SUPPLEMENT

Jefferies

Jefferies Group LLC

U.S.$2,000,000,000 Euro Medium Term Note Programme

This Fifth Supplement dated 12 January 2018 (this "**Supplement**") to the Base Prospectus dated 28 April 2017 (as supplemented by the First Supplement dated 21 June 2017, the Second Supplement dated 11 July 2017, the Third Supplement dated 26 September 2017 and the Fourth Supplement dated 17 October 2017, the "**Base Prospectus**") is prepared in connection with the U.S.$2,000,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Jefferies Group LLC (the "**Issuer**").

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This document constitutes a Supplement for the purposes of the Prospectus Directive. References herein to this document are to this Supplement including the document annexed hereto. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement, is in accordance with the facts and does not omit anything likely to affect the import of such information.

Current Report

A copy of the Issuer's current report on Form 8-K, as filed with the United States Securities and Exchange Commission (the "**SEC**") on 19 December 2017, has been filed with the Central Bank and is annexed hereto.

Additional Legends in Base Prospectus

The following legends shall be inserted at the end of the "Important Notices" section on page (iv) of the Base Prospectus:

> "**IMPORTANT — EEA RETAIL INVESTORS –** If the Final Terms (or Pricing Supplement) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, 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. 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms (or Pricing Supplement) 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."

Additional Risk Factors

The following additional risk factors shall be inserted under the heading "*Risk Factors – Risks related to the market generally"*:

"*Regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rate benchmarks may cause such "benchmarks" to perform differently than in the past, or to be discontinued, or have other consequences which cannot be predicted*

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to be discontinued, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any notes linked to such a "benchmark".

On 17 May 2016, the Council of the European Union adopted the EU Regulation on Indices used as benchmarks and financial instruments and financial contracts or to measure the performance of investment funds (the "**Benchmark Regulation**"). The Benchmark Regulation entered into force on 30 June 2016 and, subject to certain transitional provisions, will apply from 1 January 2018. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, will apply to many other interest rate indices which may be referenced in the Notes. The Benchmark Regulation could have a material impact on "benchmark" rates or indices. In particular, the methodology or other terms of a "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes.

The Benchmark Regulation and any other international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market

participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuation of certain "benchmarks". The discontinuation of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustment to the Conditions, early redemption, delisting or other consequence in relation to Notes linked to such "benchmark". Any such consequence could have a material adverse effect on the value of and return on any such Notes.

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR

On 27 July 2017, the Chief Executive of the United Kingdom Financial Conduct Authority, which regulates LIBOR, announced that it does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forward. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted.

Investors should be aware that, if LIBOR were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes. Depending on the manner in which the LIBOR rate is to be determined under the Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR."

Additional Legends in Forms of Final Terms and Pricing Supplement

The following optional legend and footnote shall be deemed to be inserted (i) on the first page of the "Form of Final Terms" immediately prior to the heading "Final Terms dated [●]" and (ii) on the first page of the "Form of Pricing Supplement" immediately prior to the heading "Pricing Supplement dated [●]":

"[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. 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 ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, 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. 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.[1]]

[**MIFID II Product Governance** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering,

selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] 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 manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

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1. Legend to be included if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable"."

Amendment to Form of Final Terms and Pricing Supplement

The following subparagraph shall be deemed to be inserted (i) as subparagraph "(iv)" at the end of item 6 of Part B of the "Form of Final Terms" and (ii) as subparagraph "(v)" at the end of item 6 of Part B of the "Form of Pricing Supplement":

"(iv)/(v) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]"

EEA Selling Restriction

The section "*Subscription and Sale – European Economic Area*" of the Base Prospectus shall be replaced with the following:

"Unless the Final Terms (or Pricing Supplement) in respect of any Notes specifies "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 Final Terms (or Pricing Supplement, as the case may be) 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 Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2002/92/EC, as amended, 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 "**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.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed 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 any Notes which are the subject of the offering contemplated by this Base Prospectus to the public in that Relevant Member State,

except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of any Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

Amendments to Condition 11 (Taxation)

Condition 11 (*Taxation*) of the Terms and Conditions of the Notes in the Base Prospectus shall be revised as follows (underlined text being added and struck through text being deleted):

"11. Taxation

The Issuer will, subject to the exceptions and limitations set forth below, pay as additional amounts to the holder of any Note that is beneficially owned by a Non-United States Person such amounts as may be necessary so that every net payment on such Note, after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the United States, will not be less than the amount provided in such Note to be then due and payable. However, the Issuer will not be required to make any such payment of additional amounts for or on account of:

(a) any tax, assessment or other government charge that would not have been imposed but for (i) the existence of any present or former connection (or relationship) between ~~a~~ such Noteholder or beneficial owner of such Note (or between a fiduciary, settlor or beneficiary of, or a person holding a power over, such holder~~s~~ or beneficial owner, if such holder or beneficial owner is an estate or a trust, or a member or shareholder of such holder, if such holder is a partnership or corporation) and the United States, including, without limitation, such holder or beneficial owner (or such fiduciary, settlor, beneficiary, person holding a power, member or shareholder) being or having been a citizen or resident thereof or being or having been engaged in trade or business or present therein or having or having had a permanent establishment therein or (ii) such Noteholder's past or present status as a personal holding company, foreign personal holding company, foreign private foundation or other foreign tax-exempt organisation with respect to the United States, passive foreign investment company, controlled foreign corporation or as a corporation that accumulates earnings to avoid United States federal income tax; or

(b) any estate, inheritance, gift, sales, transfer, excise, wealth or personal property tax or any similar tax, assessment, withholding, deduction or other governmental charge; or

(c) any tax, assessment or other governmental charge that would not have been imposed but for: (i) the presentation by the holder of a Note for payment more than 30 days after the Relevant Date; or (ii) a change in law, regulation or administrative or judicial interpretation that becomes effective more than 15 days after the payment becomes due or is duly provided for, whichever occurs later; or

(d) any tax, assessment or other governmental charge that is payable otherwise than by deduction or withholding from a payment on a Note; or

(e) any tax, assessment or other governmental charge required to be deducted or withheld by any Paying Agent from a payment on a Note, if such payment can be made without such deduction or withholding by any other Paying Agent; or

(f) any tax, assessment or other governmental charge that would not have been imposed but for a failure to comply with applicable certification, documentation, identification, information or other reporting requirement concerning the nationality, residence, identity or connection with the United States of the holder or the beneficial owner of a Note if such compliance is required by statute or regulation of the United States or by a tax treaty of the United States, as a precondition to relief or exemption from such tax, assessment or other government charge; or

(g) any tax, assessment or other governmental charge imposed on (i) a holder or beneficial owner that actually or constructively owns 10 per cent. or more of the combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership or is a bank that acquired such Note (or beneficial interest therein) in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, or (ii) contingent interest as described in Section 871(h)(4) of the Code (generally, interest that is determined with reference to the cash flow, profitability, value of property of, or distributions of the Issuer or a related person thereto); or

(h) any tax, assessment or other governmental charge which is imposed by the United States pursuant to Sections 1471 to 1474 of the Code (the so-called "FATCA" provisions), any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to any inter-governmental agreement between the United States and any other jurisdiction which facilitates FATCA or any agreement pursuant to the implementation of FATCA with the United States; or

(i) any tax, assessment or other governmental charge which is imposed by the United States (i) on any "dividend equivalent" within the meaning of Section 871(m) of the Code or (ii) as a result any Note being characterised, in whole or in part, as something other than debt for U.S. federal income tax purposes; or

(j) a payment on a Note to a holder or beneficial owner that is a fiduciary, partnership, limited liability company or other fiscally transparent entity or other than the sole beneficial owner of such payment to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a

beneficial owner would not have been entitled to the additional interest had such beneficiary, settlor, member or beneficial owner been the holder of such Note; or

(k) any tax, assessment or other governmental charge imposed in whole or in part by reason of such holder's or beneficial owner's past or present status as a corporation that accumulates earnings to avoid U.S. federal income tax or as a private foundation, a foreign private foundation or other tax-exempt organization; or

~~(k)~~(l) any combination of sub-paragraphs (a) to ~~(j)~~(k) above."

Any statement contained in the Base Prospectus or a document incorporated by reference in the Base Prospectus shall be considered to be modified or superseded to the extent that a statement contained or incorporated by reference in this Supplement or in any other subsequently filed document that is incorporated by reference in the Base Prospectus modifies or supersedes such statement.

Certain statements included or incorporated by reference herein may constitute "forward looking statements". Forward looking statements include statements about the Issuer's future and statements that are not historical facts. These forward looking statements are usually preceded by the words "believe," "intend," "may," "will," or similar expressions. Forward looking statements may contain expectations regarding revenues, earnings, operations and other financial projections, and may include statements of future performance, plans and objectives. Forward looking statements also include statements pertaining to the Issuer's strategies for future development of its business and products. Forward looking statements represent only the Issuer's belief regarding future events, many of which by their nature are inherently uncertain. It is possible that the actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. Information regarding important factors that could cause actual results to differ, perhaps materially, from those in the Issuer's forward looking statements is contained in the Base Prospectus and other documents the Issuer files. Any forward looking statement speaks only as of the date on which that statement is made. The Issuer will not update any forward looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as required by applicable law.

Where there is any inconsistency among the Base Prospectus and this Supplement, the language used in this Supplement shall prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of this Supplement.

Save as disclosed in this Supplement, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, since 31 August 2017. Save as disclosed in the Base Prospectus and this Supplement, there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole since 30 November 2016.