasonably practicable appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 9.3 above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 16.

9.6 **Unmatured Coupons and Receipts and unexchanged Talons**

- (A) Unless the Notes provide that the related Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with

all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to, the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10).

- (B) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (C) Upon the due date for redemption of any Bearer Note, any Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (D) Upon the due date for redemption in full of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (E) Where any Bearer Note which provides that the related Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (F) If the due date for redemption of any Notes is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Individual Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Individual Certificate representing it, as the case may be.

9.7 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent or such other Paying Agent as is notified to the Noteholders in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which have become void pursuant to Condition 10).

9.8 Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation and in such jurisdictions as shall be specified as “**Business Day Jurisdictions**” in the Terms and:

- (A) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign

exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(B) (in the case of a payment in euro) a day on which TARGET2 is open.

10. **Prescription**

Claims against the Issuer for payment in respect of the Notes, Receipts and (subject to Condition 9.6(B)) Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

11. **Events of Default**

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of Notes then outstanding, or if so directed by an Extraordinary Resolution, shall (subject in each case to first having been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer that such Notes are, and they shall accordingly forthwith become immediately due and repayable at their Redemption Amount, together with accrued interest (if any) thereon to the date of payment and the security constituted by or created pursuant to the Trust Instrument shall become enforceable, as provided in the Trust Instrument, in any of the following events (each an “**Event of Default**”):

- (i) if default is made for a period of 14 days or more in the payment of any sum due in respect of the Notes or any of them; or
- (ii) if the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Instrument and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time or date); or
- (iii) if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation, demerger or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution.

The Issuer has undertaken in the Trust Instrument that, on each anniversary of the date of first entry into of a Trust Instrument between the Issuer and the Trustee and also within 14 days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that, after making all reasonable enquiries by such Director, to the best of the knowledge, information and belief of the Issuer there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the Trust Instrument or the date of the last such certificate if any, any Event of Default or Potential Event of Default (as defined in the Trust Instrument) or, if such an Event of Default or Potential Event of Default did then exist or had existed, specifying the same and to such other effect as the Trustee may require.

The Trust Instrument provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default (as defined in the Trust Instrument) has occurred or is continuing.

12. **Enforcement**

At any time after the Notes become due and payable or in any of the circumstances specified in Condition 4.3, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Instrument, the Notes and the Coupons and, to the extent provided in the Trust Instrument, to enforce the security constituted by the Trust Instrument but it shall not be obliged to take any such proceedings unless (a) it shall have been so requested or directed by any person entitled to make such request or give such direction pursuant to Condition 4.7(A), and (b) it shall have been first indemnified and/or secured and/or pre-funded to its satisfaction and provided that it shall not be obliged to take any action if it would be against any applicable law.

Only the Trustee (or, to the extent provided in Condition 4.7(B), the Selling Agent) may pursue the remedies available under the Trust Instrument to enforce the rights of the Noteholders, Couponholders and/or the Swap Counterparty and/or the Custodian and/or the Agent and/or the Registrar and no Noteholder, Couponholder, Swap Counterparty or the Custodian or the Agent or the Registrar is entitled to proceed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Instrument, fails or neglects to do so.

The Trustee, the Swap Counterparty, the Repurchase Counterparty, the Noteholders and Couponholders, the Custodian, the Agents and the Registrar shall have recourse only to the Mortgaged Property and the Selling Agent or the Trustee having realised the same or, in the case of a partial redemption pursuant to Condition 8.2, the Repayable Assets and distributed the net proceeds in accordance with Condition 4.4, the Trustee, Swap Counterparty, the Repurchase Counterparty, the Noteholders and Couponholders, the Custodian, the Agents, the Registrar or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer or the Trustee to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, neither the Trustee or the Swap Counterparty or the Repurchase Counterparty or the Custodian or the Agents or the Registrar nor any Noteholder or Couponholder, nor any other party to the Trust Instrument shall be entitled to petition or take any other step for the bankruptcy, suspension of payments, winding up, dissolution or administration of the assets of the Issuer, or similar proceedings, or the appointment of an examiner or similar officer in respect of the Issuer, nor shall any of them have any claim in respect of any asset of the Issuer not forming part of the Mortgaged Property. The provisions of this Condition shall survive any redemption of the Notes and the expiration or termination of the agreements to which the Trustee, the Swap Counterparty, Noteholders and Couponholders, the Custodian, the Agents, the Registrar or other relevant persons are party.

13. Meeting of Noteholders; Modifications; Waiver; and Substitution

13.1 Meetings of Noteholders

The Trust Instrument contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions or the provisions of the Trust Instrument insofar as the same may apply to such Notes). The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Noteholders, whatever the principal amount of the Notes so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not and on all relevant Couponholders and holders of Receipts, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereof, (ii) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating

the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Trust Instrument, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount or, in the case of Zero Coupon Notes, to vary the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to take any steps which as specified in the Trust Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, (ix) to modify the provisions of the Trust Instrument concerning this exception or (x) to modify any other provisions specifically identified for this purpose in the Trust Instrument, will only be binding if passed at a meeting of the Noteholders, the quorum at which shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting, not less than 25 per cent., in principal amount of the Notes for the time being outstanding. The holder of a Global Note or Global Certificate representing all of the Notes for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders.

13.2 Modification

The Trustee may, without the consent of the Noteholders but only with the prior written consent of the Swap Counterparty agree to (i) any modification to the Trust Instrument, the Swap Agreement, the Repurchase Agreement, the Credit Support Document or any other agreement or document entered into in relation to the Notes which is of a formal, minor or technical nature or is made to correct a manifest error, (ii) any modification of any of the provisions of the Trust Instrument, the Swap Agreement, the Repurchase Agreement, the Credit Support Document or any other agreement or document entered into in relation to the Notes which in the opinion of the Trustee is not materially prejudicial to the interests of the Noteholders and (iii) any modification of the provisions of the Trust Instrument, the Swap Agreement, the Repurchase Agreement, the Credit Support Document or any other agreement or document entered into in relation to the Notes which is made to satisfy any requirement of any rating agency which has issued or is proposing to issue a rating in respect of the Notes or any stock exchange on which the Notes are or are proposed to be issued and which, in either case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders and (iv) any modification of the provisions of the Trust Instrument, the Swap Agreement, any Ancillary Agreement or the Credit Support Document which is specified in the Conditions or the Trust Instrument as being a modification to which the Trustee may agree without the consent of the Noteholders or any Secured Party but only with the prior written consent of the Swap Counterparty. The Trust Instrument provides that the Issuer shall not agree to any amendment or modification of the Trust Instrument without first obtaining the consent in writing of the Swap Counterparty, which consent shall not be unreasonably withheld or delayed. Furthermore the Trustee may take such action in respect of any agreement or document entered into in relation to the Notes as specified in the Trust Instrument.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 16.

13.3 Waiver

The Trustee may, without the consent of the Noteholders but only with the prior written consent of the Swap Counterparty and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer of any of the covenants or provisions in the Trust Instrument or the Conditions or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee

shall not exercise any powers conferred on it by this Condition 13.3 in contravention of any express direction given by an Extraordinary Resolution of the Noteholders but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Noteholders and the Swap Counterparty.

13.4 **Substitution**

The Trust Instrument contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Instrument and such other conditions as the Trustee may require but without the consent of the Noteholders but subject to the prior written consent of the Swap Counterparty, to the substitution of any other company (a “**Substitute Company**”) in place of the Issuer or of any previous substituted company, as principal obligor under the Trust Instrument and all of the Notes then outstanding. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders but subject to the prior written consent of the Swap Counterparty, to a change of the law governing the Notes and/or the Trust Instrument provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders. In addition, the Trust Instrument provides that the Issuer shall be required to use all reasonable endeavours to arrange the substitution of a Substitute Company incorporated in another jurisdiction as principal obligor under the Trust Instrument in the circumstances described in Condition 8.5(A).

The Trust Instrument provides that, if a Director or other authorised officer of any Substitute Company certifies that the Substitute Company will be solvent immediately after the time at which the substitution is to be effected, the Trustee shall not have regard to the financial condition, profits or prospects of such Substitute Company or compare the same with those of the Issuer (or any previously substituted company).

13.5 **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall assume that each holder of a Bearer Note is the holder of all Receipts, Coupons and Talons relating to such Bearer Note and shall have regard to the interests of the holders of such Notes or the Coupons, Receipts or Talons relating thereto as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders or holders of Receipts or Talons and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder or holder of any Receipt or Talon be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Notes, Coupons, Receipts or Talons.

14. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws at the specified office of the Agent in London (in the case of the Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 16, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

15. **Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders, but subject to Condition 6, create and issue further Notes:

- (1) having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes (the “**Existing Notes**”) provided that, unless otherwise approved by an Extraordinary Resolution of Noteholders, the Issuer provides additional assets as security for such further notes (“**Further Notes**”) of at least an amount determined either on the Nominal Basis or on the Market Value Basis (as each such term is defined below), as selected by the Issuer and specified in the Supplemental Deed (the “**Basis Selection**”), and the Issuer enters into, or has the benefit of, additional or supplemental Credit Support Documents and/or Swap Agreements and/or Repurchase Agreements extending the terms of any existing Credit Support Document, Swap Agreement and/or Repurchase Agreement to the Further Notes on terms no less favourable than those on which such existing documents and agreements, as so extended, apply to the Existing Notes. Any Further Notes shall be constituted and secured by a deed supplemental to the Trust Instrument (the “**Supplemental Deed**”, and so that, upon the execution of the Supplemental Deed, all references to the “**Trust Instrument**” shall be construed as being to such document as amended and supplemented by the Supplemental Deed), such further security shall be added to the Mortgaged Property so that the Further Notes and the Existing Notes shall be secured by the same Mortgaged Property and references in these Conditions to “**Notes**”, “**Collateral**”, “**Mortgaged Property**”, “**Credit Support Document**”, “**Swap Agreement**” and “**Repurchase Agreement**” shall be construed accordingly; or
- (2) upon terms that such notes form a separate series from the Notes and shall not be secured on the Mortgaged Property for the Notes. Any such notes shall be secured on, but only on, such property or assets as may be referred to in the relevant conditions and trust instrument applying to such separate series.

In this Condition:

“**Nominal Basis**” means that the additional assets required to be provided by the Issuer in respect of any Further Notes issued or to be issued pursuant to paragraph (1) hereof shall be of a nominal amount which bears the same proportion to the nominal amount of the Further Notes as the proportion which the nominal amount of such assets forming part of the Mortgaged Property for the Existing Notes bears to the nominal amount of the Existing Notes as at such date.

“**Market Value Basis**” means that the additional assets required to be provided by the Issuer in respect of any Further Notes issued or to be issued pursuant to paragraph (1) hereof shall be the variable E calculated in accordance with the following formula:

$$(A + B) \div C = (D + E + F) \div (G + H)$$

where:

A = the Value of the assets forming part of the Mortgaged Property for the Existing Notes as at 11.00 a.m. (London time) on the Issue Date of the Existing Notes

B = the Mark to Market Value of any Credit Support Document and/or Swap Agreement and/or Repurchase Agreement in respect of the Existing Notes as at 11.00 a.m. (London time) on the Issue Date of the Existing Notes

- C = the total nominal principal amount of the Existing Notes as at the Issue Date of the Existing Notes
- D = the Value of the assets forming part of the Mortgaged Property for the Existing Notes as at 11.00 a.m. (London time) on the London Business Day falling two London Business Days before the Issue Date of the Further Notes (or such other day as may be selected by the Issuer and specified in the Supplemental Deed)
- E = the Value of the additional assets to form part of the Mortgaged Property for the Existing Notes and the Further Notes required to be provided by the Issuer in respect of the Further Notes as at 11.00 a.m. (London time) on the London Business Day falling two London Business Days before the Issue Date of the Further Notes (or such other day as may be selected by the Issuer and specified in the Supplemental Deed)
- F = the Mark to Market Value of any Credit Support Document and/or Swap Agreement and/or Repurchase Agreement in respect of the Existing Notes, as extended so as to apply also to the Further Notes, as at 11.00 a.m. (London time) on the London Business Day falling two London Business Days before the Issue Date of the Further Notes (or such other day as may be selected by the Issuer and specified in the Supplemental Deed)
- G = the total nominal principal amount of the Existing Notes as at the Issue Date of the Further Notes
- H = the total nominal principal amount of the Further Notes as at the Issue Date of the Further Notes

for which purposes:

the “**Mark to Market Value**” of any Credit Support Document and/or Swap Agreement and/or Repurchase Agreement means the amount (which may be a negative number) determined by the calculation agent under the relevant Agreement (which determination shall be final and binding on all persons in the absence of manifest error), being (i) if such Agreement is a Swap Agreement, the amount that would be payable to the Issuer by the Swap Counterparty pursuant to Section 6(e)(ii)(2)(A) thereof as if all Transactions were being terminated on such date, provided that Market Quotation shall be determined by the calculation agent appointed under the relevant Credit Support Document and/or Swap Agreement and/or Repurchase Agreement using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of “**Market Quotation**”), or (ii) if such Agreement is a Credit Support Document or a Repurchase Agreement, an amount (which may be a negative number) that would be payable to the Issuer by the Swap Counterparty, determined in the manner specified in the Terms in respect of the Existing Notes or in the Supplemental Deed;

the “**Value**” of any assets forming or to form part of the Mortgaged Property for the Existing Notes and/or the Further Notes means the firm bid price of the calculation agent appointed under the relevant Credit Support Document and/or Swap Agreement and/or Repurchase Agreement, or the firm bid price supplied to such calculation agent by such dealer(s) in such assets as it may in its discretion select (or the arithmetical average of such prices, if more than one), for such assets, or, if no such bid price is quoted by or available to such calculation agent, determined in such other manner as such calculation agent, acting in good faith, may determine;

all calculations and determinations of any Mark to Market Value or Value shall be performed or made by the calculation agent under the relevant Credit Support Document, Swap Agreement or Repurchase Agreement, or such other person as may be specified in the Trust Instrument or Supplemental Deed and shall be conclusive and binding on all persons in the absence of manifest error, and no liability shall attach to such calculation agent, the Trustee or the Issuer in respect thereof;

the Basis Selection shall be made by the Issuer, acting in its discretion (subject to any commitment to act in accordance with the instructions of any person), which selection shall be conclusive and binding on all persons in the absence of manifest error, and no liability in respect thereof shall attach to the Issuer, the Trustee or any other person in accordance with whose instructions the Issuer is required to act; and

“**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

The Basis Selection by the Issuer is likely to affect the value of the total amount of the Mortgaged Property charged in favour of the Trustee as security for the benefit of the persons having an interest therein, including the holders of the Existing Notes and the Further Notes. In making the Basis Selection, the Issuer (i) will not be required to take into account the interests of the Noteholders, and (ii) may be required to make such selection acting on the instructions of any Swap Counterparty, Repurchase Counterparty, Credit Support Provider or any other person. No assurance can be given that the Basis Selection by the Issuer will be such as would result in the Mortgaged Property for the Existing Notes and the Further Notes, or the pro rata interest therein of each holder of the Existing Notes and the Further Notes, having the highest value. Further, any Swap Counterparty, Repurchase Counterparty, Credit Support Provider or other person in accordance with whose instructions the Issuer may be required to make such selection, or an affiliate of any of them, may in such capacity or in any other capacity in which it may be acting in respect of the Existing Notes, the Further Notes and/or any arrangements in contemplation thereof or in connection therewith, have an interest in procuring that the Basis Selection will be such as will result in the Mortgaged Property for the Existing Notes and the Further Notes having the lowest value.

Following the issue of any Further Notes, each holder of a Note (whether an Existing Note or a Further Note) will have an equal pro rata entitlement to the security created over the Mortgaged Property, as increased in the manner determined by the Basis Selection, and the amount available to Noteholders on realisation or enforcement of such security will be affected by the outcome of the Basis Selection. Any such Swap Counterparty, Repurchase Counterparty or Credit Support Provider or other person shall be entitled to instruct the Issuer to make the Basis Selection in such manner as it may deem appropriate, without regard to the interests of the holders of the Existing Notes and/or the Further Notes. The Trustee will not have any responsibility for, or any right to control, the Basis Selection and shall not be liable for any loss suffered by any holder of any Existing Note or Further Note or any other person for any Basis Selection made by the Issuer or for any determination of the amount and/or value of any additional assets required to be and/or actually provided by the Issuer in respect of any Further Notes.

16. Notices

Notices to the holders of Registered Notes will be mailed to them or, if there is more than one holder of any Registered Note, to the first named holder of that Note at their respective addresses in the Register and will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a leading daily newspaper of general circulation in London approved by the

Trustee (which is expected to be the *Financial Times*) and (if and for so long as the Notes are listed on the Irish Stock Exchange and the rules of that exchange so require) through the Company Announcements Office of the Irish Stock Exchange. If, in the opinion of the Trustee, any such publication is not practicable, notice will be validly given if published in another leading daily English newspaper of general circulation in Europe approved by the Trustee. Any such notice to holders of Bearer Notes shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

All notices regarding Notes in global bearer form will be valid if published as described above or if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders.

Couponholders and holders of Receipts and Talons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

17. **Indemnification and Obligations of the Trustee**

The Trust Instrument contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Mortgaged Property. The Trustee is not obliged to take any action under the Trust Instrument unless it has first been indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, any issuer or guarantor (where applicable) of any of the Collateral, any Credit Support Provider, Swap Counterparty, or any of their subsidiary, holding or associated companies without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Collateral is held in an account with Euroclear Bank S.A./N.V., as operator of the Euroclear System, Clearstream, Luxembourg or any other clearance system in accordance with that system's rules or otherwise held in safe custody by the Custodian or the Sub-Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

The Trust Instrument provides that the Trustee will be under no obligation or duty to act on any directions of the Noteholders or the Swap Counterparty (save in each case as expressly provided in the Trust Instrument) and (save as aforesaid) in the event of any conflict between directions given by the Noteholders and the Swap Counterparty (in any case where it is expressly provided in the Trust Instrument that the Noteholders and the Swap Counterparty are entitled to give directions to the Trustee) it shall be entitled to act in accordance only with the directions of the Noteholders (but without prejudice to the provisions concerning the enforcement of security under Conditions 4.7 and 12 and the Trust Instrument and to the provisions concerning the application of moneys received by the Trustee upon such enforcement under Condition 4.4 and the Trust Instrument).

18. **Governing Law and Jurisdiction**

18.1 **Governing Law**

The Trust Instrument, the Notes, the Receipts, the Coupons and the Talons and any other non contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

18.2 **Jurisdiction**

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts, the Coupons or the Talons (whether arising out of or in connection with contractual or non-contractual obligations) and accordingly any legal action or proceedings arising out of or in conjunction with the Notes, the Receipts, the Coupons or the Talons may be brought in such courts (“**Proceedings**”). The Issuer has in the Trust Instrument irrevocably submitted to the jurisdiction of such courts.

18.3 **Agent for Service of Process**

The Issuer has irrevocably appointed the person specified in the Trust Instrument as its Agent for Service of Process, at its registered office for the time being, as its agent to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note in respect of Bearer Notes with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other clearing system (an “**Alternative Clearing System**”) (the “**Common Depositary**”) or registration of Registered Notes in the name of any nominee for Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg or such Alternative Clearing System will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Unless otherwise provided in the relevant Prospectus, Notes of a U.S. Series which are offered or sold to investors in the United States in reliance upon an exemption from the registration requirements of the Securities Act will be available either (i) in the form of fully registered definitive notes (each, an “**Individual Certificate**”) or (ii) if the applicable Trust Instrument specifies that the Issuer is relying on the exception provided by Section 3(c)(7) of the Investment Company Act and the Notes are to be issued as DTC Global Certificates, in the form of one or more DTC Global Certificates. See “*Special Provisions Relating to DTC Global Certificates*” below.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, and in relation to all other rights arising under the Global Note or Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for as long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable on or after its Exchange Date:

- (i) if the relevant Trust Instrument indicates that such Temporary Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme - Selling and Transfer Restrictions*”), in whole, but not in part, for the Definitive Bearer Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Trust Instrument for interests in a Permanent Global Note or, if so provided in the relevant Prospectus, for Definitive Bearer Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Bearer Notes for which it may be exchangeable.

Permanent Global Notes

Each Permanent Global Note will be exchangeable on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes and Global Certificates*”, in part for Definitive Bearer Notes or, in the case of (ii) below, Registered Notes:

- (i) by the Issuer giving notice to the Noteholders, the Agent and the Trustee of its intention to effect such exchange;
- (ii) if the relevant Prospectus provides that the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Agent of its election to exchange the whole or a part of such Permanent Global Note for Registered Notes; or
- (iii) otherwise, if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

Global Certificates

Each Global Certificate will be exchangeable on or after its Exchange Date in whole but not, except as provided under “*Partial Exchange of Permanent Global Notes and Global Certificates*”, in part for Individual Certificates:

- (i) by the Issuer giving notice to the Noteholders, the Registrar and the Trustee of its intention to effect such exchange; or
- (ii) otherwise, if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Partial Exchange of Permanent Global Notes and Global Certificates

For so long as a Permanent Global Note or Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note or Global Certificate will be exchangeable in part on one or more occasions (i) in the case of a Permanent Global Note, for Individual Certificates if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Bearer Notes or Individual Certificates, as the case may be, if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Prospectus).

Delivery of Definitive Bearer Notes and Individual Certificates

On or after any due date for exchange for Definitive Bearer Notes or Individual Certificates (i) the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent and (ii) the holder of any Global Certificate may, in the case of exchange in full, surrender such Global Certificate. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged, the Issuer will in the case of (i) a Global Note exchangeable for Definitive Bearer Notes or Individual Certificates and (ii) a Global Certificate exchangeable for Individual Certificates, deliver, or procure the delivery of an equal aggregate principal amount of duly executed and authenticated Definitive Bearer Notes and/or Individual Certificates, as the case may be. Definitive Bearer Notes will be security printed and Individual Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the relevant Trust Instrument. On exchange in full of each Global Note, the Issuer will, if the holder so requests, procure that

it is cancelled and returned to the holder together with the relevant Definitive Bearer Notes and/or Individual Certificates.

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date, but provided that if the Issuer issues any further notes pursuant to Condition 15 (1) prior to the Exchange Date in relation to the Temporary Global Note representing the Notes with which such further notes shall be consolidated and form a single series, such Exchange Date may be extended to a date not less than 40 days after the date of issue of such further notes (but provided further that the Exchange Date for any Notes may not be extended to a date more than 160 days after their Issue Date). “**Exchange Date**” means, in relation to a Permanent Global Note, a day falling not less than 60 days or in the case of an exchange for Registered Notes five days and in relation to a Global Certificate, a day falling not less than 60 days after that on which the notice requiring exchange is given or the date on which the Permanent Global Note becomes exchangeable pursuant to paragraph (ii) under “**Permanent Global Notes**” above and, in any case, on which banks are open for business in the city in which the specified office of the Agent or, as the case may be, the Registrar is located and in the city in which the relevant clearing system is located.

Legend

Each Temporary Global Note, Permanent Global Note and any Bearer Note, Talon, Coupon and Receipt will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised, on any sale, exchange or redemption of Bearer Notes or any related Coupons.

Special Provisions Relating to DTC Global Certificates

(i) Clearing and Settlement of DTC Global Certificates: Book-Entry Ownership

The Issuer and any custodian with whom any DTC Global Certificates are deposited will make applications to DTC for acceptance in its book-entry settlement system of the DTC Restricted Global Certificate and the DTC Regulation S Global Certificate, respectively. Each DTC Global Certificate will have a different CUSIP or CINs number. The DTC Restricted Global Certificate and definitive Registered Certificates will be subject to such restrictions on transfer as are set out under "Selling and Transfer Restrictions" in the applicable Prospectus. The Issuer also will make application to Euroclear and Clearstream, Luxembourg for acceptance in their respective book-entry systems in respect of the Notes.

Upon issuance of the DTC Restricted Global Certificate and the DTC Regulation S Global Certificate, DTC or its custodian will credit on its internal system the respective principal amounts of the individual beneficial interests represented by such DTC Global Certificates to the accounts of persons who have accounts with DTC ("**participants**"), including Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in the DTC Global Certificates will be limited to participants in DTC and persons who hold interests through participants. Ownership of beneficial interests in the DTC Global Certificates will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee and the records of participants. Until the termination of the Distribution Compliance Period (as defined in "Subscription and Sale and Transfer Restrictions" below) investors may hold their interests in the DTC Regulation S Global Certificate only through Euroclear or Clearstream, Luxembourg. Thereafter, investors having a beneficial interest in the DTC Regulation S Global Certificate may hold such interests

through DTC, Euroclear or Clearstream, Luxembourg, or indirectly through organisations which are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests in the DTC Regulation S Global Certificate on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's or Euroclear's respective names on the books of their respective depositories, which in turn will hold such interests in the DTC Regulation S Global Certificate in customers' securities accounts in the depositories' names on the books of DTC. Beneficial owners will not receive certificates representing their ownership interests in the DTC Global Certificates, except in the limited circumstances set out above.

(ii) Secondary Market Transfers of Interests in DTC Global Certificates

Transfer of interests in DTC Global Certificates within DTC, Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a DTC Global Certificate to such persons may be limited. Because DTC can only act on behalf of direct participants, who in turn act on behalf of indirect participants and certain banks, the ability of a person having an interest in a DTC Global Certificate to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate evidencing such interest.

Subject to compliance with the transfer restrictions applicable to the Notes described above cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream, Luxembourg participants, on the other, will be effected in DTC in accordance with the DTC rules on behalf of Euroclear or Clearstream, Luxembourg, as the case may be, by its respective depository. However, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, Luxembourg, as the case may be, by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (local time). Euroclear or Clearstream, Luxembourg, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream, Luxembourg participants and Euroclear participants may not deliver instructions directly to the depositories for Clearstream, Luxembourg or Euroclear. Because of time-zone differences, credits of securities received in Euroclear or Clearstream, Luxembourg as a result of a transaction with a DTC participant will be made during the securities settlement processing day dated the business day following the DTC settlement date and such credits of any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream, Luxembourg participant on such business day. Cash received in Euroclear or Clearstream, Luxembourg as a result of sales of securities by or through a Euroclear participant or a Clearstream, Luxembourg participant to a DTC participant will be received with value on the DTC settlement date but will not be available in the relevant Euroclear or Clearstream, Luxembourg cash account until the business day following settlement in DTC.

(iii) Information concerning DTC, Euroclear and Clearstream, Luxembourg

The Issuer understands that DTC will take any action permitted to be taken by a holder of Notes (including, without limitation, the presentation of DTC Global Certificates for exchange as described below) only at the direction of one or more participants in whose account with DTC interests in DTC Global Certificates are credited and only in respect of such portion of the aggregate principal amount of the DTC Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described under Condition 2.2 above, DTC will surrender the DTC Global Certificates in exchange for individual definitive Registered Notes.

The Issuer understands that DTC is a limited-purpose trust company organised under the laws of the State of New York, a "**banking organisation**" within the meaning of the New York Bank Law, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "**Clearing Agency**" registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934, as amended. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry

changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations. Indirect access to the DTC system is available to others, such as banks, brokers, dealers and trust companies, that clear through or maintain a custodial relationship with all participants, either directly or indirectly.

Although DTC, Clearstream, Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the DTC Global Certificates among participants of DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued after reasonable notice. Neither the Issuer nor any Agent will have any responsibility for the performance by DTC, Clearstream, Luxembourg or Euroclear or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Amendment to Conditions

Each Temporary Global Note, Permanent Global Note and Global Certificate will contain provisions that apply to the Notes that they represent, some of which will modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Bearer Notes or Individual Certificates is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Trust Instrument. All payments in respect of Bearer Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bearer Notes, surrender of that Global Note to or to the order of the Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Bearer Notes represented thereby.

Prescription

Claims against the Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7.9).

Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Denomination of Notes for which such Global Note may be exchanged. All holders of Registered Notes are entitled on a poll to one vote in respect of each Note comprising such Noteholders' holding, whether or not represented by a Global Certificate.

Cancellation

Cancellation of any Bearer Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Options

Any option of the Issuer provided for in the Conditions of any Bearer Notes while such Bearer Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the Conditions, except that the notice shall not be required to contain the certificate numbers of Bearer Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Bearer Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Bearer Notes of any Series, the rights of accountholders with a clearing system in respect of the Bearer Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System (as the case may be) (to be reflected in the records of Euroclear or Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Bearer Notes while such Bearer Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Agent within the time limits relating to the deposit of Bearer Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Bearer Notes in respect of which the option has been exercised, and stating the principal amount of Bearer Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Agent, or to a Paying Agent acting on behalf of the Agent, for notation.

Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate (in the case of Registered Notes).

Notices

So long as any Bearer Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Bearer Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note except that so long as the Notes are listed on any stock exchange, notices will be given in accordance with the applicable rules of such stock exchange, provided that if such publication is not practicable such notice will be given in an English language newspaper having general circulation in Europe approved by the Trustee.

Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Prospectus and also in the relevant Global Notes.

USE OF PROCEEDS

The net proceeds from each issue of Notes or Alternative Investments will be used to purchase the Collateral comprised in the Mortgaged Property in respect of the relevant Notes or Alternative Investments, to pay for or enter into any Credit Support Document or Swap Agreement in connection with such Notes or Alternative Investments and to pay expenses in connection with the administration of the Issuer or the issue of the Notes or Alternative Investments.

DESCRIPTION OF THE ISSUER

The Issuer

Earls Eight Limited (the “Issuer”), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 20th March, 2002 under the Companies Law (2001 Second Revision) of the Cayman Islands with company registration number 116593. The registered office of the Issuer is c/o Maples Corporate Services Limited, Ugland House, P.O. Box 309, Grand Cayman, KY1-1104, Cayman Islands and the telephone number of the Issuer is +1 345 949 8244.

The authorised share capital of the Issuer is US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, 1,000 of which have been issued and are fully-paid (the “Shares”) and are held by the Share Trustee (as hereinafter defined) under the terms of a declaration of trust dated 13 July 2015 (the “Declaration of Trust”) under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Declaration of Trust). Pursuant to a Deed of Retirement and Appointment of Trustee dated 13 July 2015, BNP Paribas Bank & Trust Cayman Limited (the “Former Trustee”) retired and appointed Paget-Brown Trust Company Ltd. as share trustee (the “Share Trustee”) in its place. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power to benefit one or more Qualified Charities (as defined in the Declaration of Trust). Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

The Business of the Issuer

The Issuer is a special purpose vehicle.

The Issuer's objects, as set out in Clause 3 of its Memorandum and Articles of Association are unrestricted and the Issuer has full power and authority to carry out any object not prohibited under the Companies Law or any other law of the Cayman Islands. Accordingly, the Company may issue asset backed securities and invest in financial assets.

So long as any of the Notes or Alternative Investments remain outstanding, the Issuer shall be subject to the restrictions set out in the Trust Instrument.

The Issuer has, and will have, no assets other than the sum of US\$1,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of the Notes or Alternative Investments under the Programme and the acquisition of assets in connection with the Notes or Alternative Investments, the bank account into which such paid-up share capital and fees are deposited, any interest earned thereon and the assets on which the Notes or Alternative Investments are secured. Save in respect of fees generated in connection with the issue of the Notes or Alternative Investments, any related profits and proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer does not expect to accumulate any surpluses.

The Notes or Alternative Investments are the obligations of the Issuer alone and not of, or guaranteed in any way by, the Share Trustee or the Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by Deutsche Bank AG, London Branch or any Swap Counterparty or any other Agent.

Restrictions on the Offer of the Notes

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for the Notes, unless the Issuer is listed on the Cayman Islands Stock Exchange.

Financial Statements

Since the date of its incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands law, and does not intend, to publish audited financial statements or appoint

any auditors. The Issuer is required to and will provide the Trustee with written confirmation, on an annual basis, that no Event of Default (as defined in the Trust Instrument) or other matter which is required to be brought to the Trustee's attention has occurred.

Capitalisation

The following table sets out the capitalisation of the Issuer on 1 March 2018:

Shareholders' Funds	(US\$)
Share capital (authorised US\$50,000; issued 1,000 shares of US\$1.00 each)	
Ordinary Shares of US\$1.00 each	1,000
Total Capitalisation	1,000

There has been no change in the capitalisation of the Issuer since the date of its incorporation.

Directors and Company Secretary of the Issuer

The directors of the Issuer are as follows:

Name	Principal Occupation
Bonnie Willkom	Chief Operations Officer
Barry Craine	Assistant Vice-President
Helen Glanfield	Chief Financial Officer
Helen Allen	Vice President
Toni Pinkerton	Director

The Issuer's Articles of Association provide that the board of directors of the Issuer will consist of at least one director.

Barry Craine and Helen Allen are officers and/or employees of Deutsche Bank (Cayman) Limited and Bonnie Willkom, Helen Glanfield and Toni Pinkerton are officers and/or employees of Paget-Brown Trust Company Ltd.

The business address of Barry Craine and Helen Allen is PO Box 1984, Boundary Hall, Cricket Square, Grand Cayman, KY1-1104, Cayman Islands and the business address of Bonnie Willkom, Helen Glanfield and Toni Pinkerton is PO Box 1111, Grand Cayman, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

The Company Secretary is Deutsche Bank (Cayman) Limited whose office is at Boundary Hall, Cricket Square, 171 Elgin Avenue, PO Box 1984, Grand Cayman, KY1-1104, Cayman Islands.

The Administrator

Deutsche Bank (Cayman) Limited acts as the administrator of the Issuer (in such capacity, the "Administrator"). The office of the Administrator serves as the general business office of the Issuer.

Through the office, and pursuant to the terms of a management agreement entered into between the Issuer, Deutsche Bank AG London Branch in its capacity as the Arranger, BNP Paribas Private Bank & Trust Cayman Limited (now known as BNP Paribas Bank & Trust Cayman Limited) and the Administrator dated 18th April, 2002 as novated and assigned pursuant to a Deed of Assignment and Novation dated 14 July 2015 and entered into between BNP Paribas Bank & Trust Cayman Limited (the “Assignor”) Paget-Brown Trust Company Ltd. (the “Assignee”), the Issuer, the Administrator and Deutsche Bank AG London (the “Arranger”) (the “Administration Agreement”), the Administrator will perform in the Cayman Islands various management functions on behalf of the Issuer and the provision of certain clerical, administrative and other services until termination of the Administration Agreement. In consideration of the foregoing, the Administrator will receive various fees payable by the Issuer at rates agreed upon from time to time, plus expenses. The terms of the Administration Agreement provide that the appointment of the Administrator may be terminated and the Administrator may retire upon three months’ notice subject to the appointment of an alternative Administrator on similar terms to the existing Administrator.

The Administrator's principal office is 171 Elgin Avenue, P.O. Box 1984, Boundary Hall, Cricket Square, Grand Cayman, KY1-1104, Cayman Islands.

INFORMATION CONCERNING THE SWAP COUNTERPARTY

This section entitled "Information Concerning the Swap Counterparty" has been accurately reproduced from information published by the Swap Counterparty. So far as the Issuer is aware and is able to ascertain from information published by the Swap Counterparty no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unless otherwise described in the relevant Prospectus the swap counterparty (the "**Swap Counterparty**") in relation to a particular series will be Deutsche Bank AG, London Branch.

Deutsche Bank AG, London Branch is the London branch of Deutsche Bank Aktiengesellschaft. The information contained in this Base Prospectus regarding Deutsche Bank Aktiengesellschaft and the Deutsche Bank Group (as defined below) has been reproduced from information supplied by the Swap Counterparty. However the Issuer does not assume any responsibility for accuracy or completeness of the information so reproduced.

The audited annual financial statements and unaudited interim quarterly financial statements of Deutsche Bank Aktiengesellschaft and the Deutsche Bank Group will be delivered after they are published to and will be obtainable from the Paying Agent throughout the term of any Notes issued pursuant to this Base Prospectus.

DEUTSCHE BANK AKTIENGESELLSCHAFT

Incorporation, Registered Office and Objectives

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real-estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

The objects of Deutsche Bank, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude company-transfer agreements.

Deutsche Bank AG, London Branch

"**Deutsche Bank AG London**" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale

banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

Share Capital, Capitalisation and Indebtedness

As of 30 September 2017, Deutsche Bank's issued share capital amounted to € 5,290,939,215.36 consisting of 2,066,773,131 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German stock exchanges. They are also listed on the New York Stock Exchange. Further information regarding Deutsche Bank can be obtained from the website http://www.db.com/ir/index_e.htm.

As of 30 September 2017, Deutsche Bank Group had total assets of € 1,521,454 million, total liabilities of € 1,450,844 million and total equity of € 70,609 million on the basis of International Financial Reporting Standards (unaudited).

INFORMATION CONCERNING THE APPOINTMENT AND TERMINATION OF AGENTS

In relation to any Series of Notes, pursuant to the relevant Agency Agreement, the Issuer may appoint each or any of an Agent, Paying Agent, Transfer Agent, Registrar, Custodian, Calculation Agent, Selling Agent and Credit Event Monitoring Agent (each a "**Party**" and together the "**Parties**") . The Trust Instrument in relation to any Series of Notes shall set out those Parties appointed and they shall also be identified in the relevant Prospectus. Where a Party is specified as a party to the Trust Instrument, that Party's relationship with the Issuer is to act, where applicable, according to that Party's role as set out in the Agency Agreement.

The appointment of a Party will terminate if that Party becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or if a resolution is passed or an order made for the winding up or dissolution of the Party.

The Issuer may appoint a Party and/or terminate the appointment of any Party by giving at least 60 days' notice to that effect provided that no such termination of the appointment of the Party shall take effect until a successor has been appointed and provided further that no such termination shall take effect if as a result of such termination there would cease to be an appointment in that role. The Issuer will obtain the prior written approval of the Trustee to any appointment or termination by it and take appropriate steps to notify any such appointment or termination to the holders of the Notes.

FURTHER INFORMATION CONCERNING THE TRUST INSTRUMENT

General

The Trust Instrument for each Series of Notes will be dated the Issue Date and will be made between the Issuer, the Trustee (as specified in the relevant Prospectus) and the other parties named therein. It will be entered into for the purpose of constituting and securing the Notes and setting out the terms of the agreement made between the parties specified therein in relation to the Notes. Set out below is a summary of the main provisions.

Provisions Relating to the Issuer and the Trustee

The Trust Instrument shall contain standard provisions which set out various obligations of the Issuer and the Trustee.

The Trust Instrument shall set out the covenants of the Issuer, including, inter alia, provisions relating to its duty to provide various persons with information, to prepare and display certain information, to only do such things as are contemplated within the Trust Instrument (most importantly, in relation to the issue of the Notes and other limited recourse investments which it is permitted to enter into) and its duties with respect to its obligations in respect of the Notes.

The Trust Instrument also shall set out the basis for the remuneration, reimbursement of expenses, termination and indemnification of the Trustee in respect of its duties. The Trust Instrument shall set out the conditions for replacement of the Trustee; in particular that a replacement trustee must be approved by the Issuer and Noteholders (in the case of both retirement and removal of the Trustee). There will, however, always be a Trustee in place. Provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties will also be included.

Form of the Notes

The Trust Instrument shall set out the Issuer's covenant to pay in respect of, and certain provisions relating to, the Notes constituted and secured by the Trust Instrument. It also shall set out the form of the Notes themselves (both global and definitive forms).

Replacement and Removal of a Trustee

The power of appointing a new Trustee in respect of any Series of Notes shall be vested in the Issuer but no person shall be so appointed who shall not have previously been approved by the Swap Counterparty. A trust corporation shall at all times be Trustee in respect of the Notes and may be sole Trustee. Any appointment of a new Trustee shall as soon as practicable thereafter be notified by the Issuer to the Investors.

Noteholders and/or the Swap Counterparty (but subject to the consent of the Noteholders) shall have power (exercisable in the case of the Noteholder by investor decision) to remove any Trustee in respect of any Series of Notes provided that the removal of any sole Trustee or sole trust corporation shall not become effective until a trust corporation is appointed as successor Trustee. The Issuer will undertake that if an investor decision is passed for a Trustee's removal it shall use all reasonable endeavours to procure that another trust corporation be appointed as Trustee.

CAYMAN ISLANDS TAX INFORMATION

Cayman Islands Tax Considerations

This summary is of a general nature and is included herein solely for information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should consult their own tax advisers with respect to their particular circumstances and the effects of state, local or foreign laws, including Cayman Islands tax law to which they may be subject.

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under existing Cayman Islands laws:

- (i) Payments of interest and principal on the Notes and dividends and capital in respect of the Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal or a dividend or capital to any holder of the Notes or Shares, as the case may be, nor will gains derived from the disposal of the Notes or Shares be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.
- (ii) No stamp duty is payable in respect of the issue of the Notes. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.
- (iii) No stamp duty is payable in respect of the issue of the Notes and the Certificates. An instrument of transfer in respect of a Note or a Certificate is stampable if executed in or brought into the Cayman Islands.

The Issuer has been incorporated under the laws of the Islands as an exempted company and, as such, has applied for and has obtained an undertaking from the Governor in Council (now known as Governor in Cabinet) of the Islands in the following form:

“THE TAX CONCESSIONS LAW

(1999 REVISION)

UNDERTAKING AS TO TAX CONCESSIONS

In accordance with the provisions of Section 6 of the Tax Concessions Law (1999 Revision) the Governor In Council undertakes with Earls Eight Limited (the “**Company**”):

- (a) that no Law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or

- (ii) by way of the withholding in whole or in part of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (1999 Revision).

These concessions shall be for a period of TWENTY years from the 2nd day of April 2002.

Governor In Council”.

THE FOREIGN ACCOUNT TAX COMPLIANCE ACT

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting or related requirements. The Issuer has registered with the U.S. Internal Revenue Service as a reporting foreign financial institution for these purposes.

A number of jurisdictions (including the Cayman Islands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer) and/or characterised as equity for U.S. tax purposes. However, if additional notes (as described under “*Terms and Conditions of the Notes – Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

The Cayman Islands has entered into a Model 1 IGA (the “**US IGA**”) with the United States. Under the terms of the US IGA, the Issuer is required to register with the U.S. Internal Revenue Service (“**IRS**”) to obtain a Global Intermediary Identification Number (“**GIIN**”) and then comply with the Cayman Islands Tax Information Authority Law (2017 Revision) together with regulations and guidance notes made pursuant to such Law (the “**Cayman FATCA Legislation**”) that give effect to, amongst other things, the US IGA. As such, the Issuer or its agent is required to collect and report to the Cayman Islands Tax Information Authority substantial information regarding certain holders of Notes. Under the terms of the US IGA (i) the Cayman Islands Tax Information Authority will exchange such information with the IRS and (ii) withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the Issuer as a non-participating financial institution, or on payments made by the Issuer to the holders of Notes unless the Issuer has otherwise assumed responsibility for withholding under United States tax law. The Issuer has obtained a GIIN and intends to comply with the Cayman FATCA Legislation.

The Cayman Islands has also (i) entered into a similar intergovernmental agreement (the “**UK IGA**”) with the United Kingdom, which imposes requirements similar to those under the US IGA with respect to holders of Notes who are resident in the United Kingdom for tax purposes and (ii) signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the “**CRS**”), which requires “Financial Institutions” to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS. The Issuer must also adopt and implement written policies and procedures setting out how it will address its obligations under the CRS.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event that any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Issuer will enter into a Purchase Agreement with an Arranger in respect of each issue of Notes or Alternative Investments, pursuant to which the relevant Arranger will agree, among other things, to procure purchasers for such Notes or Alternative Investments.

United States

The Notes and Alternative Investments have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under the securities law of any state or political sub-division of the United States. No person has registered nor will register as a commodity pool operator of the Issuer under the United States Commodity Exchange Act of 1936, as amended (the “**CEA**”) and the rules thereunder (the “**CFTC Rules**”) of the Commodity Futures Trading Commission (the “**CFTC**”), and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The Notes and Alternative Investments are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act.

In particular, the Prospectus with respect to any U.S. Series of Notes or Alternative Investments may provide that the Issuer may arrange for the offer and resale of Notes or Alternative Investments in the United States in transactions exempt from the registration requirements of the Securities Act either to (i) QIBs that are also QPs within the meaning given to that term in Rule 2(a)(51) of the Investment Company Act, or (ii) IAIs that are also QPs, who are acquiring the Notes or Alternative Investments for investment purposes and not with a view to the resale or distribution thereof.

In addition, unless otherwise specified in the relevant Prospectus, each purchaser or holder of a Note or Alternative Investment shall be deemed to have represented by such purchase and/or holding that it is not a Benefit Plan Investor, is not using the assets of a Benefit Plan Investor to acquire the Notes or Alternative Investments, and shall not at any time hold such Notes or Alternative Investments for or on behalf of a Benefit Plan Investor. For the purposes of this Prospectus, “Benefit Plan Investor” means (a) an employee benefit plan (as defined in Section 3(3) of ERISA), whether or not subject to ERISA, (b) a plan described in Section 4975(e)(1) of the Internal Revenue Code or (c) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity under U.S. Department of Labor Regulations § 2510.3-101 (29 C.F.R. § 2510.3-101).

Certificates in respect of a U.S. Series of Notes or Alternative Investments offered and sold to investors in the United States will bear a restrictive legend in the form set forth in the applicable Prospectus.

Bearer Notes or Alternative Investments are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Internal Revenue Code and regulations thereunder.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes and Alternative Investments outside the United States to persons that are not (i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) and for the private placement of the Notes and Alternative Investments in the United States and for the listing of the Notes or Alternative Investments on the Irish Stock Exchange.

The Notes of a Non-U.S. Series and Alternative Investments may not be offered, sold, pledged or otherwise transferred except in an “Offshore Transaction” (as such term is defined under Regulation S under the Securities Act) to or for the account or benefit of a Permitted Transferee.

The following definitions shall apply for the purposes of this United States selling and transfer restriction:

“**Permitted Transferee**” means any person who is not:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S;
- (b) a U.S. person as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act; or
- (c) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not “Non-United States persons”, shall be considered a U.S. person).

Transfers of Notes or Alternative Investments within the United States or to any person other than a Permitted Transferee are prohibited. Any transfer of Notes or Alternative Investments to a person other than a Permitted Transferee (a “**Non-Permitted Transferee**”) will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note. The Issuer shall have the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law); or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 8.3.

The foregoing restrictions on the offer, sale, pledge or other transfer of Notes or Alternative Investments to a Non-Permitted Transferee may adversely affect the ability of an investor in the Notes or Alternative Investments to dispose of the Notes or Alternative Investments in the secondary market, if any, and significantly reduce the liquidity of the Notes or Alternative Investments. As a result, the value of the Notes or Alternative Investments may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, “**U.S. person**” means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (ii) Formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

As defined in Section 15G of the Exchange Act, a "**U.S. person**" means:

- (a) Any natural person resident in the United States;
- (b) Any partnership, corporation, limited liability company, or other organization or entity organized or incorporated under the laws of any U.S. state or under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person (as defined under any other clause of this definition);
- (d) Any trust of which any trustee is a U.S. person (as defined under any other clause of this definition);
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person (as defined under any other clause of this definition);
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) Organized or incorporated under the laws of any foreign jurisdiction; and
 - (ii) Formed by a U.S. person (as defined under any other clause of this definition) principally for the purpose of investing in securities not registered under the Securities Act.

As defined in CFTC Rule 4.7, modified as indicated above, "**Non-United States person**" means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10 per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission's regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC's interpretive guidance and policy statement regarding compliance with certain swap regulations, 78 Fed. Reg. 45292, 316 (Jul. 26, 2013), "**U.S. person**" includes, but is not limited to:

- (a) Any natural person who is a resident of the United States;
- (b) Any estate of a decedent who was a resident of the United States at the time of death;
- (c) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund or any form of enterprise similar to any of the foregoing (other than an entity described in clauses (d) or (e), below) (a "legal entity"), in each case that is organized or incorporated under the laws of a state or other jurisdiction in the United States or having its principal place of business in the United States;
- (d) Any pension plan for the employees, officers or principals of a legal entity described in clause (c), unless the pension plan is primarily for foreign employees of such entity;
- (e) Any trust governed by the laws of a state or other jurisdiction in the United States, if a court within the United States is able to exercise primary supervision over the administration of the trust;
- (f) Any commodity pool, pooled account, investment fund, or other collective investment vehicle that is not described in clause (c) and that is majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e), except any commodity pool, pooled account, investment fund, or other collective investment vehicle that is publicly offered only to non-U.S. persons and not offered to U.S. persons;
- (g) Any legal entity (other than a limited liability company, limited liability partnership or similar entity where all of the owners of the entity have limited liability) that is directly or indirectly majority-owned by one or more persons described in clause (a), (b), (c), (d), or (e) and in which such person(s) bears unlimited responsibility for the obligations and liabilities of the legal entity; and
- (h) Any individual account or joint account (discretionary or not) where the beneficial owner (or one of the beneficial owners in the case of a joint account) is a person described in clause (a), (b), (c), (d), (e), (f), or (g).

Each prospective purchaser of the Notes or Alternative Investments, by accepting delivery of this Base Prospectus and the Notes or Alternative Investments, and each transferee of the Notes or Alternative Investments by accepting the transfer of the Notes or Alternative Investments, will be deemed to have represented and agreed as follows:

- (a) it understands that the Notes or Alternative Investments have not been and will not be registered under the Securities Act and agrees that it will not, at any time during the term of the Notes or Alternative Investments, offer, sell, pledge or otherwise transfer the Notes or Alternative Investments, except (a) (in the case of a Non-U.S. Series or a U.S. Series) in an "Offshore Transaction" (as such term is defined under Regulation S under the Securities Act) to or for the account of a Permitted Transferee, or (b) (in the case of a U.S. Series only) within the United States to (i) QIBs that are also QPs, or (ii) institutions that qualify as IAs that are also QPs, who are acquiring the Notes or Alternative Investments for investment purposes and not with a view to resale or distribution thereof;
- (b) it understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CEA Rules;
- (c) (i) it is a Permitted Transferee and (ii) if it is acting for the account or benefit of another person, such other person is also a Permitted Transferee;

- (d) it understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Notes or Alternative Investments to certify periodically that such legal or beneficial owner is a Permitted Transferee;
- (e) it understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Notes or Alternative Investments in violation of the transfer restrictions applicable to the Notes or Alternative Investments;
- (f) it understands and acknowledges that the Issuer has the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law) or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 8.3;
- (g) it agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the Notes or Alternative Investments;
- (h) it understands that Notes or Alternative Investments will bear a legend regarding the restrictions set forth herein; and
- (i) it understands that any purported transfer in violation of the transfer restrictions applicable to the Notes or Alternative Investments will be void *ab initio* and will not operate to transfer any rights to the Non-Permitted Transferee.

The Notes and Alternative Investments have not been approved or disapproved by the United States Securities and Exchange Commission (“SEC”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the Notes or the Alternative Investments. Any representation to the contrary is a criminal offence. Furthermore, the Notes and Alternative Investments do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the Notes or the Alternative Investments nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the Notes.

European Economic Area

From 1 January 2018, unless the relevant Prospectus in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each dealer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Prospectus in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the relevant Prospectus in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each dealer has represented and agreed, and each further dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Prospectus in relation to the Notes or Alternative Investments specifies that an offer of those Notes or Alternative Investments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes or Alternative Investments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Prospectus contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Purchaser or Purchasers nominated by the Issuer for any such offer;
- (c) at any time if the denomination per Note being offered amounts to at least EUR 100,000 (or equivalent); or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Unless otherwise provided in the relevant Purchase Agreement, the Arranger will in each Purchase Agreement to which it is party represent, warrant and agree in relation to the Notes or Alternative Investments to be purchased thereunder that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer;
- (b) in relation to any Notes which must be redeemed before the first anniversary of the date of their issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or

disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA, by the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA), with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Cayman Islands

No invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for any of the Notes or Alternative Investments unless at the time of such invitation the Issuer is listed on the Cayman Islands Stock Exchange.

Japan

The Notes and Alternative Investments have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Law**”). Accordingly, each of the Arrangers will in each Purchase Agreement to which it is party represent, warrant and agree that in connection with Notes or Alternative Investments denominated in yen or in respect of which amounts may be payable in yen it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes or Alternative Investments in Japan or to, or for the benefit of, a resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Law and other relevant laws, regulations and ministerial guidelines of Japan. As used in this paragraph, “**resident of Japan**” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Arranger following a change in a relevant law, regulation or directive. Any such modification will be set out in the Prospectus issued in respect of the issue of Notes or Alternative Investments to which it relates or in a supplement to this Base Prospectus.

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes or Alternative Investments, or possession or distribution of the Base Prospectus or any part thereof or any other offering material or any Prospectus, in any country or jurisdiction where action for that purpose is required.

Unless otherwise provided in the relevant Purchase Agreement, the Arranger will in each Purchase Agreement to which it is party agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or Alternative Investments or has in its possession or distributes the Base Prospectus or any part thereof any other offering material or any Prospectus in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Arranger shall have responsibility therefor.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in the Cayman Islands at the date of this Base Prospectus in connection with the issue and performance of the Notes and the Alternative Investments. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 5 April 2002. The issue of this Base Prospectus was authorised by a resolution of the Board of Directors of the Issuer passed on 19 February 2018.
- (2) There has been no significant change in the financial or trading position of the Issuer, and no material adverse change in the financial position or prospects of the Issuer in each case, since its incorporation on 20 March 2002.
- (3) The Issuer is not involved in any litigation, governmental or arbitration proceedings which may have, or have had since its incorporation on 20 March 2002, a significant effect on its financial position, nor is the Issuer aware that such proceedings are pending or threatened.
- (4) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code of 1986, as amended.
- (5) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, International Securities Identification Number (ISIN), CUSIP and CINS numbers and PORTAL symbol (if any) for each Series of Notes will be set out in the relevant Prospectus. Clearance arrangements (if any) for any Alternative Investments will be as set out in the Prospectus relating thereto.
- (6) From the date of this Base Prospectus and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available, during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection (either physically or electronically) at the registered office of the Issuer and the specified offices of the Trustee, the Agent and the Paying Agent in Ireland (and copies of the documents specified in sub-paragraphs (iii) and (iv) below may be obtained free of charge from the specified office of the Paying Agent in Ireland):
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the Declaration of Trust;
 - (iii) this Base Prospectus and any supplement to this Base Prospectus;
 - (iv) any Prospectus which has been admitted to the Official List of the Irish Stock Exchange;
 - (v) the Trust Instrument relating to each issue of Notes or Alternative Investments and each document incorporated by reference into such Trust Instrument;
 - (vi) such other documents (if any) as may be required by any stock exchange on which any Note or Alternative Investment is at the relevant time listed.
- (7) The Issuer is a company incorporated under the laws of the Cayman Islands. No Director of the Issuer is a resident of the United States, and all or a substantial portion of the assets of the Issuer and such persons are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or such persons or to enforce against any of them in the United States courts judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.

- (8) So long as any of the Notes or Alternative Investments are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, unless it becomes subject to and complies with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of Notes or Alternative Investments that are restricted securities, or to any prospective purchaser of Notes or Alternative Investments that are restricted securities designated by a holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.
- (9) The Issuer will promptly publish a supplement to this Base Prospectus or new Base Prospectus in accordance with Article 16 of the Prospectus Directive in the event of any significant new factor, material mistake or inaccuracy.
- (10) No websites that are cited or referred to in this Base Prospectus shall be deemed to form part of, or to be incorporated by reference into, this Base Prospectus.

REGISTERED OFFICE OF THE ISSUER

c/o Maples Corporate Services Limited

Ugland House
P.O. Box 309
Grand Cayman
KY1-1104
Cayman Islands

TRUSTEE

as specified in the relevant Prospectus

ISSUING AND PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB

PAYING AGENT

**Deutsche International Corporate Services
(Ireland) Limited**
5, Harbourmaster Place
Dublin 1
Ireland

CUSTODIAN

as specified in the relevant Prospectus

PAYING AGENT AND TRANSFER AGENT

as specified in the relevant Prospectus

REGISTRAR AND TRANSFER AGENT

as specified in the relevant Prospectus

LEGAL ADVISERS

*To the Issuer as to
Cayman Islands law*

Maples and Calder
Ugland House
P.O. Box 309
Grand Cayman
KY1-1104
Cayman Islands

*To the Arranger
as to English law*

Simmons & Simmons LLP
CityPoint
One Ropemaker Street
London EC2Y 9SS

LISTING AGENT

*for Notes or Alternative Investments listed
on the Irish Stock Exchange*

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2Y 2DB