

Offering Circular

Takumi Capital Limited

(an exempted company incorporated in the Cayman Islands with registered number MC-264016)

Limited Recourse Secured Note and Warrant Programme

Under the Limited Recourse Secured Note and Warrant Programme (the "**Programme**") described in this Offering Circular (the "**Offering Circular**") and arranged by SMBC Nikko Capital Markets Limited (the "**Arranger**"), it is intended that Takumi Capital Limited (an exempted company incorporated in the Cayman Islands with registered number MC-264016) (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes (the "**Notes**") in connection with the contemporaneous issue of secured warrants related to such Notes (the "**Warrants**" and, together with the Notes, the "**Securities**") in respect of certain underlying securities (the "**Collateral**") (as specified in the relevant pricing supplement (each, a "**Pricing Supplement**") with respect to the relevant Securities).

The Issuer is a party to an amended and restated principal trust deed dated on or around the date of this Offering Circular (the "**Principal Trust Deed**"), as further amended and supplemented from time to time, entered into between the Issuer and BNY Mellon Corporate Trustee Services Limited as trustee (the "**Trustee**") and certain other Master Documents (as defined in "Overview of the Programme" herein).

Notes and Warrants issued under the Programme will each be issued in Series and one or more Tranches of such Series may be issued either (i) pursuant to this Offering Circular and associated Pricing Supplement; or (ii) pursuant to a separate prospectus relating to each relevant Tranche (a "**Tranche Prospectus**") (which term shall include those documents incorporated by reference into it in accordance with its terms and save as provided therein). Any Tranche Prospectus shall include the relevant Pricing Supplement for the relevant Securities. The Pricing Supplement, together with the relevant Master Conditions (as defined below) for such Securities, shall constitute the terms and conditions (the "**Conditions**") of such Securities. For the avoidance of doubt, each Series of Notes and each Series of Warrants will be issued pursuant to its own separate Pricing Supplement or Tranche Prospectus, as applicable.

Each Series of Notes will be issued in conjunction with a related Series of Warrants and *vice versa* (each, a "**Related Series of Notes**" and a "**Related Series of Warrants**", respectively and, together, a "**Related Series of Securities**"), in each case as identified in the relevant Pricing Supplement with respect to the relevant Securities.

The payment and delivery obligations of the Issuer in respect of a Related Series of Securities, together with the Issuer's payment obligations under the Trust Deed and Swap Agreement to the extent that they relate to such Related Series of Securities (each as defined in the master terms and conditions of the Notes (the "**Master Note Conditions**") and the master terms and conditions of the Warrants (the "**Master Warrant Conditions**") and, together, the "**Master Conditions**"), each set out herein and certain payment obligations of the Issuer to the Custodian, the Issuing and Paying Agent, Note Calculation Agent, Disposal Agent, Principal Warrant Agent and Warrant Calculation Agent in relation to such Related Series of Securities will be secured primarily by English law charges and assignments in favour of the Trustee on behalf of the Secured Creditors (as defined in the Master Conditions) over: (i) certain assets and property which may take the form of transferable securities, loans, deposits, shares or any other asset or property acquired and or held by the Issuer in connection with such Related Series of Securities and all property, assets and sums derived therefrom; (ii) all the Issuer's rights attaching to or relating to the assets and property (including the benefit of any contractual rights relating thereto) described in (i); (iii) the rights of the Issuer under the Swap Agreement and the Transaction Documents (each as defined in the Master Conditions) to the extent that they relate to the relevant Related Series of Securities; and (iv) all sums and assets held by the Agents and the Warrant Agents (each as defined in the Master Note Conditions and the Master Warrant Conditions) in relation to such Related Series of Securities. The Collateral, the Swap Agreement and any assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned to the Trustee, as the case may be, securing a Related Series of Securities are referred to in this Offering Circular as the "**Mortgaged Property**" for such Related Series of Securities. The holders of a Related Series of Securities will have recourse only to the Mortgaged Property for that Related Series of Securities, subject always to the Security (as defined in the Master Note Conditions and Master Warrant Conditions), and no other assets of the Issuer will be available to pay any claims with respect to the Notes and Warrants comprised in such Related Series of Securities.

This document constitutes Base Listing Particulars (the "**Base Listing Particulars**") where Securities are to be listed on the Official List and admitted to trading on the Global Exchange Market, which is the exchange regulated market of the Irish Stock Exchange (the "**GEM**"), and, with respect to such Securities, a reference to the Offering Circular in this document shall be deemed to be a reference to the Base Listing Particulars. Where Securities are to be listed on the Official List and admitted to trading on the GEM, Securities may only be issued using a Tranche Prospectus, which document shall constitute a Tranche Listing Particulars with respect to such Securities (the "**Tranche Listing Particulars**") and, with respect to such Securities, a reference to a Tranche Prospectus in this document shall be deemed to be a reference to the relevant Tranche Listing Particulars. Application has been made to the Irish Stock Exchange for the approval of this document as Base Listing Particulars.

Application has been made to the Irish Stock Exchange for Securities to be issued under the Programme to be admitted to the Official List and trading on the GEM. The GEM is not a regulated market for the purposes of Directive 2004/39/EC. However, unlisted Securities may be issued pursuant to the Programme and Securities may be listed on such other stock exchange(s) or markets as may be specified in the relevant Pricing Supplement or Tranche Prospectus, as applicable. The relevant Pricing Supplement or Tranche Prospectus, as applicable, in respect of the issue of any Securities, will specify whether or not application has been made for such Securities to be listed on the Irish Stock Exchange (or any other stock exchange) and to be admitted to trading on the GEM or other stock exchange(s) or markets, provided that where Securities are to be listed on the Official List and admitted to trading on the GEM, such Securities may only be issued using a Tranche Prospectus which document shall constitute Tranche Listing Particulars for the purposes of such listing.

Each Series of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**" and together with a temporary Global Note, a "**Global Note**"). Notes in registered form ("**Registered Notes**") will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). Global Notes and Global Certificates will be deposited on the issue date of the relevant Tranche with a common depository (the "**Common Depository**") on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). The provisions governing the exchange or transfer, as the case may be, of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes while in Global Form".

Each Series of Warrants will be in registered form and will be represented by a global warrant (each, a "**Global Warrant**"). The Global Warrants will be issued and deposited with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"), or with a common depository for any additional or alternative clearing system which is specified in the relevant Pricing Supplement or Tranche Prospectus, as applicable, on the date of the issue of the relevant Series of Warrants. Warrants in definitive form will not be available. The persons appearing in the books of the relevant clearing system(s) as holding Warrants shall be treated as Warrantholders.

Prospective purchasers of Notes and/or Warrants should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks, and should consider the suitability of the relevant Securities as an investment in light of their own circumstances and financial condition. Notes and Warrants involve a high degree of risk. Prospective purchasers of Notes and/or Warrants should be prepared to sustain a total loss of the purchase price of the relevant Securities. Prospective purchasers of Notes and/or Warrants should have regard to the factors described in "Risk Factors" and, in particular, to the limited recourse nature of the Securities and the fact that the Issuer is a special purpose vehicle. This Offering Circular does not describe all of the risks of an investment in the Securities.

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

Arranger
SMBC Nikko

The date of this Offering Circular is 21 December 2015.

This Offering Circular does not constitute a “prospectus” for the purposes of Directive 2003/71/EC (as amended by Directive 2010/73/EU, the “**Prospectus Directive**”) and has not been reviewed by any competent authority for the purposes of the Prospectus Directive.

This Offering Circular is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Offering Circular. 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 Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information. Any website mentioned in this Offering Circular does not form part of the Offering Circular.

In addition to the Issuer, the Arranger accepts responsibility for the information contained in the sections of this Offering Circular entitled “Sumitomo Mitsui Banking Corporation” and “SMBC Nikko Capital Markets Limited”. To the best of the knowledge and belief of the Arranger (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer has not conducted any due diligence of the information regarding Sumitomo Mitsui Banking Corporation or SMBC Nikko Capital Markets Limited in this Offering Circular. This information has been accurately reproduced from publicly available information identified by the Arranger and, so far as the Issuer is aware and is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The delivery of this Offering Circular at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Securities 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. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Offering Circular has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities, which are the subject of an offering contemplated in this Offering Circular as completed by the relevant Pricing Supplement or Tranche Prospectus, as applicable, in relation to the offer of those Securities, may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

The Issuer, having made all reasonable enquiries, confirms that this document contains all information with respect to it and the Securities issued by the Issuer that is material in the context of the issue and offering of the Securities, the statements contained in this Offering Circular relating to it are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to it are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Securities the omission of which would, in the context of the issue and offering of the Securities, make any statement in this Offering Circular misleading in any material respect and all

reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular and the relevant Pricing Supplement or Tranche Prospectus, as applicable, in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealer(s) or the Arranger (as defined in “Overview of the Programme”). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offer or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealer(s) and the Arranger to inform themselves about and to observe any such restriction. The Securities and the Collateral to be delivered upon exercise of the Warrants have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”). Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”). For a description of certain restrictions on offers and sales of Securities and on distribution of this Offering Circular, see “Subscription and Sale”.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealer(s) or the Arranger to subscribe for, or purchase, any Securities.

None of the Dealer(s), the Arranger or any other Transaction Party (as defined in the Master Conditions) have separately verified the information contained in this Offering Circular and accordingly none of them 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 Securities or their distribution. To the fullest extent permitted by law, none of the Arranger, the Dealer(s) or any other Transaction Party accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Securities. Each of the Arranger, the Dealer(s) and other Transaction Parties accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement, and none of them accepts any responsibility or liability therefor. None of the Arranger, the Dealer(s) or any other Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular or to advise any investor or potential investor in the Securities of any information coming to their attention.

Prospective investors of Notes and/or Warrants should have regard to the relevant factors described under the section headed “Risk Factors” in this Offering Circular and should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the relevant Securities as they deem appropriate to evaluate the merits and risks of an investment in the relevant Securities. Prospective purchasers of Notes and/or Warrants should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Offering Circular and the relevant Pricing Supplement or Tranche Prospectus, as applicable, and the merits and risks of investing in the relevant Securities in the

context of their financial position and circumstances. The risk factors identified in this Offering Circular are provided as general information only and the Dealer(s), the Arranger and the other Transaction Parties disclaim any responsibility to advise purchasers of Securities of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

This Offering Circular does not describe all of the risks of an investment in the Securities. Neither this Offering Circular nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Dealer(s) or any other Transaction Party that any recipient of this Offering Circular or any other financial statements should purchase the relevant Securities. None of the Arranger, the Dealer(s) or any other Transaction Party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes and/or Warrants of any information coming to the attention of any of the Arranger, the Dealer(s) or any other Transaction Party.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “euro”, “€” and “EUR” are to the lawful currency of those Member States of the European Union that have adopted the single currency of the European Union, references to “dollars”, “U.S. dollars”, “USD”, “\$” and “U.S.\$” are to the lawful currency of the United States of America, references to “Sterling”, “GBP” and “£” are to the lawful currency of the United Kingdom and references to “Yen”, “JPY” and “¥” are to the lawful currency of Japan.

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Offering Circular and, in relation to each Series of Notes and Warrants, the relevant Pricing Supplement or Tranche Prospectus, as applicable, for the relevant Securities.

Capitalised terms used but not defined in this overview shall have the meaning given to them in the Master Note Conditions or Master Warrant Conditions, as applicable.

Except as otherwise specified herein, the following overview shall apply equally to both Notes and Warrants to be issued under the Programme.

Issuer:	Takumi Capital Limited
Description:	Limited Recourse Secured Note and Warrant Programme pursuant to which the Issuer may issue Related Series of Notes and Warrants.
Arranger:	SMBC Nikko Capital Markets Limited
Dealer(s):	SMBC Nikko Capital Markets Limited and/or any additional Dealer appointed from time to time by the Issuer for a specific issue or on a permanent basis.
Trustee:	BNY Mellon Corporate Trustee Services Limited
Issuing and Paying Agent:	The Bank of New York Mellon, London Branch
Principal Warrant Agent:	The Bank of New York Mellon, London Branch
Note Calculation Agent:	The Bank of New York Mellon, London Branch
Warrant Calculation Agent:	SMBC Nikko Capital Markets Limited
Determination Agent:	SMBC Nikko Capital Markets Limited, or such other agent as may be appointed as Determination Agent in respect of a Series of Notes from time to time, as specified in the relevant Note Pricing Supplement.
Custodian:	The Bank of New York Mellon, London Branch
Disposal Agent:	SMBC Nikko Capital Markets Limited, or such other agent as may be appointed as Disposal Agent in respect of the relevant Related Series of Securities from time to time.
Registrar and Transfer Agent(s):	The Bank of New York Mellon (Luxembourg) S.A. will act as Registrar in respect of each Series of Notes in registered form and the Transfer Agent(s) for such Series of Notes will be as specified in the relevant Note Pricing Supplement.
Swap Counterparty:	<p>In respect of each Related Series of Securities, SMBC Nikko Capital Markets Limited, or such other swap counterparty as may be specified in the relevant Pricing Supplements for such Securities.</p> <p>References herein to a “Swap Counterparty” are references to the Swap Counterparty to the relevant Swap Agreement relating to a Related Series of Securities.</p>
Swap Guarantor:	Where SMBC Nikko Capital Markets Limited is the Swap Counterparty, its obligations under the Swap Agreement will be guaranteed by Sumitomo Mitsui Banking Corporation.
Method of Issue:	Securities will be issued on a syndicated or non-syndicated basis. Notes and Warrants will each be issued in series (each a “Series”) having one or more issue dates and on terms

otherwise identical (or identical other than in respect of the issue price or, in the case of Notes, other than in respect of the first payment of interest), the Notes and Warrants of each Related Series of Securities being intended to be interchangeable with all other Notes and Warrants (as the case may be) of the same Related Series of Securities.

Each Series of Securities may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, nominal amount and (in the case of Notes) the first payment of interest of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Pricing Supplement for the relevant Securities.

Each Series of Notes will be issued in conjunction with a related Series of Warrants and *vice versa* (each, a “**Related Series of Notes**” and a “**Related Series of Warrants**”, respectively and, together, a “**Related Series of Securities**”), in relation to the same Collateral and secured on the same Mortgaged Property, in each case as specified in the relevant Pricing Supplement for the relevant Securities.

Issue Price:

Each Series of Securities will be issued at the relevant issue price specified in the relevant Pricing Supplement for the relevant Securities.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Securities may be issued in any currency as agreed between the Issuer, the Issuing and Paying Agent (in the case of Notes), the Principal Warrant Agent (in the case of Warrants) and the relevant Dealer(s).

Form of Notes:

Each Series of Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) only. Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

Each Tranche of Bearer Notes will be represented on issue 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 “Selling Restrictions” below), otherwise such Tranche will be represented by a permanent Global Note.

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to herein as “Global Certificates”.

Status of the Notes:

Each Series of Notes will be secured, limited recourse obligations of the Issuer ranking *pari passu* and without any preference among themselves. Each Series of Notes will be secured in the manner described in Condition 4 of the Master

Note Conditions and will constitute secured limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 16 of the Master Note Conditions.

Form of Warrants:

Each Series of Warrants will be issued in registered form as described in “Form of Warrant Pricing Supplement” and will at all times be represented by a single Global Warrant.

Status of the Warrants:

Each Series of Warrants will represent general contractual obligations of the Issuer, at all times ranking *pari passu* and without prejudice among themselves. Each Series of Warrants will be secured in the manner described in Condition 3 of the Master Warrant Conditions and will constitute secured limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 16 of the Master Warrant Conditions.

Mortgaged Property:

The Notes and Warrants of each Related Series of Securities will be secured in the manner set out in Condition 4 of the Master Note Conditions and Condition 3 of the Master Warrant Conditions, as the case may be, as supplemented and/or modified by the relevant Pricing Supplement for the relevant Securities.

The Mortgaged Property in respect of each Related Series of Securities will comprise the Collateral, the Swap Agreement and/or any assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned to the Trustee, as the case may be, securing the Secured Obligations to the extent they relate to such Related Series of Securities.

Master Documents:

The Principal Trust Deed, the Agency Agreement, the Custody Agreement, the Dealer Agreement, the Note Procedures Memorandum, the Warrant Procedures Memorandum, the Programme Proposal Agreement and the ISDA Master Agreement.

Security:

With respect to each Related Series of Securities, the payment and/or delivery obligations of the Issuer under the Trust Deed, the Swap Agreement, the Custody Agreement and the Agency Agreement relating to such Related Series of Securities, and each Note and Warrant comprised in such Related Series of Securities, together with any obligation of the Issuer to reimburse and/or make payment to the Issuing and Paying Agent, Principal Warrant Agent, Disposal Agent or any other Agent in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of any such payment obligation in connection with such Related Series of Securities pursuant to Condition 15(a) (*Application of Proceeds of Liquidation*) or 15(b) (*Application of Proceeds of Enforcement of the Security*) of the Master Note Conditions and Condition 13(a) (*Application of Proceeds of Liquidation*) or 13(b) (*Application of Proceeds of Enforcement of the Security*) of the Master Warrant Conditions, as the case may be (referred to herein as the “**Secured Obligations**”) will be secured in favour of

the Trustee for the benefit of the Secured Creditors of such Related Series of Securities, pursuant to the Trust Deed, by:

- (i) a first fixed charge over the Collateral for such Related Series of Securities and all property, assets and sums derived therefrom;
- (ii) an assignment by way of security of all the Issuer's rights, title and interest attaching to or relating to the Collateral for such Related Series of Securities and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security of the Issuer's rights, title and interest against the Custodian, to the extent that they relate to the Collateral for such Related Series of Securities;
- (iv) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, to the extent that they relate to such Related Series of Securities;
- (v) an assignment by way of security of the Issuer's rights, title and interest under the Swap Agreement, to the extent that they relate to such Related Series of Securities;
- (vi) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent), to the extent that they relate to the Collateral for such Related Series of Securities;
- (vii) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian in respect of such Related Series of Securities;
- (viii) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Obligation in respect of such Related Series of Securities, (B) all sums held by the Principal Warrant Agent to meet payments due in respect of the Warrants comprised in such Related Series of Securities and (C) any sums received by the Issuing and Paying Agent under the Swap Agreement; and
- (ix) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral, to the extent they relate to such Related Series of Securities.

Additionally, in respect of a Related Series of Securities, the Secured Obligations of the Issuer may be secured pursuant to a security document other than the Trust Deed as specified

in the relevant Supplemental Trust Deed and/or the relevant Pricing Supplement for the relevant Securities.

The Security will become enforceable in the circumstances set out in Condition 14(d) of the Master Note Conditions and Condition 12(d) of the Master Warrant Conditions.

Limited Recourse:

In respect of each Related Series of Securities, the Noteholders, the Warranholders, and the other Transaction Parties in relation to such Related Series of Securities shall have recourse only to the Mortgaged Property in respect of such Related Series of Securities, subject always to the Security, and not to any other assets of the Issuer.

Prospective investors in Notes and/or Warrants should refer to Condition 16 (*Limited Recourse and Non-Petition*) of the Master Note Conditions and/or Condition 16 (*Limited Recourse and Non-Petition*) of the Master Warrant Conditions for further details, as applicable.

Issuer's rights in relation to Mortgaged Property:

Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian and the Disposal Agent), the Issuer may, with the sanction of an Extraordinary Resolution of the holders of the Notes comprised in a Related Series of Securities or with the prior written consent of the Trustee,

- (i) take such action in relation to the Mortgaged Property with respect to such Related Series of Securities as it may think expedient; and
- (ii) exercise any rights incidental to the ownership of such Mortgaged Property and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

Subject as provided below, the Issuer will not exercise any rights with respect to any Mortgaged Property unless it has the sanction or consent referred to above and, if such sanction or consent is given, the Issuer will act only in accordance with such sanction or consent.

Notwithstanding the foregoing, if the Collateral for a Related Series of Securities is subject to a put option (as specified in the relevant Pricing Supplement for the relevant Securities) (a "**Collateral Put Option**"), then the Determination Agent may, on behalf of the Issuer, direct the Custodian in relation to the exercise of the Collateral Put Option on behalf of the Issuer without the need for any such sanction or consent, to the extent necessary in order to fund redemption of such Notes.

Priority of Claims:

The relative claims of the relevant parties in respect of the Mortgaged Property in relation to the Notes and Warrants comprised in a Related Series of Securities are described in Condition 15 (*Application of Proceeds*) of the Master Note Conditions and Condition 13 (*Application of Proceeds*) of the Master Warrant Conditions, respectively.

Initial Delivery of Notes:

On or before the issue date for each Tranche, the relevant Global Note or Global Certificate, as applicable, may be

deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Note Maturities:

Subject to compliance with all relevant laws, regulations and directives, Notes issued under the Programme may have any maturity as specified in the relevant Note Pricing Supplement.

Specified Denomination of Notes:

Definitive Notes will be in such denominations as may be specified in the relevant Note Pricing Supplement.

Fixed Rate Notes:

Interest on Fixed Rate Notes will be payable in arrear on the date or dates as specified in the relevant Note Pricing Supplement.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or such other definitions specified in the relevant Note Pricing Supplement; or
- (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin.

Interest Periods and Rates of Interest applicable to Notes:

The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series.

Notes may have a maximum rate of interest, a minimum rate of interest, or both.

Redemption of Notes:

Notes will redeem at maturity at 100 per cent. per Calculation Amount per Note in the Specified Currency, together with any unpaid accrued interest thereon, unless redeemed earlier, including, but not limited to, as a result of any exercise of the Related Series of Warrants by the holder(s) thereof (see "*Early Redemption of the Notes following exercise of the Warrants*" below), all subject to and in accordance with the Master Note Conditions.

Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Early Redemption of the Notes following exercise of the Warrants:

The Notes of a Series may become due and payable prior to the Maturity Date upon any exercise of the Related Series of Warrants by the holder(s) thereof as further described in Condition 7(b) of the Master Note Conditions.

Following such exercise, the delivery of the requisite notices and payment by exercising Warrantholder(s) of the relevant Warrant Exercise Amount, a corresponding portion of Notes will become due and payable on the relevant Warrant Exercise Early Redemption Date at the relevant Warrant Exercise Early Redemption Amount (each as defined in Condition 7(b) of the Master Note Conditions), together with any unpaid accrued interest thereon.

Where some but not all the Notes outstanding are to be redeemed upon any exercise of the Related Series of Warrants by the holder(s) thereof, the relevant Note Pricing Supplement shall specify whether some Notes shall be redeemed in full (and not in part only) (in which case, the relevant Notes shall be selected in accordance with Condition 7(b) of the Master Note Conditions) or whether all Notes shall be redeemed in part on a *pro rata* basis.

Early Redemption of Notes following a Collateral Call:

The Notes may become due and payable prior to the Maturity Date in connection with the occurrence of a Collateral Call as further described in Condition 7(c)(i) of the Master Note Conditions.

In such circumstances, following delivery of the requisite notices and assuming no exercise of any of the Related Series of Warrants by the holder(s) thereof, the Notes will, save as otherwise provided in the relevant Note Pricing Supplement, be redeemed on the fifth Business Day following the date upon which the Collateral is scheduled to be redeemed early pursuant to the relevant Collateral Call (the “**Collateral Call Redemption Date**”) at 100 per cent. per Calculation Amount per Note in the Specified Currency, together with any unpaid accrued interest thereon.

For the avoidance of doubt, if, following the occurrence of a Collateral Call, any holder of the Related Series of Warrants elects to exercise any of the Warrants held by it, then a corresponding portion of the Notes will fall to be redeemed in accordance with Condition 7(b) of the Master Note Conditions and not Condition 7(c)(i). See further “*Early Redemption of the Notes following exercise of the Warrants*” above.

Early Redemption of Notes in other circumstances:

The Notes may also become due and payable prior to the Maturity Date in connection with the occurrence of a Collateral Early Redemption, a Collateral Default, a Note Tax Event, a Collateral Tax Event, a Swap Termination Event, a Swap Counterparty Event, a Swap Counterparty Bankruptcy Credit Event or an Event of Default, as further described in Conditions 7 (*Redemption and Purchase*) and 12 (*Events of Default*) of the Master Note Conditions (each, together with a Collateral Call, an “**Early Redemption Event**”).

In such circumstances, following delivery of the requisite notices and assuming (where applicable) no exercise of any

of the Related Series of Warrants by the holder(s) thereof, the Issuer or the Trustee (as the case may be) will apply available sums in accordance with the order of priority set out in Condition 15 (*Application of Proceeds*) of the Master Note Conditions. Such sums may not be sufficient to meet the claims of the Secured Creditors against the Issuer in respect of the relevant Series of Notes and, accordingly, following application in accordance with the order of priority there may not be sufficient sums available to satisfy the Issuer's obligation to pay the Early Redemption Amount in full or at all. See further "*Status of Notes*" above.

The Early Redemption Amount of a Note may be less than the Specified Denomination of that Note and may be zero.

For the avoidance of doubt, if, following the occurrence of a Note Tax Event, a Collateral Tax Event, a Swap Termination Event, a Swap Counterparty Event, a Swap Counterparty Bankruptcy Credit Event or an Event of Default in respect of any Series of Notes, any holder of the Related Series of Warrants elects to exercise any of the Warrants held by it, then a corresponding portion of the Notes will fall to be redeemed in accordance with Condition 7(b) of the Master Note Conditions and not any other sub-paragraph of Condition 7 or Condition 12. See further "*Early Redemption of the Notes following exercise of the Warrants*" above.

Unless otherwise provided in the relevant Note Pricing Supplement and Warrant Pricing Supplement for a Related Series of Securities, Warrants may not be exercised following the occurrence of either a Collateral Early Redemption or a Collateral Default.

Optional Redemption of Notes:

The relevant Note Pricing Supplement will state whether the Notes may be redeemed prior to their stated maturity at the option of the Issuer. If redemption at the option of the Issuer is specified as being applicable in the relevant Note Pricing Supplement, then the Notes will redeem at 100 per cent. per Calculation Amount per Note in the Specified Currency, together with any unpaid accrued interest thereon.

Notes may not be redeemed prior to their stated maturity at the option of Noteholders.

Exercise of Warrants:

The Warrants will be exercisable by the Warrantheolders in accordance with Condition 6 (*Exercise Rights*) of the Master Warrant Conditions and pursuant to the procedure described in Condition 7 (*Exercise Procedure*) of the Master Warrant Conditions. Each Warrant entitles a Warrantheolder to the delivery of Collateral (in a nominal amount per Warrant equal to the relevant Collateral Entitlement (as specified in the relevant Warrant Pricing Supplement)) upon payment of the relevant Exercise Amount (as calculated pursuant to the terms of the relevant Warrant).

In order to exercise any Warrant held by it, Warrantheolders will be required, subject as provided in the Warrant Master Conditions, to: (i) deliver a valid Exercise Notice to the Relevant Clearing System(s) by the relevant Exercise Time

on an Exercise Business Day; (ii) deliver a copy of such Exercise Notice by e-mail to the Warrant Calculation Agent by the relevant Exercise Notification Cut-off Time on such Exercise Business Day; and (iii) pay the relevant Exercise Amount to the Issuer by the relevant Warrant Exercise Amount Settlement Date.

Expiration of Warrants:

The Warrants will expire if a valid Exercise Notice has not been received by the Relevant Clearing System(s) by the relevant Exercise Time on the relevant Final Exercise Date (each as specified in the relevant Warrant Pricing Supplement) or, if a valid Exercise Notice has been so received by the Relevant Clearing System(s) by such time on such date, a copy thereof has not been received by the Warrant Calculation Agent by the relevant Exercise Notification Cut-off Time (as specified in the relevant Warrant Pricing Supplement) on the relevant Final Exercise Date or following the occurrence of a Mandatory Expiration Event in accordance with Condition 9 (*Mandatory Expiration*) of the Master Warrant Conditions.

Mandatory Expiration of Warrants:

In relation to any Series of Warrants, upon the occurrence of an Early Redemption Event (other than a Collateral Early Redemption or a Collateral Default) in respect of the Related Series of Notes, such Warrants may be exercised by the relevant Final Exercise Date (being the earliest of the dates specified as such in the relevant Warrant Pricing Supplement) and (i) to the extent not exercised, the Warrants will expire on such Final Exercise Date or (ii) to the extent that Warrants are purported to be exercised by the relevant Final Exercise Date, but the relevant Exercise Amount is not paid by the relevant Mandatory Expiration Date (being the date falling five Business Days following the relevant Final Exercise Date), the Warrants will expire on such Mandatory Expiration Date (either of such events being a “**Mandatory Expiration Event**”).

The amount to be paid to Warrantholders who have not exercised the Warrants before such Final Exercise Date (or who have purported to exercise by such date but have not paid the relevant Exercise Amount by the Mandatory Expiration Date) may, in certain circumstances, be lower than the value that could have been realised from the Warrants had the relevant Early Redemption Event not occurred in respect of the Related Series of Notes and may be zero.

Liquidation of Collateral:

A Liquidation Event will occur with respect to a Related Series of Securities if: (i) default is made for more than two Business Days by the Issuer in: (a) the payment of any outstanding principal amount due and payable on the Notes comprised in such Related Series of Securities; and/or (b) the payment of any interest due and payable on the Notes comprised in such Related Series of Securities on final redemption thereof; or (ii) the occurrence of a Mandatory Expiration Event under the Warrants comprised in such Related Series of Securities following the occurrence of an Early Redemption Event (other than a Collateral Call) in

respect of the Notes comprised in such Related Series of Securities.

Upon receipt of a Liquidation Commencement Notice in relation to a Liquidation Event, the Disposal Agent will, so far as is practicable in the circumstances, effect an orderly Liquidation of the Disposable Portion of the Collateral in accordance with the terms of the Master Conditions, the Trust Deed and the Agency Agreement.

Enforcement of Security:

If any Security becomes enforceable with respect to a Related Series of Securities, the Trustee may and (i) if so requested in writing by the holders of at least one-fifth in nominal amount of the Series of Notes then outstanding, (ii) if so directed by Extraordinary Resolution of the holder(s) of the relevant Series of Notes comprised in such Related Series of Securities, or (iii) if so directed in writing by the Swap Counterparty, shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) enforce the Security constituted by the Trust Deed and/or any Other Security Documents (if applicable).

To do this it may:

- (i) sell, call in, collect and convert the Mortgaged Property into money in such manner and on such terms as it shall think fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable. In exercising its discretion to sell, call in, collect and convert into money all or part of the Mortgaged Property, the Trustee and any receiver appointed by it in accordance with and pursuant to the terms of the Trust Deed shall have regard to whether the claims of the Secured Creditors are to physical delivery of any part of the Collateral or to cash amounts in accordance with the terms of the relevant Transaction Document. Subject to its being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee or any receiver appointed by it shall realise such portion of the Collateral as is not required to be delivered in physical form, provided that if the Trustee or any receiver appointed by it in its sole discretion determines that the proceeds of realisation of such portion of the Collateral and any other monies comprised in the Mortgaged Property are not sufficient to satisfy any claims which rank senior to a claim for physical delivery in the relevant priority of payments, the Trustee or any receiver appointed by it shall realise such further portion of the Collateral as is required to be liquidated to satisfy such senior claims (as determined in the Trustee's or receiver's sole discretion). The portion of the Collateral required to be realised as determined in the Trustee's or receiver's sole discretion and without incurring any liability to any person in respect thereof shall be referred to herein as the "Realisable Portion";

Neither the Trustee nor any receiver or any agent

appointed by it shall incur any liability to any person in relation to the realisation of any Collateral, including in relation to any determination as to the portion of Collateral it considers in its absolute discretion is required to be liquidated to satisfy claims senior to a claim for physical delivery and shall incur no liability to any person if a greater amount of Collateral is liquidated than may be required to satisfy such senior claims, or in relation to the value received in respect of any Collateral which is liquidated or in relation to the timing or manner of any such liquidation of the Collateral and the Trustee, any receiver or any agent appointed by it may, and may continue to, liquidate the Collateral in one or multiple transactions on a single or multiple days until the claims of those ranking senior to a claim for physical delivery have been satisfied or, if earlier, there is no Collateral remaining.

- (ii) take such action against any issuer or obligor in respect of the Collateral as it deems appropriate but without any liability to the holders of any Notes, Coupons or Warrants comprised in the Related Series of Securities as to the consequence of such action and without having regard to the effect of such action on individual Noteholders, Couponholders or Warrantholders; and
- (iii) take any such other action or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession of all or any of the Mortgaged Property and/or appointing a receiver) as are permitted under the terms of the Trust Deed.

Only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed. The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed, any Other Security Document or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

Restrictions:

So long as any of the Notes or Warrants comprised in a Related Series of Securities remain outstanding, the Issuer will not, without the consent of the Trustee, engage in any business (other than the issuance or entry into of Obligations (as defined in the Master Conditions) under this Programme, the entry into related agreements and transactions and the performing of acts incidental or necessary in connection therewith), sell any of the Mortgaged Property, permit the Swap Agreement, the priority of the Security or any other Transaction Document or Security Document to be amended or release any party to the Swap Agreement, the Principal Trust Deed or the Supplemental Trust Deed, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or

assets substantially as an entity to any person (other than, in each case, as contemplated by the Trust Deed, the relevant Conditions, any Other Security Document and/or any other Transaction Document), issue any shares or any of the other restricted activities described in Condition 5 (*Restrictions*) of the Master Note Conditions and Condition 4 (*Restrictions*) of the Master Warrant Conditions.

Withholding Tax on Notes:

Without prejudice to the early redemption for taxation provisions of Condition 7(d) of the Master Note Conditions, all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Agent is required by applicable laws to make any such payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, or such Agent will make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

If the Issuer in good faith determines that a Tax Substitution Event has occurred then the Issuer will, as soon as reasonably practicable upon becoming aware of such Tax Substitution Event, so inform the Trustee. If a Tax Substitution Event occurs, the Issuer will use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty (if any) as the principal obligor or to change (to the prior satisfaction of the Trustee and such Swap Counterparty) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee and such Swap Counterparty such that following such substitution or change of residence no Tax Substitution Event will exist.

Taxation of Warrants:

A Warranholder exercising Warrants shall pay any applicable stamp duty, stamp duty reserve tax and all other taxes, duties, charges, withholding or other payment (if any) payable in connection with the exercise of such Warrants and the delivery of the Collateral Entitlement (as defined in the Master Warrant Conditions) as a result of such exercise. The Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrants.

The Issuer shall have the right, but not the duty, to withhold or deduct from any amount payable to the Warranholder, such amount as is necessary (i) for the payment of any such stamp duty, stamp duty reserve tax or other taxes, duties, charges, withholdings or other payments or (ii) for effecting

reimbursement in accordance with the following sentence. The relevant Warrantholder shall promptly reimburse the Issuer, if the Issuer is obliged to pay any stamp duty, stamp duty reserve tax or other tax, duty, charge, withholding or other such payment.

Further Issues:

The Issuer may from time to time issue further Securities of any Related Series of Securities on the same terms as existing Securities of such Related Series of Securities and such further Securities shall be consolidated and form a single Series with such existing Securities of the same Related Series of Securities; provided that (i) the Issuer provides additional Collateral for such further Securities and (ii) in respect of any further issue of Warrants of an existing Series, the Issuer shall contemporaneously effect the further issue of Notes of the Related Series of Securities in an aggregate principal amount equal to the notional amount of the new Warrants, all in accordance with Condition 20 (*Further Issues*) of the Master Note Conditions and Condition 18 (*Further Issues*) of the Master Warrant Conditions.

Clearing Systems:

Euroclear and Clearstream, Luxembourg, and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Issuing and Paying Agent (in the case of Notes), the Principal Warrant Agent (in the case of Warrants), the Trustee and the relevant Dealer.

Listing:

Application has been made to the Irish Stock Exchange for Securities to be issued under the Programme to be admitted to the Official List and trading on the GEM. The GEM is not a regulated market for the purposes of Directive 2004/39/EC. However, unlisted Securities may be issued pursuant to the Programme and Securities may be listed on such other stock exchange(s) or markets as may be specified in the Pricing Supplement or Tranche Prospectus, as applicable, for the relevant Securities.

The relevant Pricing Supplement, Tranche Prospectus or (where Securities are to be listed on the Official List and admitted to trading on the GEM) Tranche Listing Particulars, as applicable, in respect of the issue of any Securities, will specify whether or not application has been made for such Securities to be listed on the Irish Stock Exchange (or any other stock exchange) and to be admitted to trading on the GEM or other stock exchange(s) or markets.

Cross Default:

None

Rating:

None

Governing Law:

English

Selling Restrictions:

The United States, the Public Offer Selling Restriction under the Prospectus Directive, the United Kingdom, the Cayman Islands, Japan and any other jurisdiction relevant to any Series. See "Subscription and Sale".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act. Notes in bearer form will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or

any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”) (the “**C Rules**”) unless (i) the relevant Note Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “**D 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 Note Pricing Supplement as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes and/or the Warrants issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes and/or the Warrants issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes and/or the Warrants issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes, and/or to deliver the Collateral Entitlement or other amounts on or in connection with any Warrants, may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes and/or Warrants are exhaustive.

Prior to making an investment decision, prospective investors should carefully consider, along with the other matters set out in this Offering Circular, the following investment considerations. Structured securities such as the Notes and the Warrants are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those investors capable of understanding the risks entailed in such instruments. If in doubt, potential investors are strongly recommended to consult with their legal, business and tax advisers to determine the consequences of an investment in any Notes and/or Warrants and to arrive at their own evaluations of the investment before making any investment decision.

General

Investor Suitability

The Securities are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience in financial and business matters and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such an investment in light of their own circumstances and financial condition. In the case of the Warrants, such investors should also be experienced in investing in derivative instruments and be familiar with secondary market trading in instruments such as the Warrants.

Prospective investors in any Series of Notes and/or the Related Series of Warrants should ensure that they understand the nature of the risks posed by an investment in such Notes or Warrants (as applicable), and the extent of their exposure as a result of such investment and, before making their investment decision, should consider carefully all of the information set forth in this Offering Circular and in the relevant Pricing Supplement or Tranche Prospectus, as applicable, for the relevant Securities and, in particular, the considerations set forth below.

Owing to the structured nature of the Securities, their price may be more volatile than that of unstructured securities.

Investors

Each prospective investor in a Series of Notes and/or the Related Series of Warrants should have sufficient financial resources and liquidity to bear all of the risks of such an investment, including, in the case of an investment in the Notes, where principal and interest may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal or interest payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent: (i) the Securities are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Securities. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of any Securities that it intends to invest in under any applicable risk-based capital or similar rules.

Legality of Purchase

Any prospective purchaser of Securities will be responsible for the lawfulness of such acquisition, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

No fiduciary role

None of: (i) the Issuer, (ii) any Transaction Party or (iii) any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee under the Trust Deed in respect of the Noteholders only) assumes any fiduciary obligation to any purchaser of Securities or any other party, including the Issuer.

None of the Issuer, any of the Transaction Parties or any of their respective affiliates in respect of any Related Series of Securities assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms thereof or of any Swap Counterparty or the terms of any Swap Agreement.

Investors may not rely on the views or advice of the Issuer, or any of the Transaction Parties in respect of any Related Series of Securities for any information in relation to any person other than such Issuer or Transaction Party, respectively.

No reliance

No prospective purchaser of any Related Series of Securities may rely on the Issuer, the Arranger or any of the Transaction Parties in respect of such Series or any of their respective affiliates in connection with its determination as to the legality of its acquisition of Notes and/or Warrants comprised in such Related Series of Securities or as to the other matters referred to above.

No representations

None of the Issuer, the Arranger or any of the Transaction Parties in respect of any Related Series of Securities makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement with any exchange, governmental, supervisory or self-regulatory authority or any other person.

Risk Factors relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing related series of secured Notes and Warrants for the purposes of purchasing assets and entering into related derivatives and other contracts under this Programme. The Issuer has covenanted (amongst other things) that it shall not, so long as any Notes or Warrants comprised in a Related Series of Securities remain outstanding, without the consent of the Trustee, engage in any business other than the issuance or entry into of bonds, notes,

warrants or other securities or the entry into of loans or other agreements under this Programme for the payment or repayment of borrowed money, and 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. In addition, the Issuer will be subject to certain other restrictions including that it will not, without the consent of the Trustee, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (other than as contemplated by the Conditions), declare any dividends or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with any issue of a Related Series of Securities and or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Securities or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of Securities.

There is no applicable taxation in the Cayman Islands and the Issuer has obtained a concession to such effect for a period of twenty years from November 2011. However, no assurance is given that such circumstance will not change in the future.

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

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholders in respect of a Series of Notes and/or the delivery of Collateral Entitlement by the Issuer to Warranholders in respect of a Series of Warrants.

General Risk Factors relating to both the Notes and Warrants

Limited recourse obligations

Each Related Series of Securities comprise secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property created by the Issuer in favour of the Trustee on behalf of the holders of such Related Series of Securities and the other secured parties in respect of such Related Series of Securities. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the relevant Related Series of Securities.

No assurance can be made that the proceeds available for and allocated to the repayment of the Related Series of Securities at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes and/or Warrants comprised in such Related Series of Securities. If the proceeds of Liquidation received by the Issuer on Liquidation of all of the Disposable Portion of the Collateral or the proceeds of Enforcement of Security received by the Trustee for the benefit of the

holders of the relevant Related Series of Securities prove insufficient to make payments on the Notes and/or Warrants comprised in such Related Series of Securities, no other assets will be available for payment of the deficiency and any outstanding claim, debt or liability against the Issuer in relation to the Securities shall be extinguished, and no debt shall be owed by the Issuer in respect thereof. Following such extinguishment, neither the Noteholders nor Warrantheolders shall be entitled to take any further steps against the Issuer to recover any further sum in respect of the extinguished claim and no debt shall be owed to any Noteholders or Warrantheolders by the Issuer in respect of such further sum.

Payment of any amount owing to Noteholders and/or Warrantheolders upon a Liquidation will only be made after the distribution amounts described in paragraphs (i) to (v) of Condition 15(a) or 15(b) of the Master Note Conditions and Condition 13(a) or 13(b) of the Master Warrant Conditions are fixed.

In addition, only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to, the terms of the Trust Deed. None of the Noteholders, Warrantheolders nor any other secured party will be entitled at any time to proceed against the Issuer unless the Trustee having become bound to proceed in accordance with the terms of the Trust Deed fails to do so within a reasonable period and such failure is continuing.

Trustee indemnity

In certain circumstances, the Noteholders and/or the Warrantheolders may be dependent on the Trustee to take certain actions in respect of a Related Series of Securities, in particular if the Security in respect of such Related Series of Securities becomes enforceable under the Conditions. Prior to taking such action, the Trustee is entitled to (and will, prior to enforcing the Security in respect of a Series) require to be indemnified and/or secured and/or pre-funded to its satisfaction. If the Trustee is not satisfied with its indemnity and/or security and/or pre-funding, it may decide not to take such action, without being in breach of its obligations under the relevant Trust Deed. Consequently, the Noteholders and/or Warrantheolders may have to either arrange for such indemnity and/or security and/or pre-funding or accept the consequences of such inaction by the Trustee. Noteholders and Warrantheolders should be prepared to bear the costs associated with any such indemnity and/or security and/or pre-funding and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders or Warrantheolders to proceed themselves directly against the Issuer.

Priority of claims

On a Liquidation or an Enforcement Event in respect of the Security granted by the Issuer in favour of the Trustee on behalf of the holders of a Related Series of Securities and the other secured parties in respect of such Series, the rights of the Noteholders and Warrantheolders to be paid amounts due under the Notes and Warrants (as the case may be) comprised in such Related Series of Securities will be subordinated to the prior ranking claims of a number of other parties, including (i) the fees, costs, charges, expenses and liabilities due and payable to the Trustee and/or the Disposal Agent including any taxes required to be paid or costs incurred in the liquidation of the Collateral or the enforcement of the security and the Trustee's remuneration, (ii) amounts owing to the Custodian under the Custody Agreement and amounts owing to the Issuing and Paying Agent, the Principal Warrant Agent, the Disposal Agent and/or any other agent under the Agency Agreement, (iii) amounts owing to the Swap Counterparty under the relevant Swap Agreement and (iv) the other claims as specified in the Conditions and the relevant Trust Deed relating to the relevant Related Series of Securities that rank in priority to the claims of Noteholders and Warrantheolders.

See below in the section entitled "*Specific Risk Factors relating to the Warrants - Priority of Claims*" for specific additional risks related to the priority of claims applicable to Warrantheolders.

Provision of information

Neither the Issuer, the Trustee, the Dealer nor any affiliate of such persons makes any representation as to the credit quality of the Swap Counterparty or issuer of any Collateral. Any of such persons may have acquired, or during the term of any Related Series of Securities may acquire, non-public information with respect to any Swap Counterparty or issuer of any Collateral. None of such persons is under any

obligation to make such information directly available to Noteholders or Warranholders. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' or Warranholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the issuer of any of the Collateral or conduct any investigation or due diligence into the issuer of any of the Collateral.

Change of law

The Conditions of the Notes and the Warrants are each governed by English law in effect as at the date of issue of the relevant Related Series of Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Securities.

Specific Risk Factors relating to the Notes

Early Redemption of the Notes following exercise of the Warrants

The Notes of a Series may become due and payable prior to their Maturity Date (in whole or in part) upon the exercise of any of the Related Series of Warrants by the holder(s) thereof, as further described in Condition 7(b) of the Master Note Conditions.

Following such exercise, the delivery of the requisite notices and payment by exercising Warranholder(s) of the relevant Warrant Exercise Amount, a corresponding portion of the Notes will become due and payable on the relevant Warrant Exercise Early Redemption Date at the relevant Warrant Exercise Early Redemption Amount (each as defined in Condition 7(b) of the Master Note Conditions), together with any unpaid accrued interest thereon.

Where some but not all the Notes outstanding are to be redeemed upon the exercise of any of the Related Series of Warrants by the holder(s) thereof, the relevant Note Pricing Supplement shall specify whether some Notes shall be redeemed in full (and not in part only) (in which case, the relevant Notes shall be selected in accordance with Condition 7(b) of the Master Note Conditions) or whether all Notes shall be redeemed in part on a *pro rata* basis.

Early Redemption of the Notes following a Collateral Call

The Notes of a Series may become due and payable prior to their Maturity Date upon the occurrence of a Collateral Call, as further described in Condition 7(c)(i) of the Master Note Conditions.

In such circumstances, following delivery of the requisite notices and assuming no exercise of any of the Related Series of Warrants by the holder(s) thereof, the Notes will, save as otherwise provided in the relevant Note Pricing Supplement, be redeemed on the fifth Business Day following the relevant Collateral Call Redemption Date at 100 per cent. per Calculation Amount per Note in the Specified Currency, together with any unpaid accrued interest thereon.

For the avoidance of doubt, if, following the occurrence of a Collateral Call, any holder of the Related Series of Warrants elects to exercise any of the Warrants held by it, then the corresponding portion of the Notes will fall to be redeemed in accordance with Condition 7(b) of the Master Note Conditions and not Condition 7(c)(i). See further "*Early Redemption of the Notes following exercise of the Warrants*" above.

Early Redemption of the Notes in other circumstances

The Notes of a Series may also become due and payable prior to their Maturity Date as further described in Conditions 7 and 12 of the Master Note Conditions in connection with the occurrence of any of the following events:

- (i) a Collateral Early Redemption;
- (ii) a Collateral Default;
- (iii) a Note Tax Event or Collateral Tax Event;

- (iv) a termination in whole of the relevant Swap Transactions under the Swap Agreement;
- (v) a Swap Counterparty Event;
- (vi) a Bankruptcy Credit Event of the Swap Counterparty; or
- (vii) an Event of Default under the Notes.

Following the occurrence of any of the above events and the delivery of any requisite notices, and assuming (where applicable) no exercise of the Related Series of Warrants by the holder(s) thereof, the Notes will become due and payable on the relevant Early Redemption Date at the Early Redemption Amount. In this context, unless otherwise specified in the relevant Note Pricing Supplement, the Related Series of Warrants may be exercised following the occurrence of any of the above events, other than following the occurrence of a Collateral Early Redemption or a Collateral Default.

Prospective investors should note that there can be no assurance that the Early Redemption Amount per Note will be greater than or equal to the amount invested by any Noteholder.

The Issuer will fund payments of any Early Redemption Amount per Note under a Series of Notes from payment(s) due to it under, or on a Liquidation of, the Collateral (if applicable) and/or the relevant Swap Agreement (if applicable) and subject to payment of all prior ranking amounts under Conditions 15(a) or 15(b) of the Master Note Conditions, as applicable. If, following the realisation in full of the Mortgaged Property relating to the relevant Series of Notes (whether by way of a Liquidation or an Enforcement Event in respect of the Security) and application of available cash sums as provided in the Master Note 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 Noteholders may not receive back their investment and may receive zero.

For the avoidance of doubt, if, following the occurrence of a Note Tax Event, a Collateral Tax Event, a Swap Termination Event, a Swap Counterparty Event, a Swap Counterparty Bankruptcy Credit Event or an Event of Default, any holder of the Related Series of Warrants elects to exercise any of the Warrants held by it, then the corresponding portion of the Notes will fall to be redeemed in accordance with Condition 7(b) of the Master Note Conditions and not any other sub-paragraph of Condition 7 or Condition 12. See further “*Early Redemption of the Notes following exercise of the Warrants*” above.

No gross-up

In the event that any withholding tax or deduction for tax is imposed on payments on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur as a result of any such withholding or deduction. If withholding tax is imposed or a deduction for tax is made in respect of payments on the Notes, these Notes may in certain circumstances be redeemed early.

Possibility of U.S. withholding tax on payments

On 18 March 2010, the U.S. enacted sections 1471 through 1474 of the U.S. Internal Revenue Code (together with any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the U.S. Internal Revenue Code, or any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance notes or practices adopted pursuant to any intergovernmental agreement entered into in connection therewith, or any analogous provisions of non-U.S. law, “**FATCA**”). FATCA imposes reporting requirements and a withholding tax of 30 per cent. on (i) certain U.S. source payments made after June 30, 2014, (ii) payments of gross proceeds from the disposition of assets that can produce U.S. source interest or dividends made after December 31, 2018, and (iii) certain payments by non-U.S. financial institutions (“**foreign passthru payments**”) made after December 31, 2018 (at the earliest), in each case, made to persons that fail to meet certain certification or reporting requirements. The Issuer believes that it is a non-U.S. 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. Certain aspects of the application of these rules to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to foreign passthru payments on instruments such as the Notes, is not clear at this time. 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 to foreign passthru payments prior to 1 January 2019 and Notes that are not treated as equity for U.S. federal income tax purposes 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.

The Issuer intends to comply with the information reporting and due diligence requirements imposed by FATCA, as modified by the IGA between the United States and the Cayman Islands, but there can be no assurance that the Issuer will be able to comply with these requirements. If the Issuer were unable to comply with its reporting obligations under FATCA, withholding might be imposed on any payments made to the Issuer, which would affect payments the Issuer makes with respect to Notes. If any amounts were withheld from payments with respect to the Notes pursuant to FATCA, the Issuer would not be required to pay any additional amounts in respect of such withholding. Prospective purchasers should consult their tax advisers regarding the potential application of FATCA to Notes.

The Cayman Islands Financial Institution Reporting Regime: US FATCA, UK FATCA and the OECD Common Reporting Standard

The Cayman Islands has entered into two FATCA Model 1 intergovernmental agreements - one with the United States and one with the United Kingdom (the “**US IGA**” and the “**UK IGA**”, respectively and, together, the “**IGAs**”). The Cayman Islands has also committed, along with around 50 other countries, to the implementation of the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the “**CRS**”). It is anticipated that the Cayman Islands will pass legislation in 2015 to give effect to the CRS, which will require “Financial Institutions” such as the Issuer to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS. As the OECD initiative develops, further inter-governmental agreements may be entered into by the Cayman Islands.

Regulations were issued on 4 July 2014 pursuant to the Cayman Islands Tax Information Authority Law (2014 Revision)(as amended) together with regulations and guidance notes made pursuant to such Law (the “**Cayman FATCA Legislation**”) that give effect to the IGAs. All Cayman Islands “Financial Institutions” will be required to comply with the reporting requirements of the Cayman FATCA Legislation, unless the Issuer can rely on an exemption that permits it to be treated as a “Non-Reporting Cayman Islands Financial Institution”. The Issuer does not propose to rely on any reporting exemption and will therefore comply with the registration, due diligence and reporting requirements of the Cayman FATCA Legislation as a “Reporting Cayman Islands Financial Institution”. As such, the Issuer is required to register with the IRS to obtain a Global Intermediary Identification Number (for the purposes of the US IGA only) and to report to the Cayman Islands Tax Information Authority (the “**TIA**”) any payments made to (i) “Specified US Persons” with respect to US Reportable Accounts and (ii) “Specified UK Persons” with respect to UK Reportable Accounts. The TIA will exchange such information with the IRS or HMRC as the case may be under the terms of the relevant IGA. Under the terms of the US IGA, 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 Noteholders unless the Issuer has otherwise assumed responsibility for withholding under United States tax law.

THE FATCA PROVISIONS ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF THE FATCA PROVISIONS AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Modification, waivers and substitution

The Trust Deed contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the relevant Series including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Trust Deed further provides that a resolution in writing signed by 90 per cent. of Noteholders binds all Noteholders of the relevant Series for all purposes.

The Trust Deed also provides that the Trustee may, without the consent of Noteholders, agree to (i) any modification of any of the Conditions of the Notes or any of the provisions of any Transaction Document that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in the relevant Trust Deed), and any waiver or authorisation of any breach or proposed breach of any of the Conditions of the Notes or any provisions of the Transaction Documents that is, in the opinion of the Trustee, not materially prejudicial to the interest of the Noteholders or (iii) the substitution of another company as principal debtor under the Trust Deed, the Notes, the Coupons and the Talons (as applicable) in place of the Issuer, subject to the written consent of any Swap Counterparty.

Collateral

If Notes of a Series are redeemed on a date other than their Maturity Date (otherwise than following the occurrence of a Collateral Call or upon the exercise of the Related Series of Warrants and, where applicable, unless the holders of the Related Series of Warrants elect to exercise their Warrants by the Final Exercise Date (being the earliest of the dates specified as such in the relevant Warrant Pricing Supplement), the Collateral relating thereto will be sold or otherwise liquidated (except where otherwise transferred in accordance with the Conditions). No assurance can be given as to the amount of proceeds of any sale or liquidation of such Collateral at that time since the market value of such Collateral will be affected by a number of factors including but not limited to (i) the creditworthiness of the issuers and obligors of the Collateral, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled maturity of the Collateral and (iv) the liquidity of the Collateral. Accordingly, the price at which such Collateral is sold or liquidated may be at a discount, which could be substantial, to the market value of the Collateral on the issue date and the proceeds of any such sale or liquidation 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 to repay the full amount of 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. Further, before any proceeds are paid to Noteholders following a Liquidation or Enforcement Event, the available proceeds will be subject to deduction of prior ranking claims.

Notes may be subject to optional redemption by the Issuer

The Notes may be redeemed at the option of the Issuer if so specified in the relevant Note Pricing Supplement. This feature, where applicable, is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed as it is more likely that the Issuer will redeem the Notes at such point. This also may be true prior to the commencement of any redemption period. An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate applicable to the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

Notes issued at a substantial discount or premium

The Issuer may issue Notes at either a substantial discount or premium. The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to

conventional interest-bearing securities with comparable maturities. Noteholders should take professional advice as to the tax implications of holding such Notes.

Market value of Notes

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral and the creditworthiness of the issuers and obligors of any Collateral, (ii) the value and volatility of any property or other factor to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the Maturity Date, (v) the nature and liquidity of the Swap Agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Collateral and (vi) the value and volatility of the relevant Swap Agreement and the creditworthiness of the Swap Counterparty, if any. Any price at which Notes may be sold prior to the Maturity Date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by a Dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by a Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by that Dealer concerning, a mark-to-market value of the Notes. The price (if any) provided by a Dealer is at the absolute discretion of that Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by that Dealer with a third party in respect of the Notes and that Dealer shall have no obligation to any Noteholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

Specific Risk Factors relating to the Warrants

Priority of Claims

Each Series of Notes and the Related Series of Warrants will be secured on the same Mortgaged Property. In the event that the security over the Mortgaged Property becomes enforceable, Warrantheolders will rank lower in the priority of payments than the Noteholders and the other secured creditors. If the claims of the secured creditors ranking above the Warrantheolders in the priority of payments applicable to that Series were of a value higher than that realised by the enforcement of the security over the Mortgaged Property, Warrantheolders may receive an amount insufficient to cover their claim against the Issuer (and such amount may be zero).

Limited rights in respect of Mortgaged Property

Prospective purchasers of Warrants should note that no Warrantheolder consent will be required in relation to key decisions in respect of the Mortgaged Property, including (but not limited to) the enforcement of security and/or the determination of the occurrence of a Collateral Default and should note that only Noteholders and the Trustee will have the ability to direct the Issuer in respect of the exercise of rights incidental to the ownership of the Mortgaged Property, including (but not limited to) voting rights.

Furthermore, prospective purchasers of Warrants shall also note that, in connection with the exercise of its functions under the Trust Deed, the Trustee shall have regard only to its own interests and the interests of the Noteholders and shall not have regard to the interests of the Warrantheolders.

Risk of Loss of Investments

Prospective purchasers of Warrants are warned that the Warrants involve a high degree of risk and should recognise that their Warrants may expire worthless. Therefore, prospective purchasers of Warrants should be prepared to sustain a total loss of the purchase price of such Warrants.

The risk reflects the nature of a Warrant as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration or exercise (as the case may be) means that, in order to recover and realise a return upon its investment, a purchaser of such Warrants must generally have correctly anticipated the direction, timing and magnitude of an anticipated change in the value of the relevant Collateral underlying the Warrants, which shall be specified in the relevant Warrant Pricing Supplement.

Purchasers of Warrants risk losing their entire investment if the value of the relevant underlying Collateral does not move in the anticipated direction. Prospective purchasers should therefore ensure that they understand the nature of the Warrants and carefully study the special considerations set out in this document before they invest in the Warrants.

Purchasers of Warrants may also risk losing their entire investment if the Issuer is unable to transfer the Collateral Entitlement or repay any other amounts due under such Warrants.

Certain Factors Affecting the Value and Trading Price of Warrants

The difference in the value of the Collateral Entitlement and the Exercise Amount (the “**Settlement Value**”) at any time prior to expiration is typically expected to be less than the trading price of such Warrants at that time. The difference between the trading price and the Settlement Value will reflect, among other things, a “time value” for the Warrants. The “time value” of the Warrants will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the Collateral Entitlement. The interim value of the Warrants varies with the price level of the Collateral, as well as by a number of other interrelated factors, including those specified herein.

Before exercising or selling Warrants, Warrantholders should carefully consider, among other things, (i) the trading price of the Warrants, (ii) the value and volatility of the Collateral, (iii) the time remaining to expiration, (iv) the depth of the market or liquidity of the Collateral and (v) any related transaction costs.

Mandatory Expiration

Upon the occurrence of an Early Redemption Event in respect of the Notes of any Series (other than a Collateral Early Redemption or a Collateral Default), the Related Series of Warrants may be exercised by the holder(s) thereof by the relevant Final Exercise Date (being the earliest of the dates specified as such in the relevant Warrant Pricing Supplement) and (i) to the extent not exercised, the Warrants will expire on such Final Exercise Date or (ii) to the extent that Warrants are purported to be exercised by the Final Exercise Date but the relevant Exercise Amount is not paid by the relevant Mandatory Expiration Date (being the date falling five Business Days following the Final Exercise Date), the Warrants will expire on such Mandatory Expiration Date (either of such events being a “**Mandatory Expiration Event**”). All outstanding Warrants, excluding the Warrants in respect of which an Exercise Notice has been effectively delivered and the relevant Exercise Amount has been paid on or prior to such Mandatory Expiration Date, will be immediately cancelled and the Warrantholders will receive the Warrant Early Termination Amount (which may be zero, particularly in the case where the claim of the holders of the Related Series of Notes is to physical delivery of the Collateral) on the Warrant Early Termination Amount Payment Date (each as specified in the relevant Warrant Pricing Supplement). The amount to be paid to Warrantholders in such circumstances may be lower than the value that could have been realised from the Warrants had the event resulting in such mandatory expiration not occurred and may be as low as zero.

Taxation

Each Warrantholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like

assessment or charges that may be applicable to any payment to it in respect of the Warrants. The Issuer will not pay any additional amounts to Warrantholders to reimburse them for any tax, assessment or charge required to be withheld or deducted by the Issuer or the Principal Warrant Agent from payments in respect of the Warrants. In the event that any withholding tax or deduction for tax is imposed on payments on the Warrants, the Warrantholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax.

Number of Warrants Outstanding

Prospective purchasers of the Warrants should note that the Issuer, the Dealer(s) or their respective affiliates may agree to purchase a substantial proportion of the Warrants as principal. In addition, purchasers should be aware that under the terms and conditions of the relevant Warrants, the Issuer may purchase the Warrants. Such Warrants may be resold or surrendered for cancellation, or held and then resold or surrendered for cancellation, and, if cancelled, may not be reissued by the Issuer, all at such time and in such manner as it may deem appropriate. Purchasers should not therefore make any assumption as to the number of Warrants in issue at any one time or in the future.

Time Lag after Exercise

Unless otherwise specified in the relevant Warrant Pricing Supplement, in the case of any exercise of Warrants, there will be a time lag between the time when a Warrantholder gives instructions to exercise and the time the Collateral Entitlement relating to such exercise is delivered. The number of Business Days between the time of exercise and the delivery of the Collateral Entitlement will be specified in the relevant Warrant Pricing Supplement. However, the delay between the exercise of the warrants and the delivery of the Collateral Entitlement could be significantly longer, particularly in the case of a Settlement Disruption Event. The value of the Collateral Entitlement may change significantly during any such period, which could mean a decrease in value of the Collateral Entitlement between the date the Warrants are exercised and the date the Collateral Entitlement is received. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw Exercise Notices in respect of such Warrants.

Non-registration under the Securities Act and Restrictions on Transfer

The Warrants and the Collateral to be delivered upon exercise of the Warrants have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Warrants are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Warrants will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Warrants are subject to certain transfer restrictions as described herein under "Subscription and Sale" (and as set forth in the relevant Warrant Pricing Supplement or Tranche Prospectus, as applicable), which include restrictions on transfers to, or for the account or benefit of, U.S. persons (as defined in Regulation S). Additionally, in order to receive the underlying Collateral (as specified in the relevant Warrant Pricing Supplement or Tranche Prospectus, as applicable), the Warrantholder will be required to deliver an Exercise Notice which includes, *inter alia*, a certification (in accordance with the provisions outlined in "Terms and Conditions of the Warrants" above) that such Warrantholder is not a U.S. person or a person who has purchased such Warrant for resale to U.S. persons, that it is not exercising such Warrant within the United States or on behalf of a U.S. person other than in offerings deemed to meet the definition of "offshore transaction" pursuant to Rule 902(h) of Regulation S and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof other than in offerings deemed to meet the definition of "offshore transaction" pursuant to Rule 902(h) of Regulation S.

The foregoing and other transfer restrictions may further limit the liquidity of the Warrants.

Risk Factors relating to the Collateral

No investigations

No investigations, searches or other enquiries have or will be made by or on behalf of the Issuer or the Trustee in respect of the Collateral relating to any Related Series of Securities. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Collateral relating to any Related Series of Securities.

Collateral

The Collateral relating to any Related Series of Securities will be subject to credit, liquidity and interest rate risks. In the event of an insolvency of an issuer or obligor in respect of any Collateral, various insolvency and related laws applicable to such issuer or obligor may (directly or indirectly) limit the amount the Issuer or any Disposal Agent acting on its behalf or the Trustee may recover in respect of such Collateral.

The Arranger, the Dealer, the Swap Counterparty and/or their respective affiliates may have acquired, or during the terms of a Related Series of Securities 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, Warranthead or the Issuer.

Risk Factors relating to the Swap Counterparty and the Swap Agreement

The ability of the Issuer to meet its obligations under a Related Series of Securities will depend in whole or in part on the receipt by it of payments under the Swap Transaction(s) under the Swap Agreement relating to such Related Series of Securities. The Issuer will be exposed not only to the occurrence of a Collateral Early Redemption or a Collateral Default in relation to any applicable Collateral and/or the volatility in the market value of any applicable Collateral, if applicable, but also to the ability of the Swap Counterparty to perform its obligations under the related Swap Transaction(s). Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstances, any amount due to the Issuer upon such termination may not be paid in full.

Pursuant to the terms of the Swap Agreement entered into by the Issuer in connection with a Related Series of Securities, the Issuer or the Swap Counterparty may terminate all outstanding Swap Transaction(s) under such Swap Agreement in whole in certain specified circumstances. The Issuer will be entitled to terminate all outstanding Swap Transaction(s) under the Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in such Swap Agreement) in relation to the Swap Counterparty, provided that the Trustee has consented to such termination. The Swap Counterparty will be entitled to terminate or will be deemed to have designated to terminate all outstanding Swap Transaction(s) under the Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in the Swap Agreement) in relation to the Issuer, certain illegality and force majeure events, certain tax events, a Collateral Early Redemption, a Collateral Call, a Collateral Default, the occurrence of an Early Redemption Event or an Event of Default under the Notes or the Warrants or the Issuer failing to give an Early Redemption Notice to Noteholders when required to do so under the Conditions of the relevant Series of Notes. Any termination in whole of the Swap Transaction(s) under the Swap Agreement relating to a Related Series of Securities will constitute an Early Redemption Event in respect of the Notes comprised in such Related Series of Securities and a Mandatory Expiration Trigger Event with respect to the Related Series of Warrants. Upon any early redemption of the Notes in such circumstances (assuming no exercise by the holders of the Related Series of Warrants), 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.

None of the Issuer, any Transaction Party nor any affiliate of any such persons makes any representation as to the credit quality of the Swap Counterparty. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information in relation to the Swap

Counterparty. None of such persons is under any obligation to make such information directly available to Noteholders. None of the Issuer, any Transaction Party nor any affiliate of any such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Swap Counterparty or conduct any investigation or due diligence thereon.

Pursuant to the terms of the Swap Agreement relating to a Related Series of Securities, the Swap Counterparty may make determinations which:

- (i) have an adverse effect on the value of the Notes and/or the Warrants comprised in such Related Series of Securities; and/or
- (ii) lead to the termination of the Swap Transactions under the Swap Agreement, to the Notes comprised in such Related Series of Securities becoming due and payable prior to their Maturity Date and/or to the mandatory early expiry of the Related Series of Warrants.

In making determinations under the Swap Agreement, the Swap Counterparty owes no duty to the holders of the Notes or Warrants comprised in the Related Series of Securities, will act for its own account, may exercise any discretion in its own interests and will not and is not required to take into account the interests of the Issuer or any holder of Notes or Warrants comprised in the Related Series of Securities Without prejudice to the foregoing, in making determinations under the Swap Agreement, the Swap Counterparty will when acting in its capacity as calculation agent thereunder make determinations in good faith and in a commercially reasonable manner.

Risk Factors relating to the Custodian

The Issuer will hold cash and securities comprising the Mortgaged Property in respect of a Related Series of Securities with the Custodian on the terms of the Custody Agreement. The Custodian may hold cash and securities delivered or received by it on trust for the Issuer in custody accounts with one or more sub-custodians or depositories in accordance with terms agreed with such sub-custodians or depositories.

The ability of the Issuer to meet its obligations with respect to the Notes and the Warrants comprised in a Related Series of Securities will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement. The Disposal Agent's ability to effect a Liquidation and the Trustee's ability to enforce the Security will be dependent upon receipt by the Issuer, the Disposal Agent or the Trustee, as applicable, of deliveries from the Custodian and performance by the Custodian of its obligations under the Custody Agreement. Consequently, Noteholders and Warrantholders are also relying on the performance of the Custodian (and/or any relevant Sub-custodian or depository). In the event of a bankruptcy or insolvency of the Custodian (or any Sub-custodian or depository), there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the property held with the Custodian or Sub-custodian or Depository on a timely basis or at all. In particular:

- (i) except for claims to assets held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) claims against the Custodian, Sub-custodian and/or depository may be general unsecured claims in respect of which the Issuer is exposed to the creditworthiness of the Custodian, Sub-custodian and/or depository as the case may be;
- (ii) the same position may apply for assets which ought to have been held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) but either were not or have ceased to be identifiable or recoverable as trust assets or in respect of which a shortfall exists. In that regard:
 - (a) although in the accounts of the Custodian maintained for the Issuer the Custodian is required to segregate in its books and records any Collateral with respect to one Related Series of Securities from any Collateral for any other Series of Notes and/or Warrants and from any assets held in other client accounts or for its own accounts, Noteholders and

Warrantholders will be at risk if the Custodian does not, in practice, maintain such a segregation;

- (b) the Custodian may hold Collateral relating to a Related Series of Securities through a clearing system and/or through a Sub-custodian or other account keeper. In such cases, the Custodian's account with the clearing system, Sub-custodian or other account keeper may be held on a pooled basis (that is such Collateral may be held in an account with securities of the same type as such Collateral held by or on behalf of the Custodian for the account of other customers of the Custodian). Were a bankruptcy event to occur in relation to the Custodian and the securities held in any such pooled account are for any reason insufficient to meet in full the claims of all the customers for whom the Custodian holds securities of the same type as the Collateral, such customers (including the Issuer and therefore the holders of the Notes and Warrants comprised in a Related Series of Securities) would bear any shortfall amongst themselves. Collateral held by the Custodian at Euroclear will be held in a client specific account for Collateral held in respect of the Programme (a "**Programme Specific Account**"); however, Collateral in respect of one Related Series of Securities will be pooled in the Programme Specific Account with assets of other Related Series of Securities issued under the Programme. Where Collateral is held in an account with a clearing system, Sub-custodian or other account keeper on a pooled basis with securities of the same type as such Collateral held by or on behalf of the Custodian for the account of other customers of the Custodian or in a Programme Specific Account (in respect of securities of the same type held on behalf of various Series of Securities), the Custodian is permitted to use the Collateral for the account of another client of the Custodian (or for the account of another Series in the case of Collateral held in a Programme Specific Account) in connection with facilitating settlement of trades in those securities, which may give rise to a shortfall if there were to be a subsequent settlement failure in respect of those securities; and
- (iii) even where assets are held on trust (or otherwise outside the insolvent estate of the Custodian, Sub-custodian or depository) the bankruptcy or insolvency of any of the Custodian, any relevant Sub-custodian or depository may delay the Custodian's delivery to the Issuer of the relevant assets.

None of the Custodian or any Sub-custodian or depository will have any duty or obligation to insure any Collateral held or received by it against any risk and the Custodian shall not be responsible for any loss or damage suffered by any party as a result of the Custodian performing its duties under the Custody Agreement unless the same results from its own negligence, fraud or wilful default or that of its officers, employees or agents. If and to the extent any Sub-custodians are BNY Mellon Affiliates (as defined in the Custody Agreement), the Custodian accepts the same responsibility for the acts of those Sub-custodians which are BNY Mellon Affiliates as it does for its own acts.

The Custodian's obligations under the Custody Agreement are subject to certain exclusions and limitations as set out in the Custody Agreement.

Risk Factors relating to the Issuing and Paying Agent

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. Pursuant to the Agency Agreement, the Issuer is to transfer to the Issuing and Paying Agent such amount as may be due under the Notes, on or before each date on which such payment in respect of the Notes becomes due.

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. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but 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, the Noteholders are relying not only on the creditworthiness 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 or facilitate payments to Noteholders.

Risks relating to the Disposal Agent

Liquidation

Where the Notes are to be redeemed other than on the Maturity Date (otherwise than as a result of the occurrence of a Collateral Call or following the exercise of the Related Series of Warrants by the holder(s) thereof), the Disposal Agent is generally required to sell or otherwise liquidate the Collateral. The Disposal 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 will not have any liability for it if a higher price could have been obtained had such sale taken place at a different time during such specified period and/or had or had not been effected in stages in respect of smaller portions.

Replacement Disposal Agent

Upon the occurrence of a Disposal Agent Bankruptcy Event, the Disposal Agent's appointment will be automatically terminated and the Issuer will be required to appoint a replacement institution to take its place. Such replacement will be chosen either by the Issuer, with the prior approval of the Trustee and any relevant Swap Counterparty (unless a Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred), or by the Noteholders acting by Extraordinary Resolution (subject to certain conditions set out in Condition 10(d) of the Master Note Conditions). Arranging for, and appointing any, such replacement may delay any required liquidation of the Collateral and related payments on the Notes.

Risks relating to Conflicts of Interest

General

Each of the Transaction Parties and any of their affiliates is acting or may act in a number of capacities in connection with the issue of any Related Series of Securities. The Transaction Parties and each of their respective affiliates when acting in such capacities in connection with the transactions described herein in respect of any Related Series of Securities shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of its or any other affiliates acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. The Transaction Parties and any of their respective affiliates in their various capacities in connection with the contemplated transactions may enter into business dealings, including the acquisition of Notes and/or Warrants, from which they may derive revenues and profits in addition to any fees stated in the various documents, without any duty to account therefor.

The Transaction Parties and any of their respective 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 or Warranthead, affect decisions made by it with respect to its investment in the Notes or Warrants (as the case may be). Notwithstanding this, none of the Transaction Parties or any of their respective affiliates shall have any duty or obligation to notify the Noteholders, the Warranthead or the Issuer or any Transaction Party in respect of any Series (including any directors, officers or employees thereof) of such information and/or opinions.

The Transaction Parties and any of their respective 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, if applicable, and the relevant Related Series of Securities 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 and Warrants comprised in the relevant Related Series of Securities.

The Transaction Parties and any of their respective 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 the Transaction Parties and any of their respective 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, the Warrants or any Collateral. Notwithstanding this, none of the Transaction Parties or any of their respective affiliates shall have any duty or obligation to take into account the interests of any party in relation to any Notes or Warrants when effecting transactions in such markets.

One or more of the Transaction Parties and their respective affiliates may:

- (i) have issued the Collateral;
- (ii) 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;
- (iii) act as trustee, paying agent and in other capacities in connection with certain Collateral or other classes of securities issued by an issuer of, or obligor with respect to, the Collateral or an affiliate thereof;
- (iv) be a counterparty to issuers of, or obligors with respect to, certain Collateral under a swap or other derivative agreements;
- (v) 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;
- (vi) 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; or
- (vii) have an equity interest, which may be a substantial equity interest, in certain issuers of, or obligors with respect to, the Collateral or their respective affiliates.

When acting as a trustee, paying agent, custodian, disposal agent or in any other service capacity with respect to any Collateral, a Transaction Party may be entitled to fees, charges and expenses senior in priority to payments on such Collateral. When acting as a trustee for other classes of securities or any other assets issued by the issuer or obligor of any Collateral or an affiliate thereof, a Transaction Party may owe fiduciary duties to the holders of such other classes of securities or assets, which classes of securities or assets may have differing interests from the holders of the class of securities or assets of which the relevant Collateral is a part, and may take actions that are adverse to the holders (including, where applicable, the Issuer) of the class of securities or assets of which the relevant Collateral is a part. 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, demanding collateralisation of its exposure under such agreements (if provided for thereunder) or terminating such swaps or agreements in accordance with the terms thereof. In making and administering loans and other obligations, a Transaction Party may take action 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 any Collateral may enhance the profitability or value of investments made by any Transaction Party in the issuers thereof or obligors in respect

thereof. As a result of such transactions or arrangements between any Transaction Party and issuers of, and obligors with respect to, any Collateral or their respective affiliates, the Transaction Parties may have interests that are contrary to the interests of the Issuer, Noteholders and/or Warrantheolders.

The Trustee

In connection with the exercise of its functions, the Trustee shall have regard only to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and shall not have regard to the interests of the Warrantheolders. The Trustee shall not be entitled to require, nor shall any Noteholder, Warrantheolder or any other person be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Warrantheolders.

In acting as Trustee under the Principal Trust Deed and any Trust Deed, the Trustee shall not, in respect of any Related Series of Securities, assume any duty or responsibility to the Swap Counterparty (other than to pay to the Swap Counterparty any moneys received and payable to it and to act in accordance with the Conditions) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the Swap Counterparty if this would, in the Trustee's opinion, be contrary to the interests of the Noteholders.

The Swap Counterparty

Prospective investors should be aware that, where the Swap Counterparty is entitled to exercise its discretion or to undertake a decision in its capacity as Swap Counterparty in relation to the Swap Agreement entered into by the Issuer in connection with a Related Series of Securities (including any right to terminate the Swap Agreement), in respect of the terms and conditions or otherwise in respect of the Notes and Warrants comprised in such Related Series of Securities, 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, the Warrantheolders or any other person. In exercising its discretion or deciding upon a course of action, the Swap Counterparty shall attempt to maximise the beneficial outcome for itself (that is maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders, the Warrantheolders 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 selection.

Risk Factors relating to the market generally

Limited liquidity of the Notes and Warrants

Although application may be made to admit the Securities to the Official List and admitted to trading on the Global Exchange Market of the Irish Stock Exchange, or the official list of another stock exchange and to admit them to trading on the market or the regulated market of another stock exchange, there is currently no secondary market for either the Notes or the Warrants.

There can be no assurance that a secondary market for any of the Securities will develop or, if a secondary market does develop, that it will provide the Noteholders or Warrantheolders with liquidity or that it will continue for the life of the Securities. The Warrants in particular may be very illiquid and, even if there is a secondary market for the Warrants, it is not likely to provide significant liquidity. Consequently, any investor of the Notes and/or the Warrants must be prepared to hold such Notes or Warrants for an indefinite period of time or (in the case of the Notes) until redemption of the Notes. Although the Arranger and/or the Dealer(s) may from time to time make a market in the Securities, neither the Arranger nor the Dealer(s) (or any of their respective affiliates) is under any obligation to do so. Furthermore, any such market making may be discontinued at any time without notice.

To the extent Warrants of a particular issue are exercised or redeemed, the number of Warrants of such issue outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants of such

issue. A decrease in the liquidity of an issue of Warrants may cause, in turn, an increase in the volatility associated with the price of such issue of Warrants.

The Issuer may, but is not obliged to, purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation. To the extent that an issue of Warrants becomes illiquid, an investor may have to exercise such Warrants to realise value.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on Notes issued under the Programme in the currency of such Notes. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Noteholder's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Noteholder's Currency) and the risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease (i) the Noteholder's Currency equivalent yield on the Notes, (ii) the Noteholder's Currency equivalent value of the principal payable on the Notes and (iii) the Noteholder's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected and may receive no interest or principal.

Interest rate risks

Investment in Notes issued under the Programme may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risks relating to Global Events

General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. By mid-2007, concerns about the value of mortgage assets held by global commercial banks, investment banks, government sponsored entities, hedge funds, structured investment vehicles and institutional investors led to a general tightening of available credit and liquidity in the global financial markets.

During 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the U.K. and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a "double dip" recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international "bail-outs" of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful or that any recovery will continue. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions or the actions of international or supra-national bodies to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Securities. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Securities.

Impact on Liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Securities, the value of the Collateral or the value of the relevant Swap Agreement, both in terms of the assets or indices referenced and in terms of the value of the obligations of the relevant Swap Counterparty. In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Collateral and the termination value of the relevant Swap Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Custodian, the Issuing and Paying Agent, the Principal Warrant Agent and the other Agents may also impact the value of the Securities.

Impact on Credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have in some cases been *de minimis* and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the relevant Swap Counterparty and the Swap Guarantor (if any). Prospective investors should also consider the impact of a default by a

Custodian, Issuing and Paying Agent or Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

Impact on Valuations and Calculations

Since 2007, actively traded markets for a number of asset classes and obligors have either ceased to exist or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

Furthermore, in a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

Impact of Increased Regulation and Nationalisation

The events since 2007 have seen increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States of America, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Notes and the Warrants, the Arranger, the relevant Swap Counterparty and the other Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the relevant Swap Counterparty or any other person or entity connected with the Notes or Warrants is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note or Warrant.

Systemic Risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as "systemic risk". Financial institutions such as the Arranger, the Dealer(s), the Trustee, the relevant Swap Counterparty, the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a

high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and as such have a material adverse impact on other entities.

MASTER NOTE CONDITIONS

*The following is the text of the master terms and conditions applicable to Notes issued under the Programme (the “**Master Note Conditions**”). The text of these Master Note Conditions, subject to completion by the provisions of Part A of the relevant Note Pricing Supplement, shall be applicable to the Notes in definitive form (if any). The full text of these Master Note Conditions together with the relevant provisions of Part A of the relevant Note Pricing Supplement, shall be endorsed on such Bearer Notes or on the Certificates relating to Registered Notes. In respect of the Notes, “**Conditions**” shall mean (i) to the extent that the Notes are in definitive form, the text of these Master Note Conditions as completed by the provisions of Part A of the relevant Note Pricing Supplement and (ii) to the extent that the Notes are represented by a Global Note or Global Certificate, as the case may be, these Master Note Conditions as completed by the provisions of Part A of the relevant Note Pricing Supplement and by the terms of the Global Note or Global Certificate, as the case may be. In respect of the Notes, “**Note Pricing Supplement**” means the Pricing Supplement issued specifying the relevant issue details of the Notes in the form specified in “Form of Note Pricing Supplement”. The Note Pricing Supplement shall be included in any Tranche Prospectus pursuant to which the Notes may be issued. All capitalised terms that are not defined in the Conditions will have the meanings given to them in the Trust Deed (as defined below). Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be.*

*References in the Conditions to “**Notes**” are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References in the Conditions to “**Warrants**” and “**Series of Warrants**” are to any Related Series of Warrants of the Issuer specified as such in the relevant Note Pricing Supplement only, not to all Warrants that may be issued under the Programme.*

The Notes are constituted and secured by a supplemental trust deed dated the issue date of the first Tranche of the Notes as amended, supplemented, restated and/or novated from time to time (the “**Supplemental Trust Deed**”) and made between the Issuer, BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) and, if applicable, the other persons specified therein, supplemental to an amended and restated principal trust deed dated 21 December 2015 (as further amended, supplemented, restated and/or novated as at the Issue Date, the “**Principal Trust Deed**”) and made between the Issuer and the Trustee, as trustee for the Noteholders. The Principal Trust Deed and the Supplemental Trust Deed are referred to together as the “**Trust Deed**”. These Master Note Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Certificates, Coupons and Talons referred to below. An amended and restated note and warrant agency agreement dated 21 December 2015 (as amended or supplemented as at the Issue Date and as may be further amended and restated from time to time, the “**Agency Agreement**”) has been entered into in relation to the Notes and Warrants between the Issuer, the Trustee, The Bank of New York Mellon, London Branch as initial issuing and paying agent and as calculation agent for the Notes and as principal warrant agent for the Warrants, SMBC Nikko Capital Markets Limited as disposal agent, determination agent and as calculation agent for the Warrants and the other agents named in it. An amended and restated custody agreement dated 21 December 2015 (as amended or supplemented as at the Issue Date and as may be further amended and restated from time to time, the “**Custody Agreement**”) has been entered into between the Issuer, the Trustee and The Bank of New York Mellon, London Branch as custodian. The issuing and paying agent, the principal warrant agent, the custodian, the paying agents, the calculation agent for the Notes, the determination agent, the registrar, the transfer agents, the calculation agent for the Warrants and the disposal agent for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Principal Warrant Agent**”, the “**Custodian**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Note Calculation Agent**”, the “**Determination Agent**”, the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar), the “**Warrant Calculation Agent**” and the “**Disposal Agent**”. The Issuing and Paying Agent, the Paying Agents, the Note Calculation Agent, the Determination Agent, the Registrar, the Transfer Agent, the Disposal Agent and the Custodian shall be referred to collectively as “**Agents**” and each an “**Agent**”. The Principal Warrant Agent and the Warrant Calculation Agent shall be referred to collectively as “**Warrant Agents**” and each a “**Warrant Agent**”. Copies of the Trust Deed and the Agency Agreement are

available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents.

In connection with each Series of Notes, the Issuer shall contemporaneously issue a related series of Warrants (each a “**Related Series of Warrants**” and, together with the Series of Notes to which it relates, a “**Related Series of Securities**”), as specified in the relevant Note Pricing Supplement. The Related Series of Warrants in respect of each Series of Notes will be issued pursuant to the Agency Agreement (as amended in respect of such Related Series of Warrants by the relevant Supplemental Trust Deed and the relevant Pricing Supplement with respect to such Related Series of Warrants) (the terms of such Warrants being the “**Warrant Conditions**”). The term “**Warrantholders**” as used in these Conditions shall have the meaning given to it in the relevant Warrant Conditions.

Each Series of Notes and the Related Series of Warrants are secured by the same Trust Deed on the same Mortgaged Property (as defined below) and in addition may be secured by a security document other than the Trust Deed (an “**Other Security Document**”), as specified in the relevant Supplemental Trust Deed.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these Master Note Conditions will have the meanings given to them in the Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Notes. In the event of any inconsistency between the terms of the Supplemental Trust Deed and the terms of the Principal Trust Deed, the terms of the Supplemental Trust Deed shall prevail. In the event of any inconsistency between the Master Note Conditions and the terms of the relevant Note Pricing Supplement, the terms of the relevant Note Pricing Supplement shall prevail. In the event of any inconsistency between the terms of the Trust Deed, the Master Note Conditions and the terms of the relevant Note Pricing Supplement, the terms of the relevant Note Pricing Supplement shall prevail. References in the Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Warrant Exercise Early Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 7; and (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6.

1 Form, Specified Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case in the Specified Denomination(s) specified in the relevant Note Pricing Supplement.

All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note or a Floating Rate Note, as specified in the relevant Note Pricing Supplement.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure will be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

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

In these Conditions, Euroclear, Clearstream, Luxembourg and any Alternative Clearing System are referred to as the “**Relevant Clearing System(s)**”.

2 Exchange of Notes and Transfers of Registered Notes

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfers of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any 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 Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be subject to and effected in accordance with the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(b) shall be available for delivery within three business days of the surrender of the relevant Certificate together with the requisite form of transfer. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “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 (as the case may be).

(d) Transfers Free of Charge

Transfers of Notes and Certificates shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the Maturity Date, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 7(f), (iii) after the occurrence of any Early

Redemption Event and/or any Liquidation Event or (iv) during the period of seven days ending on (and including) any Record Date.

3 Constitution, Status, Collateral and Non-applicability

(a) Constitution and Status of Notes

The Notes are constituted and secured by the Trust Deed. The Notes are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 16(a).

(b) Collateral

In connection with each issue of a Series of Notes, the Issuer will issue a Related Series of Warrants and shall acquire rights, title and/or interests in and to the “**Collateral**” specified in the relevant Note Pricing Supplement.

The initial Collateral shall be as specified in the relevant Note Pricing Supplement. The term “Collateral” shall include the rights, title and/or interests in (x) any further Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes, (y) any Collateral acquired by the Issuer by way of substitution or replacement of any Collateral previously held by it and (z) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Collateral is converted, exchanged, or issued to the Issuer by virtue of its holding of any of the Collateral.

In addition, the Issuer has entered into a (i) 2002 ISDA Master Agreement, together with a schedule thereto (the “**SMBC-NCM ISDA Master**”); and (ii) an EMIR ISDA Master Amendment Deed (the “**EMIR Amendment Deed**”), in each case with SMBC Nikko Capital Markets Limited (the “**Initial Swap Counterparty**”) and dated as of 21 October 2014 (together the “**SMBC-NCM ISDA Master Agreement**”) and, may, from time to time, enter into further ISDA Master Agreements with one or more further swap counterparties.

The EMIR Amendment Deed amends the terms of the SMBC-NCM ISDA Master so as to reflect certain reconciliation and dispute resolution obligations imposed by Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 in relation to Swap Transactions (as defined below) entered into between the Issuer and the Initial Swap Counterparty.

References in these Conditions to the Swap Counterparty shall be deemed to be references to the Initial Swap Counterparty unless the relevant Note Pricing Supplement specifies a different entity as the Swap Counterparty, in which case references in these Conditions to the Swap Counterparty shall be deemed to be references to the Swap Counterparty specified in the Note Pricing Supplement.

References in these Conditions to the ISDA Master Agreement shall be deemed to be references to the SMBC-NCM ISDA Master Agreement unless the relevant Note Pricing Supplement specifies a different entity as the Swap Counterparty, in which case references in these Conditions to the ISDA Master Agreement shall be deemed to be references to the ISDA Master Agreement entered into between the Issuer and the Swap Counterparty specified in the Note Pricing Supplement.

In connection with a Related Series of Securities, the Issuer will enter into one or more transactions pursuant to the relevant ISDA Master Agreement (each such transaction, a “**Swap Transaction**”, and, together with the confirmation(s) evidencing such transaction(s) and the ISDA Master Agreement, the “**Swap Agreement**”).

The obligations of the Initial Swap Counterparty under the SMBC-NCM ISDA Master Agreement are guaranteed by Sumitomo Mitsui Banking Corporation (the “**Swap Guarantor**”).

(c) *Mortgaged Property and Secured Obligations*

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

“Mortgaged Property” means:

- (i) the Collateral and all property, assets and sums derived therefrom;
- (ii) the rights and interest of the Issuer in and under the relevant Swap Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such Swap Agreement;
- (iii) the rights and interest of the Issuer under the Agency Agreement and the Custody Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements; and
- (iv) the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned or otherwise made subject to the security created by the Issuer in favour of the Trustee for the benefit of the Secured Creditors pursuant to the Security Documents, as the case may be,

in each case securing the Secured Obligations and includes where the context permits any part of that Mortgaged Property.

“Secured Creditor” means each person that is entitled to the benefit of Secured Obligations.

“Secured Obligations” means the payment and/or delivery obligations of the Issuer under the Trust Deed, the relevant Swap Agreement, the Custody Agreement, the Agency Agreement and each Note, Coupon and Talon and each Warrant of a Related Series of Warrants, together with any obligation of the Issuer to reimburse and/or make payment to the Issuing and Paying Agent, Principal Warrant Agent or any other Agent or Warrant Agent in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation.

“Security Document” means the Trust Deed and/or any Other Security Document in respect of any Related Series of Securities which creates or purports to create security in favour of the Trustee for the benefit of the Secured Creditors of such Related Series of Securities.

“Transaction Document” means each of the Security Document(s), the Agency Agreement, the Custody Agreement, the Dealer Agreement, the relevant Swap Agreement and any other agreement specified as such in the relevant Note Pricing Supplement.

“Transaction Party” means each party to a Transaction Document other than the Issuer, together with any other person specified as a Transaction Party in the relevant Note Pricing Supplement.

4 Security

(a) *Security*

Unless otherwise specified in the Supplemental Trust Deed, the Secured Obligations in respect of a Related Series of Securities are secured in favour of the Trustee for the benefit of the Secured Creditors, pursuant to the Trust Deed, by:

- (i) a first fixed charge over the Collateral and all property, assets and sums derived therefrom;
- (ii) an assignment by way of security of all the Issuer’s rights, title and interest attaching or relating to the Collateral and all property, sums or assets derived therefrom, including, without limitation, any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security of the Issuer’s rights, title and interest against the Custodian, to the extent that they relate to the Collateral;

- (iv) an assignment by way of security of the Issuer's rights, title and interest under the Agency Agreement, to the extent that they relate to such Related Series of Securities;
- (v) an assignment by way of security of the Issuer's rights, title and/or interest under the Swap Agreement, to the extent that they relate to such Related Series of Securities;
- (vi) an assignment by way of security of the Issuer's rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent) to the extent that they relate to the Collateral;
- (vii) an assignment by way of security of the Issuer's rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian in respect of such Related Series of Securities;
- (viii) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Obligation in respect of such Related Series of Securities; (B) all sums held by the Principal Warrant Agent to meet payments due in respect of the Related Series of Warrants; and (C) any sums received by the Issuing and Paying Agent under the Swap Agreement; and
- (ix) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral, to the extent that they relate to such Related Series of Securities.

Notwithstanding the above, investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, assets and sums derived therefrom, as the case may be, rather than a charge over such Collateral and/or property, assets and sums derived therefrom, themselves.

Additionally, the Secured Obligations of the Issuer may be secured pursuant to an Other Security Document, as specified in the relevant Supplemental Trust Deed.

References in these Conditions to "**Security**" are to the security constituted by the Trust Deed and any Other Security Document (if applicable).

(b) Issuer's rights as beneficial owner of Collateral

Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian and the Disposal Agent), the Issuer may, with the sanction of an Extraordinary Resolution of the holders of the Notes comprised in the relevant Related Series of Securities or with the prior written consent of the Trustee:

- (i) take such action in relation to the Mortgaged Property in relation to such Related Series of Securities as it may think expedient; and
- (ii) exercise any rights incidental to the ownership of such Mortgaged Property and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

Subject as provided below, the Issuer will not exercise any rights with respect to any Mortgaged Property unless it has the sanction or consent referred to above and, if such sanction or consent is given, the Issuer will act only in accordance with such sanction or consent.

Notwithstanding the foregoing, if the Collateral for a Related Series of Securities is subject to a put option (as specified in the relevant Note Pricing Supplement) (a "**Collateral Put Option**"), then the Determination Agent may, on behalf of the Issuer, direct the Custodian in relation to the exercise of the Collateral Put Option on behalf of the Issuer without the need for any such sanction or consent, to the extent necessary in order to fund redemption of such Notes.

(c) *Disposal Agent's right following Liquidation Event*

Notwithstanding the above, following the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties) the Disposal Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by the Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance thereof or ancillary thereto as they relate to the Collateral, without requiring any sanction referred to therein. Pursuant to the terms of the Trust Deed, upon the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties), the Security described in Condition 4(a) will automatically be released without further action on the part of the Trustee to the extent necessary to effect the Liquidation (as defined in Condition 13) of the Disposable Portion of the Collateral; provided that nothing in this Condition 4(d) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Disposable Portion of the Collateral.

5 Restrictions

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior consent in writing of the Trustee but subject to the provisions of Condition 13 (*Liquidation*) and except as provided for or contemplated in the Conditions or any Transaction Document (and as provided below):

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that:
 - (i) such Obligations are secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other Obligations (other than Equivalent Obligations); and
 - (ii) such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof (other than as contemplated by the Trust Deed, the Conditions, any Other Security Document and/or any other Transaction Document);
- (c) subject to the proviso in Clause 7.1.32 of the Principal Trust Deed, cause or permit the relevant Swap Agreement or the priority of the Security created by the Trust Deed to be amended, terminated or discharged (other than as contemplated by the Trust Deed and/or the Conditions);
- (d) release any party to the relevant Swap Agreement or the Trust Deed or any Other Security Document from any existing obligations thereunder (other than as contemplated by the Trust Deed, such Other Security Document and/or the Conditions);
- (e) have any subsidiaries (although, for the avoidance of doubt, it may establish branches);
- (f) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of the Trust Deed, any Other Security Document, the relevant Swap Agreement, the Conditions or any other Transaction Document (other than as contemplated by the Trust Deed, such Other Security Document, the Conditions and/or any other Transaction Document);
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions, including without limitation in connection with a substitution of the Issuer under the Notes and the relevant Swap Agreement as provided in the Trust Deed and the Conditions for such Notes and the relevant Swap Agreement);
- (h) have any employees;

- (i) issue any shares (other than such shares as are in issue at the date hereof) or make any distribution to its shareholders;
- (j) open or have any interest in any account with a bank or financial institution unless (i) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security over the Issuer's interest in such account or (ii) such account is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- (k) declare any dividends;
- (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (m) guarantee, act as surety for or become obliged for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders; or
- (o) except as is required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, to any other entity or person.

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

"Equivalent Obligations" means, in respect of any Obligations which are issued in fungible form, all Obligations that are fungible with one another and which share common terms and conditions.

"Obligation" means (i) any obligation of the Issuer for the payment or repayment of borrowed money which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security, (ii) any obligation that is in the form of options, warrants or other similar form which shall include, without limitation, any Warrant and (iii) any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

6 Interest

If the relevant Note Pricing Supplement specify that interest applies to the Notes, each Note will bear interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 6(e).

(a) Fixed Rate Notes

The Rate of Interest in respect of Fixed Rate Notes for each Interest Period shall be the rate specified in the relevant Note Pricing Supplement and the Interest Amount shall be the Fixed Coupon Amount and/or the Broken Amount (for a period that is longer/shorter than other interest periods) (if any).

(b) Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Period shall be determined in accordance with the provisions below relating to either ISDA Determination or Screen Rate Determination, depending upon which is specified in the relevant Note Pricing Supplement. In either case, if the Rate of Interest cannot be determined in accordance with the method specified in the relevant Note Pricing Supplement, the Note Calculation Agent shall determine such Rate of Interest in its sole discretion acting in good faith and in a commercially reasonable manner.

(i) ISDA Determination for Floating Rate Notes:

Where ISDA Determination is specified in the relevant Note Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Note Calculation Agent as a rate equal to the relevant ISDA Rate, subject as

provided in Condition 6(d). For the purposes of this paragraph (b)(i), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified in the relevant Note Pricing Supplement;
- (B) the Designated Maturity is the period specified in the relevant Note Pricing Supplement; and
- (C) the relevant Reset Date is the first day of that Interest Period.

For the purposes of this paragraph (b)(i), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(ii) *Screen Rate Determination for Floating Rate Notes*

(A) Where Screen Rate Determination is specified in the relevant Note Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below and to Condition 6(d), be either:

- (I) the offered quotation; or
- (II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Note Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Note Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(B) if the Relevant Screen Page is not available or if paragraph (b)(ii)(A)(I) above applies and no such offered quotation appears on the Relevant Screen Page or if paragraph (b)(ii)(A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the Relevant Time, subject as provided below, the Determination Agent shall request each of the Reference Banks to provide the Determination Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Determination Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Determination Agent; and

(C) if paragraph (b)(ii)(B) above applies and the Determination Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Determination Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Determination Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which

would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Determination Agent suitable for such purpose) informs the Determination Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph (b)(ii)(C), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or maximum or minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or maximum or minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or maximum or minimum Rate of Interest relating to that last preceding Interest Period).

(c) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption save that if, upon due presentation, payment of the full amount of principal and/or interest due on such due date for redemption is improperly withheld or refused, interest will accrue daily on the unpaid amount of principal and/or interest (after as well as before judgment and regardless of the Interest Basis) from and including the due date for redemption to but excluding the Relevant Date at the rate for each calendar day equal to the rate for deposits in the Specified Currency, as determined by the Note Calculation Agent or the Determination Agent in accordance with Condition 6(e).

(d) *Margin, Maximum Rate of Interest or Minimum Rate of Interest*

- (i) If any Margin is specified in the relevant Note Pricing Supplement, an adjustment shall be made to all Rates of Interest, calculated in accordance with Condition 6(b) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to paragraph (ii) below.
- (ii) If any Rate of Interest is specified in the relevant Note Pricing Supplement as being subject to a Maximum Rate of Interest or Minimum Rate of Interest, then such Rate of Interest shall be subject to such maximum or minimum as the case may be.

Unless otherwise stated in the relevant Note Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

(e) *Interest Payable*

The interest payable in respect of any Note for a relevant period shall be an amount determined by the Note Calculation Agent or Determination Agent, as specified in the relevant Note Pricing Supplement, equal to the product of the amount of interest payable per Calculation Amount, as determined in accordance with this Condition 6(e), and the Calculation Amount Factor of the relevant Note. The amount of interest payable per Calculation Amount in respect of any Note for any Interest Period shall be equal to the product of the Rate of Interest, the Calculation Amount and the Day Count Fraction for such Interest Period, unless an Interest Amount (or a formula for its calculation) is specified in the relevant Note Pricing Supplement in respect of such period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(f) *Definitions*

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

“Broken Amount” means the amount of interest payable per Calculation Amount in respect of any short or long first or last Interest Period calculated in accordance with Condition 6(e) and specified in the relevant Note Pricing Supplement.

“Business Centre” means any business centre specified as such in the relevant Note Pricing Supplement.

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in London and each Business Centre and either:

- (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the principal financial centre of the country of the relevant Specified Currency; or
- (ii) in relation to any sum payable in euro, a day on which the TARGET System is open for the settlement of payments in euro (a **“TARGET Business Day”**).

“Calculation Amount” means, in respect of a Note and an Interest Period, the amount specified in the relevant Note Pricing Supplement.

“Calculation Amount Factor” means, in respect of a Note, the number equal to the Specified Denomination of such Note divided by the Calculation Amount.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last day of such period) (the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual-ISDA”** is specified in the relevant Note Pricing Supplement, 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 (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) 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 relevant Note Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified in the relevant Note Pricing Supplement, 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 relevant Note Pricing Supplement, 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 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Note Pricing Supplement, 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;

- (vi) if “**30E/360 (ISDA)**” is specified in the relevant Note Pricing Supplement, 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;

- (vii) If “**Actual/Actual-ICMA**” is specified in the relevant Note Pricing Supplement:

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

(B) if the Calculation Period is longer than one Determination Period, the sum of:

- (I) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (II) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year,

where:

“Determination Date” means the date specified as such in the relevant Note Pricing Supplement or, if none is so specified, the Interest Payment Date.

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Euro-zone” means the region comprising Member States of the European Union (**“EU Member States”**) that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Fixed Coupon Amount” means, with respect to a Fixed Rate Note, the amount of interest payable per Calculation Amount per Interest Period as calculated in accordance with Condition 6(e) and specified in the relevant Note Pricing Supplement.

“Interest Amount” means:

- (i) in respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Note Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Note Pricing Supplement.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Period, the date specified as such in the relevant Note Pricing Supplement or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Period if the Specified Currency is euro.

“Interest Payment Date” means:

- (i) in respect of Fixed Rate Notes, each date specified as an Interest Payment Date in the relevant Note Pricing Supplement; and
- (ii) in respect of Floating Rate Notes:
 - (a) each date specified as a Specified Interest Payment Date in the relevant Note Pricing Supplement; or
 - (b) if no Specified Interest Payment Date(s) is/are specified in the relevant Note Pricing Supplement, each date which falls the number of months or other period in the Interest Period specified in the relevant Note Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

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

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Note Pricing Supplement.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.

“Issue Date” means the date of issue of the Notes as specified in the relevant Note Pricing Supplement.

“Margin” means the value specified in the relevant Note Pricing Supplement.

“Maximum Rate of Interest” means the rate specified in the relevant Note Pricing Supplement.

“Minimum Rate of Interest” means the rate specified in the relevant Note Pricing Supplement.

“Rate of Interest” means the rate of interest payable from time to time in respect of a Note and that is specified in the relevant Note Pricing Supplement.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Determination Agent.

“Reference Rate” means either LIBOR or EURIBOR (or any successor or replacement rate), as specified in the relevant Note Pricing Supplement.

“Relevant Date” means, in respect of any Note or Coupon, the date on which payment in respect of it 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 seven calendar days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) 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 Screen Page” means such page, section, caption, column or other part of a particular information service (or any successor or replacement page, section, caption, column or other part of a particular information service) as may be specified in the relevant Note Pricing Supplement.

“Relevant Time” means, in the case of a determination of LIBOR, 11:00 a.m. London time and, in the case of a determination of EURIBOR, 11:00 a.m. Brussels.

“Specified Currency” means the currency specified as such in the relevant Note Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

“Specified Denomination” means, in respect of a Note, the amount specified in the relevant Note Pricing Supplement.

“Specified Interest Payment Date(s)” means, in respect of a Floating Rate Note, each date(s) specified as such in the relevant Note Pricing Supplement.

“TARGET Settlement Day” means any day on which the TARGET System is open.

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

7 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided in the Conditions, each Note shall become due and payable on the Maturity Date at 100 per cent. per Calculation Amount per Note (the “**Final Redemption Amount**”).

(b) *Redemption upon Exercise of Warrant(s) of the Related Series of Warrants*

Where, in respect of any Series of Notes, a valid Warrant Exercise Notice is delivered to the Relevant Clearing System and copied to the Warrant Calculation Agent, in each case by the relevant time, in respect of one or more Warrants of the Related Series of Warrants and the relevant Warrant Exercise Amount is paid on or before the relevant Warrant Exercise Amount Settlement Date in respect of such Related Series of Warrants, all in accordance with the Warrant Conditions, the Issuer shall:

- (i) no later than 3.00 p.m. (London time) (or such other time as may be specified in the relevant Note Pricing Supplement) on the first Business Day immediately following such Warrant Exercise Amount Settlement Date, deliver an Early Redemption Notice to the holders of the relevant Notes that are to be redeemed (determined as set out below); and
- (ii) redeem each such Note (or, as the case may be, the relevant *pro rata* portion of the Notes) on the relevant Warrant Exercise Early Redemption Date at the relevant Warrant Exercise Early Redemption Amount, together with accrued but unpaid interest (if any) from and including the immediately preceding Interest Period Date (or if none, the Interest Commencement Date) up to (but excluding) such Warrant Exercise Early Redemption Date, as calculated by the Note Calculation Agent (unless otherwise specified in the relevant Note Pricing Supplement).

For the avoidance of doubt, the Issuer may only redeem Notes of a Series in accordance with this Condition 7(b) where a valid Warrant Exercise Notice in respect of Warrants of the Related Series of Warrants is delivered to the Relevant Clearing System and a copy delivered to the Warrant Calculation Agent, in each case by the relevant time, and the exercising Warrantholder(s) have paid the related Warrant Exercise Amount, and only in respect of an aggregate principal amount of Notes corresponding to the Warrants of the Related Series of Warrants that were the subject of such Warrant Exercise Notice.

If some only of the Notes of a Series are to be redeemed in accordance with this Condition 7(b) and the relevant Note Pricing Supplement specifies that Notes are to be redeemed in whole, the Issuing and Paying Agent or the Registrar, as the case may be, shall, in the case of definitive Notes, make the required drawing in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If some only of the Notes of a Series are to be redeemed in accordance with this Condition 7(b) and the relevant Note Pricing Supplement specifies that all of the Note shall be redeemed on a *pro rata* basis, the Issuing and Paying Agent or the Registrar, as the case may be, shall, in the case of definitive Notes, endorse the definitive Notes or Certificates to reflect such partial redemption.

As long as any Warrants of the Related Series of Warrants remain outstanding, redemption pursuant to this Condition 7(b) may occur on more than one occasion.

For the avoidance of doubt, Notes may be redeemed pursuant to this Condition 7(b) notwithstanding the occurrence of an Early Redemption Event (as defined in Condition 7(i) below), provided that the Warrant Calculation Agent receives a valid Warrant Exercise Notice from the holders of the Related Series of Warrants and the relevant Warrant Exercise Amount is paid on or before the relevant Warrant Exercise Amount Settlement Date in respect of such Related Series of Warrants.

For the purposes of this Condition 7(b), unless otherwise specified in the relevant Note Pricing Supplement:

“**Warrant Exercise Amount**” means the amount payable by the holder of a Warrant in respect of a valid exercise of such Warrant in accordance with the Warrant Conditions.

“Warrant Exercise Early Redemption Amount” means, unless otherwise specified in the relevant Note Pricing Supplement, in respect of each Note (or, as the case may be, the relevant *pro rata* portion of the Notes) to be redeemed following the exercise of any of the Warrant(s) of the Related Series of Warrants on the relevant Warrant Exercise Early Redemption Date, an amount in the Specified Currency equal to the Calculation Amount (or, as the case may be, 100 per cent. of the relevant *pro rata* redemption portion).

“Warrant Exercise Early Redemption Date” means, in respect of a redemption resulting from the exercise of any of the Warrant(s) of the Related Series of Warrants, the day falling eleven Business Days following the relevant Warrant Exercise Amount Settlement Date in respect of the exercise of such Warrant(s).

“Warrant Exercise Notice” means an exercise notice, validly delivered by the holder of any Warrant of the Related Series of Warrants to the Relevant Clearing System and the Warrant Calculation Agent in accordance with the Warrant Conditions.

“Warrant Exercise Amount Settlement Date” means the day falling five Business Days following the day on which a valid Warrant Exercise Notice has been delivered to the Relevant Clearing System and the Warrant Calculation Agent in accordance with the Warrant Conditions.

(c) *Redemption upon a Collateral Call or upon a Collateral Early Redemption or a Collateral Default*

(i) *Redemption upon a Collateral Call*

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c)(ii), 7(d), 7(e) or 12, if the Issuer receives a notice from the Custodian that a Collateral Call has occurred, the Issuer shall deliver an Early Redemption Notice to the Noteholders as soon as reasonably practicable following the occurrence of such Collateral Call and each Note shall, subject to Condition 7(b), become due and payable on the related Early Redemption Date at its Early Redemption Amount, together with any unpaid accrued interest thereon.

In the case of any early redemption following the occurrence of a Collateral Call pursuant to this Condition 7(c)(i), the “Early Redemption Date” in respect of such Early Redemption Event shall be the fifth Business Day following the relevant Collateral Call Redemption Date and the “Early Redemption Amount” shall be 100 per cent. per Calculation Amount per Note in the Specified Currency, in either case save as otherwise provided in the relevant Note Pricing Supplement.

In these Conditions, unless the context otherwise requires:

“Collateral Call” means the giving of notice by or on behalf of the relevant Collateral Obligor (as defined in Condition 7(c)(ii) below) that all of the Collateral is to be redeemed prior to its scheduled maturity date pursuant to the exercise by such Collateral Obligor of any optional early redemption right specifically provided for in the terms of such Collateral.

“Collateral Call Redemption Date” means the date upon which the Collateral is scheduled to be redeemed early pursuant to the relevant Collateral Call.

(ii) *Redemption upon a Collateral Early Redemption or Collateral Default*

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c)(i), 7(d), 7(e) or 12, the Issuer shall, (i) if a Collateral Early Redemption occurs or (ii) if so directed by an Extraordinary Resolution resolving that a Collateral Default has occurred and that a notice of redemption in respect of the Series is to be given by the Issuer, deliver an Early Redemption Notice to the Noteholders as soon as reasonably practicable following the occurrence of such Collateral Early Redemption or upon being so directed by an Extraordinary Resolution and, subject to Condition 7(j) below, each Note shall become due and payable on the related Early

Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

Notwithstanding anything to the contrary in Condition 18 or the Trust Deed, any Noteholder may deliver a request in writing to the Issuer, the Determination Agent and the Trustee for a meeting of Noteholders to be convened to consider an Extraordinary Resolution to resolve that a Collateral Default has occurred and to instruct the Issuer to deliver an Early Redemption Notice in respect of the Notes. Any such request must (i) describe the Collateral Default alleged to have occurred, (ii) contain a description in reasonable detail of the facts relevant to the determination that such Collateral Default has occurred, (iii) contain a copy of Publicly Available Information which in the sole opinion by the Issuer is satisfactory evidence of the occurrence of the Collateral Default; and (iv) confirm that the Collateral Default is continuing on the date of such request. Upon receipt of a valid request from a Noteholder satisfying the requirements outlined in the preceding sentence, the Issuer shall convene a meeting of Noteholders in accordance with the provisions of the Trust Deed. By passing the Extraordinary Resolution the Noteholders confirm that the Collateral Default that is the subject of the request for a meeting of Noteholders and the Extraordinary Resolution must be continuing on the date any such request is so delivered and any such Extraordinary Resolution is resolved.

The Trustee shall have no duty to monitor, enquire or satisfy itself of the existence of a Collateral Default and shall be entitled to rely conclusively on such request and such Extraordinary Resolution regarding the same. The Trustee shall have no obligation, responsibility or liability for giving or not giving any notice of the occurrence of a Collateral Default to the Issuer, any Noteholder or to any other Secured Creditor.

In these Conditions, unless the context otherwise requires:

“Collateral Default” means any of the following events:

- (i) in respect of any Collateral Obligor Obligation:
 - (A) a Collateral Obligor Failure to Pay;
 - (B) a Collateral Obligor Repudiation/Moratorium; and
- (ii) in respect of any Collateral Obligor, a Collateral Obligor Bankruptcy.

“Collateral Obligor” means any person that has an obligation or duty to the Issuer in respect of the Collateral pursuant to the terms of such Collateral.

“Collateral Early Redemption” means that the Collateral becomes repayable prior to its stated date of maturity for whatever reason other than a Collateral Call, including as a result of an event of default in respect of such Collateral.

“Collateral Obligor Bankruptcy” means a Collateral Obligor:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
 - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or

- (B) is not dismissed, discharged, stayed or restrained, in each case within 30 days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or
- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (i) to (vii) above.

“Collateral Obligor Default Requirement” means zero in respect of the Collateral or any Identical Collateral, and in respect of any other Collateral Obligor Obligations means U.S.\$10,000,000 or its equivalent in the currency or currencies in which the relevant Collateral Obligor Obligation is denominated as of the occurrence of the relevant Collateral Default.

“Collateral Obligor Failure to Pay” means:

- (i) in respect of any Collateral or Identical Collateral, the failure by the relevant Collateral Obligor to make, when and where due, any payments under one or more of such Collateral or Identical Collateral, in accordance with the terms of such Collateral or Identical Collateral in effect as of the latest of the Issue Date of the Notes to which such Collateral or Identical Collateral relates, the issue date of such Collateral or Identical Collateral and the date on which such Collateral or Identical Collateral was first acquired by the Issuer; and
- (ii) in respect of any other Collateral Obligor Obligations, after the expiration of any applicable Collateral Obligor Grace Period (after the satisfaction of any conditions precedent to the commencement of such Collateral Obligor Grace Period), the failure by the relevant Collateral Obligor to make, when and where due, any payments in an aggregate amount of not less than the Collateral Obligor Payment Requirement under one or more of such Collateral Obligor Obligations, in accordance with the terms of such Collateral Obligor Obligations at the time of such failure.

“Collateral Obligor Grace Period” shall not apply to the Collateral or any Identical Collateral, and in respect of any other Collateral Obligor Obligations means the greater of (i) the applicable grace period with respect to payments under the relevant Collateral Obligor Obligation under the terms of such Collateral Obligor Obligation in effect as of the later of the Issue Date and the date as of which such Collateral Obligor Obligation is issued or incurred and (ii) three Collateral Obligor Grace Period Business Days.

“Collateral Obligor Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose under the relevant Collateral Obligor Obligation and if a place or places are not so specified, a Business Day for the currency or currencies in which the relevant Collateral Obligor Obligation is denominated (but disregarding for such purpose paragraph (ii) of the definition of “Business Day” in Condition 6(f)).

“Collateral Obligor Obligation” means, in respect of a Collateral Obligor, any Collateral, any Identical Collateral or any other obligation of such Collateral Obligor (ranking pari passu with the Collateral and excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall

include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit).

“Collateral Obligor Payment Requirement” means, in respect of any Collateral Obligor Obligation other than the Collateral and any Identical Collateral, U.S.\$1,000,000 or its equivalent in the currency or currencies in which the relevant Collateral Obligor Obligation is denominated as of the occurrence of the relevant Collateral Default.

“Collateral Obligor Repudiation/Moratorium” means the occurrence of both of the following events:

- (i) an authorised officer of a Collateral Obligor or a Government:
 - (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Collateral Obligor Obligations in an aggregate amount of not less than the Collateral Obligor Default Requirement; or
 - (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Collateral Obligor Obligations in an aggregate amount of not less than the Collateral Obligor Default Requirement; and
- (ii) a Collateral Obligor Failure to Pay, determined without regard to the Collateral Obligor Payment Requirement, with respect to any such Collateral Obligor Obligation occurs on or prior to the later of:
 - (A) the date that is 60 days after the occurrence of the relevant event described in paragraph (i)(A) above; and
 - (B) where such Collateral Obligor Obligation is in the form of, or represented by, a bond, note (other than notes delivered pursuant to term loan agreements, revolving loan agreements or other similar credit agreements), certificated debt security or other debt security, the first payment date under such Collateral Obligor Obligation after the occurrence of the relevant event described in paragraph (i)(A) above (or, if later, the expiration date of any applicable Collateral Obligor Grace Period in respect of such payment date).

“Government” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Collateral Obligor or of the jurisdiction of organisation of a Collateral Obligor.

“Identical Collateral” means, in respect of Collateral in the form of securities, shares or any other assets which can be issued in fungible form, any such securities, shares or other assets that, immediately prior to the event in question, were part of the same issuance or series of fungible issuances of securities, shares or assets, shared common terms and conditions and ranked pari passu with such securities, shares or assets.

“Publicly Available Information” means, in relation to a Collateral Default, information that reasonably confirms any of the facts relevant to the determination that such Collateral Default has occurred and which: (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; (ii) is information received from or published by (A) a Collateral Obligor or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for a Collateral Obligor Obligation; (iii) is information contained in any petition or filing instituting a proceeding described in sub-paragraph (iv) of the definition of Collateral Obligor Bankruptcy against or by a Collateral Obligor; or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

“Public Source” means each source of Publicly Available Information specified as such in the relevant Note Pricing Supplement or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal,

New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Collateral Obligor is organised and any other internationally recognised published or electronically displayed news sources.

“**Specified Number**” means the number of Public Sources specified in the relevant Note Pricing Supplement or, if a number is not so specified, two.

(d) *Redemption for Taxation Reasons*

- (i) Unless previously redeemed or purchased and cancelled as provided in the Conditions, subject to paragraph (ii) below and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c), 7(e) or 12, the Issuer shall, as soon as practicable after becoming aware of the occurrence of a Note Tax Event and/or a Collateral Tax Event, give an Early Redemption Notice to the Noteholders and the Trustee and each Note shall, subject to Condition 7(b) above and Condition 7(j) below, become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

A “**Note Tax Event**” will occur if, following the occurrence of a Tax Substitution Event (as defined in Condition 11), the Issuer determines on or prior to the due date for the next payment of principal or interest in respect of the Notes that it has not been or will not be able to arrange the relevant substitution or change of residence prior to such due date for payment.

A “**Collateral Tax Event**” will occur if the Issuer:

- (A) is or will be unable to receive any payment due in respect of any Collateral in full on the due date therefor without a deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by any authority of any jurisdiction; and/or
- (B) is or will be required to pay any tax, duty or charge of whatsoever nature imposed by any authority of any jurisdiction in respect of any payment received in respect of any Collateral; and/or
- (C) is or will be required to comply with any reporting requirement of any authority of any jurisdiction in respect of any payment received in respect of any Collateral and such failure results in any tax, duty or charge of whatsoever nature becoming payable in respect of such Collateral,

provided that the Issuer using reasonable efforts prior to the due date for the relevant payment is (or would be) unable to avoid such deduction(s), payment(s) and/or reporting requirements described in sub-paragraphs (A) to (C) of this definition by filing a valid declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it. If the action that the Issuer would be required to undertake so as to avoid any such deduction(s), payment(s) and/or reporting requirements would involve any material expense or is, in the sole opinion of the Issuer, unduly onerous the Issuer shall not be required to take any such action.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself whether any Note Tax Event or Collateral Tax Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or to any Secured Creditor. If the Issuer effectively gives a valid notice to the Trustee pursuant to this Condition 7(d) of the occurrence of a Note Tax Event or Collateral Tax Event the Trustee shall be entitled to rely on such notice without further investigation.

- (ii) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature referred to in Condition 7(d)(i) arises solely as a result of:

- (A) any Noteholder's or Couponholder's connection with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof;
- (B) a withholding or deduction imposed on a payment by or on behalf of the Issuer to an individual required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive; or
- (C) the presentation for payment of any Bearer Note or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Bearer Note or Coupon to another Paying Agent in an EU Member State,

then, to the extent possible, the Issuer shall deduct such taxes, duties or charges, as applicable, from the amount(s) payable to such Noteholder or Couponholder and, provided that payments to other Noteholders or Couponholders would not be impaired, the Issuer shall not give an Early Redemption Notice pursuant to Condition 7(d)(i). Any such deduction shall not constitute an Event of Default under Condition 12, a Liquidation Event under Condition 13 or an Enforcement Event under Condition 14.

(e) *Redemption in connection with Swap Agreement*

(i) *Redemption for Termination of Swap Agreement*

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c), 7(d), 7(e)(ii), 7(e)(iii) or 12, the Issuer shall, as soon as practicable after becoming aware of the occurrence of a Swap Termination Event, give an Early Redemption Notice to the Noteholders and the Trustee and each Note shall, subject to Condition 7(b) above and Condition 7(j) below, become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon). The "Early Redemption Event" in respect of such Swap Termination Event shall be deemed to have occurred on (A) the day on which the relevant Swap Termination Notice to which the Swap Termination Event relates was effective, or (B) if, in accordance with the terms of the relevant Swap Agreement, the Early Termination Date to which the Swap Termination Event relates occurs or is designated automatically or without notice the earliest effective date of the notice(s) given by the Issuer or the relevant Swap Counterparty, as applicable, to the other of the occurrence or designation of such Early Termination Date.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Swap Termination Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. If the Trustee receives notice of a Swap Termination Event from either the Issuer or the relevant Swap Counterparty, the Trustee shall be entitled to rely on such notice without further investigation.

In the Conditions, unless the context otherwise requires:

"Early Termination Date" has the meaning given to it in the relevant Swap Agreement.

"Swap Termination Event" means that an Early Termination Date in respect of all outstanding Swap Transactions has been designated or deemed to have been designated by the Issuer or the relevant Swap Counterparty, as applicable, under the relevant Swap Agreement for any reason other than where such Early Termination Date is designated or deemed to have been designated as a result of the occurrence of a Mandatory Expiration Trigger Event under (and as defined in) the Related Series of Warrants.

"Swap Termination Notice" means a notice of termination given under the relevant Swap Agreement by the Issuer or the relevant Swap Counterparty, as the case may be, in connection

with which an Early Termination Date is designated or is deemed to have been designated in respect of all outstanding Swap Transactions thereunder.

(ii) *Redemption for Swap Counterparty Event*

If, prior to the Maturity Date, (A) pursuant to the terms of the relevant Swap Agreement the Issuer becomes aware that it is able to exercise a right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the relevant Swap Agreement pursuant to the occurrence of a Swap Counterparty Event or if the Issuer is directed to exercise such right and such right is then continuing, (B) no Early Termination Date has already been designated or occurred under the relevant Swap Agreement and (C) no Early Redemption Event has occurred under the Notes, the Issuer shall notify the Noteholders in accordance with Condition 21 and the Trustee of the same. Following delivery of such notice from the Issuer, the Trustee shall, if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution, provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c), 7(d), 7(e)(i), 7(e)(iii) or 12, give notice to the Issuer and upon the Issuer receiving such notice from the Trustee, the Issuer shall, as soon as reasonably practicable, deliver an Early Redemption Notice to the Noteholders and each Note shall, subject to Condition 7(b) above and Condition 7(j) below, become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

The Trustee shall not be required to monitor, enquire or satisfy itself as to whether a Swap Counterparty Event has occurred and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor. Until it has actual knowledge or express notice in writing to the contrary, the Trustee may assume that no such event has occurred. If the Issuer notifies the Trustee of the occurrence of a Swap Counterparty Event, the Trustee shall be entitled to rely on such notification without further investigation.

In the Conditions, unless the context otherwise requires:

“Swap Counterparty Event” means, in accordance with the terms of the Swap Agreement, that an Event of Default (as defined in the relevant Swap Agreement) has occurred with respect to the Swap Counterparty or a Termination Event (as defined in the relevant Swap Agreement) has occurred where the Issuer has the right to designate an Early Termination Date in respect of all outstanding Swap Transactions under the relevant Swap Agreement.

(iii) *Redemption for a Bankruptcy Credit Event of Swap Counterparty*

Unless previously redeemed or purchased and cancelled as provided in the Conditions and provided that no Early Redemption Event has occurred pursuant to Conditions 7(c), 7(d), 7(e)(i), 7(e)(ii) or 12, the Issuer shall, if so directed by an Extraordinary Resolution resolving that a Swap Counterparty Bankruptcy Credit Event has occurred and that a notice of redemption in respect of the Series is to be given by the Issuer, give an Early Redemption Notice to the Noteholders and each Note shall, subject to Condition 7(b) above and Condition 7(j) below, become due and payable on the related Early Redemption Date at its Early Redemption Amount (together with any unpaid accrued interest thereon).

Notwithstanding anything to the contrary in Condition 18 or the Trust Deed, any Noteholder may deliver a request in writing to the Issuer, the Determination Agent and the Trustee for a meeting of Noteholders to be convened to consider an Extraordinary Resolution to resolve that a Swap Counterparty Bankruptcy Credit Event has occurred and to instruct the Issuer to deliver an Early Redemption Notice in respect of the Notes. Any such request must (A) describe the Swap Counterparty Bankruptcy Credit Event alleged to have occurred, and (B) contain information that reasonably confirms that the Swap Counterparty Bankruptcy Credit Event has occurred which in the sole opinion by the Issuer is satisfactory evidence of the occurrence of the Swap Counterparty Bankruptcy Credit Event. Upon receipt of a valid request from a Noteholder satisfying the

requirements outlined in the preceding sentence, the Issuer shall convene a meeting of Noteholders in accordance with the provisions of the Trust Deed.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Swap Counterparty Bankruptcy Credit Event has occurred and shall be entitled to rely conclusively on such Extraordinary Resolution regarding the same and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer or any Secured Creditor.

In the Conditions, unless the context otherwise requires:

“Bankruptcy Credit Event” means the occurrence of a Credit Event as a result of Bankruptcy, and with each of Credit Event and Bankruptcy having the meaning given them in the ISDA Credit Derivatives Definitions.

“Credit Derivatives Determinations Committee” has the meaning given to it in the ISDA Credit Derivatives Definitions.

“ISDA Credit Derivative Definitions” means the 2014 ISDA Credit Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc.

“Resolved” has the meaning given to it in the ISDA Credit Derivatives Definitions.

“Swap Counterparty Bankruptcy Credit Event” means that a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of the Swap Counterparty, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivative Definitions as the market standard terms for credit derivatives or under any amendment or supplement of the ISDA Credit Derivative Definitions.

(f) Redemption at the Option of the Issuer

If Call Option is specified in the relevant Note Pricing Supplement as applicable, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the relevant Note Pricing Supplement), in accordance with Condition 21, redeem all or, if so provided, some of the Notes on any Optional Redemption Date as specified in the relevant Note Pricing Supplement (the **“Optional Redemption Date”**). Any such redemption of Notes shall be 100 per cent. per Calculation Amount per Note in the Specified Currency as calculated by the Note Calculation Agent (the **“Optional Redemption Amount”**) together with interest accrued, if any, to the Optional Redemption Date. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (specified in the relevant Note Pricing Supplement) to be redeemed and no greater than the Maximum Redemption Amount (specified in the relevant Note Pricing Supplement) to be redeemed. Notwithstanding any provisions to the contrary, if at any time prior to the redemption of the Notes pursuant to this Condition 7(f), an Early Redemption Event occurs and the Issuer gives notice of an Early Redemption Notice, then the Issuer shall be prevented from also giving notice of redemption pursuant to this Condition 7(f) and the Notes shall be redeemed at their Early Redemption Amount (together with any unpaid accrued interest thereon) on the Early Redemption Date.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on the Irish Stock Exchange or any other stock exchange and the rules of the relevant stock exchange so require, the Issuer shall, once in each

year in which there has been a partial redemption of the Notes, cause to be published either on the website of the Irish Stock Exchange (www.ise.ie) or in a leading newspaper of general circulation in Ireland or as specified by such other stock exchange, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(g) *Purchases*

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Collateral, for the reduction in the notional amount of the relevant Swap Agreement and for the purchase of the Notes, which transactions will leave the Issuer with no assets or net liabilities in respect thereof, it may purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(h) *Cancellation*

All Notes purchased by or on behalf of the Issuer shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to or to the order of the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and all 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.

(i) *Early Redemption Amount and Early Redemption Date*

In the Conditions, unless the context otherwise requires or otherwise specified in the relevant Note Pricing Supplement:

“Early Redemption Amount” means, in respect of each Note outstanding on the relevant Early Redemption Date, the amount determined by the Note Calculation Agent or the Determination Agent as applicable, equal to the outstanding nominal amount of such Note in the Specified Currency as calculated by the Note Calculation Agent. Payment of such Early Redemption Amount (and any unpaid accrued interest thereon) is subject to payment in full of the prior ranking claims in accordance with Conditions 15(a) and 15(b).

“Early Redemption Date” means, except in the case of Condition 7(c)(i), the date specified as such in the relevant Early Redemption Notice or, if not so specified, the date notified separately to Noteholders.

“Early Redemption Event” means the occurrence of any of the events in Conditions 7(c), 7(d) or 7(e) or, if no such event has occurred, the occurrence of any of the events in Condition 12 and shall, except in the case of Condition 7(e)(i), be deemed to have occurred on the date on which the relevant Early Redemption Notice is deemed to have been given.

“Early Redemption Notice” means an irrevocable notice from the Issuer to Noteholders in accordance with Condition 21 (or, in the case of Condition 12, given by the Trustee to the Issuer) and that gives notice that the Notes are to be redeemed under Conditions 7 or 12. An Early Redemption Notice given pursuant to Condition 7 must contain a description in reasonable detail of the facts relevant to the determination that the Notes are to be redeemed and must specify which of Conditions 7(b), 7(c), 7(d) or 7(e) is applicable. A copy of any Early Redemption Notice shall also be sent by the Issuer to all Transaction Parties, save that any failure to deliver a copy shall not invalidate the relevant Early Redemption Notice.

(j) *Physical Delivery*

Notwithstanding anything to the contrary in these Conditions, if “Physical Delivery” is specified in the relevant Note Pricing Supplement and the Notes fall due for redemption pursuant to Conditions 7(c)(ii), 7(d), 7(e) or Condition 12, the Determination Agent shall deliver a notice (the **“Physical Settlement**

Notice”) to the Issuer, the Trustee, the Issuing and Paying Agent and the Custodian (and the Issuer shall procure that such Physical Settlement Notice is promptly given to Noteholders in accordance with Condition 21) on or prior to the day that is ten Business Days prior to the Early Redemption Date, whereupon, the Issuer shall redeem the Notes on the Early Redemption Date by paying and/or delivering to each Noteholder its *pro rata* share of (x) the Collateral outstanding less the Disposable Portion which has been liquidated to fulfil the prior ranking claims in accordance with Conditions 15(a) and 15(b); and (y) any residual cash remaining after payment of the prior ranking claims in accordance with Conditions 15(a) and 15(b). For the avoidance of doubt, delivery and/or payment of such amounts will discharge all of the Issuer’s obligations in respect of payment of the Early Redemption Amount (and any unpaid accrued interest thereon) in respect of such Notes.

8 Calculations and Determinations, Rounding and Business Day Convention

(a) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts, Warrant Exercise Early Redemption Amounts and Early Redemption Amounts

The Note Calculation Agent or the Determination Agent, as specified in the relevant Note Pricing Supplement shall, as soon as practicable on each Interest Determination Date or on such other date and/or at such time as the Note Calculation Agent or the Determination Agent, as applicable, may be required in accordance with the Conditions and the Transaction Documents, perform such duties and obligations as are required to be performed by it in accordance therewith including without limitation:

- (i) obtaining quotation(s) and calculating any rate(s) or amount(s) and making any determinations or calculations as may be required to determine the Interest Amount for each relevant Interest Period and Interest Payment Date and any relevant component thereof;
- (ii) cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, each Transaction Party and the Noteholders in accordance with Condition 21 and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange;
- (iii) obtaining quotation(s) and calculating any rate(s), value(s) or amount(s) and making any determinations or calculations as may be required to determine the Final Redemption Amount, the Optional Redemption Amount, the Warrant Exercise Early Redemption Amount, the Early Redemption Amount and any other amount as required pursuant to the Conditions or any Transaction Document and any relevant component thereof; and
- (iv) cause the Final Redemption Amount, the Optional Redemption Amount, the Warrant Exercise Early Redemption Amount, the Early Redemption Amount and any such other amount to be notified to the Issuer, each Transaction Party and the Noteholders in accordance with Condition 21 and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange.

The Note Calculation Agent shall have no obligation to perform any functions or duties to be performed by the Determination Agent and, for the avoidance of doubt, shall have no obligation to carry out any calculations or determinations with regard to the relevant Swap Agreement.

The calculations and determinations to be performed by the Note Calculation Agent are to be so notified as soon as possible after their determination and in no event later than (i) the commencement of the relevant Interest Period if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the earlier of the date on which any relevant payment is due (if determined prior to such time) and the fourth Business Day after such determination.

The Note Calculation Agent or the Determination Agent, as applicable, shall only be required to obtain any quotation and/or make any determination or calculation required in connection with the occurrence of

an Early Redemption Event in respect of a Swap Counterparty Bankruptcy Credit Event upon its being notified by the Issuer or the Trustee of the occurrence of such Early Redemption Event.

Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 8(d), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

If in respect of any due date for redemption, payment of the full amount of principal due for redemption is not made, no publication of the daily rates determined in accordance with this Condition 8(a) to be used in the calculation of any default interest need be made unless the Trustee otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Note Calculation Agent or the Determination Agent, as applicable, shall (in the absence of manifest error) be final and binding upon all parties. If the Note Calculation Agent or the Determination Agent, as applicable, at any time does not make any determination or calculation or take any action that it is required to do pursuant to the Conditions, it shall forthwith notify the Issuer, the Trustee and the Issuing and Paying Agent.

(b) Determination or Calculation by Trustee

If the Note Calculation Agent or the Determination Agent, as applicable, does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Final Redemption Amount, the Optional Redemption Amount, the Warrant Exercise Early Redemption Amount, the Early Redemption Amount or any other amount, then the Trustee (subject to its being indemnified and/or secured and/or prefunded to its satisfaction) may make such determinations and calculations in place of the Note Calculation Agent or the Determination Agent, as applicable (or may appoint an agent on its behalf to do so). Any such determination or calculation made by the Trustee (or its agent, as the case may be) shall, for the purposes of the Conditions and the Transaction Documents, be deemed to have been made by the Note Calculation Agent or the Determination Agent, as applicable. In doing so, the Trustee (or its agent, as the case may be) shall apply the provisions of Conditions and/or the relevant Transaction Document(s), 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.

(c) Rounding

For the purposes of any calculations required pursuant to the Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (y) all currency amounts that fall due and payable shall 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 unit. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(d) Business Day Convention

If any date referred to in the Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a 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 that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last 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 that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a 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 Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

9 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of principal and in the case of interest, as specified in Condition 9(e)(v)) or Coupons (in the case of interest, save as specified in Condition 9(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a Bank nominated by such holder presenting such Bearer Note.

“**Bank**” means a bank in the principal financial centre for such currency or in the case of euro in a city in which banks have access to the TARGET System.

(b) *Registered Notes*

- (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the Relevant Currency by transfer to an account nominated by such person shown in the Register in the Relevant Currency maintained by the payee with a Bank.

(c) *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 above 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.

(d) *Payments subject to Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Noteholders or the Couponholders in respect of such payments.

(e) *Unmatured Coupons and Unexchanged Talons*

- (i) Upon the due date for redemption of any Bearer Note comprising a Fixed Rate Note, such Bearer Note should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing that an amount equal to the face value of each missing unexpired Coupon shall be deducted from the Final Redemption Amount or the Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall 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 17).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Bearer Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Bearer Note which provides that the relative Coupons are to become void upon 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 provisions of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued but not paid 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 Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) *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 Issuing and Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 17).

(g) *Non-Business Days*

If any date for payment in respect of any Note 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 Condition 9(g), "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, in such jurisdictions as shall be specified as "Financial Centres" in the relevant Note Pricing Supplement and:

- (i) (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
- (ii) (in the case of a payment in euro) which is a TARGET Business Day.

10 Agents

(a) *Appointment of Agents*

The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent, the Determination Agent and the Note Calculation Agent initially appointed by the Issuer and their respective specified offices are listed in the relevant Note Pricing Supplement. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents, the Custodian, the Disposal Agent, the Determination Agent and the Note Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuing and Paying Agent and the Custodian are subject to the minimum rating requirements set forth in the Agency Agreement and the Custody Agreement, respectively. The Issuer reserves the right at any time with the approval of the Trustee (except that the approval of the Trustee shall not be required for the appointment of a replacement Disposal Agent, Determination Agent or Note Calculation Agent where Noteholders direct the Issuer to appoint such replacement pursuant to this Condition 10) to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Custodian, the Disposal Agent, the Determination Agent or the Note Calculation

Agent and to appoint additional or other Paying Agents, Transfer Agents, Custodians, Disposal Agent(s), Determination Agent(s) or Note Calculation Agent(s), provided that the Issuer shall for as long as any Note is outstanding maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Disposal Agent, (v) a Note Calculation Agent, (vi) a Determination Agent, (vii) a Custodian, (viii) a Paying Agent having its specified office in a major European city, (ix) such other agents as may be required by any other stock exchange on which the Notes may be listed, in each case as approved by the Trustee (subject as provided above) and (x) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 9(c).

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Noteholders in accordance with Condition 21.

(b) Appointment of Note Calculation Agent

The Issuer shall procure that there shall be a Note Calculation Agent for as long as any Note is outstanding (as defined in the Trust Deed). If the Note Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Final Redemption Amount, Optional Redemption Amount, Warrant Exercise Early Redemption Amount or Early Redemption Amount or to make any other calculation or determination required of it under the Conditions or the Agency Agreement, as the case may be, or fails to comply with any other material requirement under the Conditions, the Agency Agreement or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Note Calculation Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) provided that a Determination Agent has been appointed in respect of the Notes and no Determination Agent Bankruptcy Event has occurred, subject to the consent of the Determination Agent, vary the appointment of the Determination Agent for such period as may be agreed between the Issuer and the Determination Agent (taking into account the time required for the Determination Agent to put in place the relevant systems and procedures) so as to include the determinations and calculations which the Note Calculation Agent is required to make pursuant to the Agency Agreement and the Conditions and the Conditions and any relevant Transaction Documents will be construed accordingly. In doing so, the Determination Agent will apply the provisions of the Agency Agreement and the Conditions and the other Transaction Documents, 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 the circumstances;
- (ii) with the prior approval of the Trustee and, provided no Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Note Calculation Agent (acting through its principal London office or any other office actively involved in such market), to act as Note Calculation Agent on substantially the same terms as the outgoing Note Calculation Agent; or
- (iii) if (x) a Determination Agent Bankruptcy Event, Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Note Calculation Agent (whether by one or more Noteholders, a Secured Creditor or

any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Note Calculation Agent in respect of the Notes on substantially the same terms as the outgoing Note Calculation Agent, provided that a person may only be so nominated and appointed as Note Calculation Agent if it is an internationally recognised bank or financial institution permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Note Calculation Agent may not resign its duties without a successor having been appointed. In the Conditions, unless the context otherwise requires:

“Bankruptcy Event” means, with respect to an Agent, (i) such Agent becomes incapable of acting, is dissolved (other than pursuant to a consolidation, amalgamation or merger), is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes a general assignment, arrangement or composition with or for the benefit of its creditors, consents to the appointment of a receiver, administrator, liquidator, examiner or other similar official of either the entity or all or substantially all of its assets or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof, or if a resolution is passed or an order made for the winding-up, official management, liquidation or dissolution of such entity (other than pursuant to a consolidation, amalgamation or merger), a receiver, administrator, liquidator, examiner or other similar official of either the entity or all or substantially all of its assets is appointed, a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of the entity or its property or affairs for the purpose of liquidation, and/or (ii) a Credit Derivatives Determinations Committee has Resolved that a Bankruptcy Credit Event has occurred in respect of such Agent, or any analogous determination has been made by a committee or person under any definitions that replace the ISDA Credit Derivatives Definitions as the market standard terms for credit derivatives or under any amendment or supplement of the ISDA Credit Derivatives Definitions.

“Note Calculation Agent Bankruptcy Event” means a Bankruptcy Event occurs with respect to the Note Calculation Agent.

(c) *Appointment of Determination Agent*

The Issuer shall, if the relevant Note Pricing Supplement specify that the Determination Agent is to make any calculations or determinations in respect of the Notes or the relevant Swap Agreement, procure that there shall be a Determination Agent for as long as any Note is outstanding (as defined in the Trust Deed). If the Determination Agent fails duly to establish any rate, amount or value required to be determined by it or to make any other calculation or determination required of it under the Conditions or the Agency Agreement, as the case may be, or to comply with any other material requirement pursuant to Conditions, the Agency Agreement or any other Transaction Document, and in each case such failure has not been remedied within a reasonable period, or a Determination Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) with the prior approval of the Trustee and, provided no Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) to be made by the Determination Agent (acting through its principal London office or any other office actively involved in such market), to act as Determination Agent on substantially the same terms as the outgoing Determination Agent; or
- (ii) if (x) a Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or

secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Determination Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Determination Agent in respect of the Notes on substantially the same terms as the outgoing Determination Agent, provided that a person may only be so nominated and appointed as Determination Agent if it is an internationally recognised bank or financial institution permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Determination Agent may not resign its duties without a successor having been appointed as aforesaid

In the Conditions, unless the context otherwise requires:

“Determination Agent Bankruptcy Event” means a Bankruptcy Event occurs with respect to the Determination Agent.

(d) Appointment of Disposal Agent

The Issuer shall procure that there shall at all times be a Disposal Agent for so long as any Note is outstanding (as defined in the Trust Deed). If the Disposal Agent fails to duly establish any rate, price, amount or value required to be determined by it under the Conditions or any Transaction Document or to take the steps required of it under the Conditions or the Agency Agreement to Liquidate the Disposable Portion of the Collateral, as the case may be, or fails to comply with any other material requirement pursuant to the Conditions, the Agency Agreement or any other Transaction Document, or a Disposal Agent Bankruptcy Event occurs, then the Issuer shall:

- (i) with the prior approval of the Trustee and, provided no Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, the Swap Counterparty, nominate and appoint a leading bank or financial institution engaged in the interbank market or other appropriate market that is most closely connected with the calculation(s) and/or determination(s) and/or disposal(s) to be made by the Disposal Agent (acting through its principal London office or any other office actively involved in such market), to act as such in its place on substantially the same terms as the outgoing Disposal Agent; or
- (ii) if (x) a Swap Counterparty Bankruptcy Credit Event or Swap Counterparty Event has occurred, (y) the Issuer has been instructed in writing by (I) the holders of all Notes then outstanding (as defined in the Trust Deed) or (II) the Trustee in accordance with an Extraordinary Resolution resolving that the Trustee give such instruction and (z) the Issuer has been indemnified and/or secured and/or pre-funded to its satisfaction for any costs, charges, fees and/or expenses the Issuer may incur in connection with the appointment of a replacement Disposal Agent (whether by one or more Noteholders, a Secured Creditor or any other third party), then the Issuer shall use its reasonable endeavours to appoint the person nominated in such instruction as Disposal Agent in respect of the Notes on substantially the same terms as the outgoing Disposal Agent,
- (iii) provided that a person may only be so nominated and appointed as Disposal Agent if it is an internationally recognised bank or financial institution (or, in the case of Japanese Government Bonds or Japanese Domestic Bonds, a sovereign or financial institution recognised in Japan) permitted to carry out such appointment under applicable law and regulation and provided further that any additional requirements set out in the Agency Agreement relating to such appointment are satisfied. The Trustee shall not be obliged to give any such instruction to the Issuer unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Disposal Agent may not resign its duties without a successor having been appointed. In the Conditions, unless the context otherwise requires:

“**Disposal Agent Bankruptcy Event**” means a Bankruptcy Event occurs with respect to the Disposal Agent.

11 Taxation

Without prejudice to Condition 7(d), all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any Agent is required by applicable law to make any such payments in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer or such Agent shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so required to be withheld or deducted. Neither the Issuer nor any Agent will be obliged to make any additional payments to holders of Notes in respect of such withholding or deduction.

If the Issuer in good faith determines on or prior to the due date for the next payment of principal or interest in respect of the Notes that it will or would but for any substitution or change of residence contemplated herein be required by any applicable law to withhold, deduct or account an amount for any present or future taxes, duties or charges of whatsoever nature or would suffer the same in respect of its income so that it would be unable to make in full the payment of such principal or interest in respect of the Notes (a “Tax Substitution Event”), then the Issuer shall as soon as reasonably practicable upon becoming aware of such Tax Substitution Event so inform the Trustee. If a Tax Substitution Event occurs, the Issuer shall use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty (provided that each of the Issuer and the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in respect of any costs in connection with such substitution) as the principal obligor or to change (to the prior satisfaction of the Trustee and the relevant Swap Counterparty (provided that each of the Issuer and the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction in respect of any costs in connection with such substitution) its residence for taxation purposes to another jurisdiction approved beforehand in writing by the Trustee and the relevant Swap Counterparty such that following such substitution or change of residence no Tax Substitution Event will exist. For the avoidance of doubt, the Trustee shall not be liable in any circumstances to indemnify, secure and/or pre-fund the Issuer in respect of any costs in connection with a substitution pursuant to this Condition 11 or in any other circumstances.

12 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, provided that no early redemption is to occur pursuant to Condition 7(b) and no Early Redemption Event has occurred pursuant to Conditions 7(c), 7(d) or 7(e), the Trustee at its discretion may, and if so requested by holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided that, in each case, the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give an Early Redemption Notice to the Issuer that all but not some only of the Notes are, and shall immediately become, subject to Conditions 7(b) and 7(j) above, due and payable at the Early Redemption Amount (together with any unpaid accrued interest thereon):

- (a) default is made for more than 14 calendar days in the payment of any interest in respect of the Notes or any of them, other than any interest due and payable on the Maturity Date;
- (b) the Issuer does not perform or comply with any one or more of its other obligations under the Notes or the Trust Deed, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not in the opinion of the Trustee remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) the Issuer: (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or by an Extraordinary Resolution); (ii) makes a general assignment, arrangement or composition with or for the benefit of its creditors which for the avoidance of doubt shall not include the granting of Security under any Transaction Document; (iii) (A) institutes or has

instituted against it, by a regulator, supervisor or any similar official with insolvency, rehabilitative or regulatory jurisdiction over it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described under (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof, provided that actions taken by the Swap Counterparty or its Affiliates (as defined in the relevant Swap Agreement) shall be disregarded; (iv) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger on terms previously approved in writing by the Trustee or by an Extraordinary Resolution); (v) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (except that the appointment of the Trustee and the Custodian in respect of the Notes shall be disregarded for the purpose of this provision); (vi) has a secured party take possession of all or substantially all of its assets (except that the appointment of the Trustee and the Custodian in respect of the Notes shall be disregarded for the purpose of this provision) or has a distress, execution, attachment, sequestration or other legal process levied enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (vii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in items (i) to (vi) above (inclusive).

The Issuer has undertaken in the Principal Trust Deed that, on the anniversary of the Issue Date of the relevant Series or within 14 calendar days of any request from the Trustee, it will send to the Trustee a certificate signed by one Director of the Issuer or by two Directors if the Issuer has more than one Director to the effect that, having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date not more than five days before the date of the certificate no Event of Default or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default had occurred since the certification date of the last such certificate or (if none) the date of such Principal Trust Deed or, if such an event had occurred, giving details of it.

13 Liquidation

(a) Liquidation Event

Upon the Issuer receiving notice (or otherwise becoming aware) of the occurrence of a Liquidation Event, the Issuer shall send a notice thereof to the Trustee, the Principal Warrant Agent, the Disposal Agent, the Custodian, the Note Calculation Agent and the Warrant Calculation Agent as soon as is reasonably practicable, provided that if at such time the Issuer would be required to use its reasonable efforts to appoint a replacement Disposal Agent pursuant to Condition 10, then such notice shall be provided to such replacement Disposal Agent (if any) upon its appointment as Disposal Agent.

The Disposal Agent need not do anything to find out if a Liquidation Event has occurred. Prior to receipt by it of a Liquidation Commencement Notice, the Disposal Agent may assume that no such event has occurred.

For the avoidance of doubt, the Trustee shall not be required to monitor, enquire or satisfy itself as to whether any Liquidation Event has occurred or to calculate any Early Redemption Amount and shall have no obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, the Disposal Agent or any Secured Creditor. The Trustee shall be entitled to rely on any notice given by the Issuer, the Disposal Agent or any other person in respect thereof without further enquiry or investigation.

The Disposal Agent shall not be regarded as acting as the agent of the Trustee in any circumstances and the Trustee shall not incur any liability to any person in respect of any acts or omissions or exercise of discretion of the Disposal Agent. The Trustee shall have no responsibility or liability for the performance or any failure or delay in the performance by the Disposal Agent under the Agency Agreement or the Conditions in relation to any Series or for the payment of any commissions or expenses charged by it or for any failure by the Disposal Agent to account for the proceeds of any Liquidation of Collateral in accordance with the Agency Agreement and the Conditions.

The Disposal Agent shall be entitled to rely on a Liquidation Commencement Notice without investigation of whether the relevant Liquidation Event has occurred, save that in the case of notice from one or more Noteholders of the occurrence of a Swap Counterparty Bankruptcy Credit Event, the Disposal Agent shall be required to verify that such event has occurred by checking "www.isda.org" or any such successor website of The International Swaps and Derivatives Association, Inc. ("**ISDA**") or any other media outlet which may be used by the DC Secretary (as defined in the Credit Derivatives Determinations Committees Rules, the "**DC Rules**") as a replacement for purposes of publication of information that the DC Secretary is required to publish in accordance with such DC Rules. If such notice is delivered by one or more Noteholders and the Disposal Agent makes such verification, any Liquidation Commencement Notice delivered by the Issuer shall not be valid and the Disposal Agent shall not take any action in relation thereto if the Disposal Agent has already received a valid Liquidation Commencement Notice in respect of the same or a prior Liquidation Event or a valid Enforcement Notice from the Trustee.

(b) *Liquidation Process*

Following receipt by it of a valid Liquidation Commencement Notice and, where the Liquidation Commencement Notice relates to a Swap Counterparty Bankruptcy Credit Event, after the Disposal Agent having verified the occurrence of a Swap Counterparty Bankruptcy Credit Event as provided in Condition 13(a), the Disposal Agent shall, on behalf of the Issuer and having notified the Trustee in writing, so far as is practicable in the circumstances and to the extent that such Collateral is outstanding, effect an orderly Liquidation of the Collateral with a view to Liquidating all the Disposable Portion of the Collateral on or prior to the Early Redemption Date and provided that the Disposal Agent shall have no liability if the Liquidation of all the Disposable Portion of the Collateral has not been effected by such date. If the Disposable Portion of the Collateral has not been Liquidated in full by such date, the Disposal Agent shall continue in its attempts to effect a Liquidation of the Disposable Portion of the Collateral until such time (if any) as it is instructed by the Issuer to the contrary or until receiving an Enforcement Notice from the Trustee.

The Disposal Agent may take such steps as it considers appropriate in order to effect such Liquidation, including but not limited to selecting the method of Liquidating any Collateral. The Disposal Agent must effect any Liquidation as soon as reasonably practicable and in a commercially reasonable manner, even where a larger amount could possibly be received in respect of the Disposable Portion of such Collateral if any such Liquidation were to be delayed. Subject to such requirement, the Disposal Agent shall be entitled to effect any Liquidation by way of one or multiple transactions on a single or multiple day(s). In accordance with the terms of the Trust Deed and Condition 4(d), following the occurrence of a Liquidation Event and delivery of a valid Liquidation Commencement Notice, the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the Disposable Portion of the Collateral. Nothing in this Condition 13(b) or Condition 4(d) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Disposable Portion of the Collateral. The Disposal Agent will not be liable to the Issuer, the Trustee, the relevant Swap Counterparty, the Noteholders, the Couponholders or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Disposal Agent selected a different method of Liquidating any such Collateral. Notwithstanding the obligations of the Disposal Agent pursuant to this Condition 13(b), the Disposal Agent shall not effect a Liquidation of any Collateral which is due to be redeemed or repaid on or before the day falling two Business Days prior to the Early Redemption Date unless a Liquidation Default has occurred in respect thereof prior to or on such day.

In effecting a Liquidation, the Disposal Agent shall have regard to whether the claims of the Secured Creditors are to physical delivery of any part of the Collateral or to cash amounts in accordance with the terms of the relevant Transaction Documents. The Disposal Agent shall realise such portion of the Collateral as is not required to be delivered in physical form, provided that if the Disposal Agent in its sole discretion determines that the proceeds of realisation of such portion of the Collateral and any other monies comprised in the Mortgaged Property are not sufficient to satisfy any claims which rank senior to a claim for physical delivery in the relevant priority of payments, the Disposal Agent may realise such further portion of the Collateral as is required to be Liquidated to satisfy such senior claims (as determined in the Disposal Agent's sole discretion). The portion of the Collateral required to be Liquidated as determined in the Disposal Agent's sole discretion shall be referred to herein as the "**Disposable Portion**"; provided that if "Cash Settlement" is specified in the relevant Note Pricing Supplement, the Disposable Portion shall be all of the Collateral.

In these Conditions, unless the context otherwise requires:

"**Liquidation**" means, in respect of any Collateral, the realisation of such Collateral for cash proceeds whether by way of sale, early redemption, early repayment or agreed termination or by such other means as the Disposal Agent determines appropriate or in any other manner specified in the relevant Note Pricing Supplement and "**Liquidate**", "**Liquidated**" and "**Liquidating**" shall be construed accordingly.

"**Liquidation Commencement Notice**" means, in respect of any Series of Notes, the earliest to be received by the Disposal Agent of:

- (i) any Early Redemption Notice delivered by the Issuer pursuant to Condition 7(c)(ii);
- (ii) with respect to a Liquidation Event relating to any failure by the Issuer to pay the outstanding principal amount and/or interest due or payable in respect of the Notes (whether on final maturity or on any early redemption as provided in these Conditions), a notice in writing to the Disposal Agent from the Issuer (copied to the Trustee) of the occurrence of such Liquidation Event;
- (iii) with respect to a Liquidation Event relating to a Mandatory Expiration Event under the Related Series of Warrants, each Expiry Notice delivered by the Warrant Calculation Agent and/or the Principal Warrant Agent pursuant to Warrant Conditions 9(b) or 9(c); and
- (iv) any other notice in writing to the Disposal Agent (copied to the Trustee) from the Issuer of the occurrence of a Liquidation Event.

"**Liquidation Default**" means, in respect of any Collateral, either (a) a Collateral Obligor Failure to Pay has occurred in respect of such Collateral or (b) a Collateral Obligor Bankruptcy has occurred in respect of the Collateral Obligor of such Collateral.

"**Liquidation Event**" means, in respect of any Series of Notes:

- (i) default is made for more than two Business Days by the Issuer in: (a) the payment of any outstanding principal amount due and payable on the Notes; and/or (b) the payment of any interest due and payable on the Notes on final redemption thereof; or
- (ii) the occurrence of a Mandatory Expiration Event under the Related Series of Warrants following the occurrence of an Early Redemption Event (other than a Collateral Call) in respect of the Notes.

(c) *Proceeds of Liquidation*

The Disposal Agent shall not be liable:

- (i) to account for anything except actual proceeds of the Disposable Portion of the Collateral received by it which, upon receipt, shall automatically become subject to the Security created by the Trust Deed; or
- (ii) for any taxes, costs, charges, losses, damages, liabilities, fees, commissions or expenses arising from or connected with any Liquidation or from any act or omission in relation to the Disposable

Portion of the Collateral or otherwise unless such taxes, costs, charges, losses, damages, liabilities or expenses shall be caused by its own fraud, negligence or wilful default.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Noteholder or any Couponholder interest on any proceeds from any Liquidation held by it at any time.

(d) *Good Faith of Disposal Agent*

In effecting any Liquidation, the Disposal Agent shall act in good faith and, subject as provided above, in respect of any sale, early repayment, early redemption or agreed termination in respect of the Collateral, shall agree a price that it reasonably believes (after having requested dealers to provide bid quotations in accordance with the following paragraph) to be representative of or better than the price available in the market for the sale of such Collateral in the appropriate size taking into account the Disposable Portion of the Collateral to be sold, repaid, redeemed or terminated.

If the Disposal Agent is requested to sell the Disposable Portion of the Collateral it shall determine, in a commercially reasonable manner, the then market value of such Collateral. Where the Disposal Agent determines that it is commercially reasonable to do so, it shall use reasonable endeavours to seek firm bid quotes from five dealers in obligations of the type of the Collateral for the purchase of the Disposable Portion of the Collateral for settlement. If at least two bid quotations are received the Disposal Agent shall sell the Disposable Portion of the Collateral at the highest bid quote. If less than two bid quotes are received, then, if a single bid quote is available, sell the Disposable Portion of the Collateral at such quote.

(e) *Disposal Agent to use all Reasonable Care*

The Disposal Agent shall use all reasonable care in the performance of its duties hereunder but shall not be responsible for any loss or damage suffered by any party as a result of the Disposal Agent performing its duties hereunder save that the Disposal Agent's liability to the Issuer shall not be so limited where the loss or damage results from the fraud, negligence or wilful default of the Disposal Agent.

(f) *No Relationship of Agency or Trust*

The Disposal Agent shall not have any obligations towards or relationship of agency or trust with any Noteholder, Couponholder or Transaction Party.

(g) *Consultations on Legal Matters*

The Disposal Agent may consult on any legal matter any reputable legal adviser of international standing selected by it, who may be an employee of or adviser to the Issuer, and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.

(h) *Reliance on Documents*

The Disposal Agent shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties.

(i) *Entry into Contracts and other Transactions*

The Disposal Agent may enter into any contracts or any other transactions or arrangements with any of the Issuer, any Transaction Party, any Noteholder, any Couponholder or any Collateral Obligor or any affiliate of any of them (whether in relation to the Notes, the Collateral, the Security, an Obligation or any other transaction or obligation whatsoever) and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Collateral form a part and other assets, obligations or agreements of any Collateral Obligor in respect of the Collateral. The Disposal Agent shall not be required to disclose any such contract, transaction or arrangement to any Noteholder, Couponholder or Transaction Party and shall be in no way accountable to the Issuer or (save as otherwise provided in this

Agency Agreement and the Conditions) to any Noteholder, Couponholder or any Transaction Party for any profits or benefits arising from any such contract, transaction(s) or arrangement(s).

(j) *Illegality*

The Disposal Agent shall not be liable to effect a Liquidation of any of the Disposable Portion of the Collateral if it determines, in its sole and absolute discretion, that any such Liquidation of some or all of the Disposable Portion of the Collateral in accordance with Condition 13 would or might require or result in a violation of any applicable law or regulation of the Cayman Islands or any other relevant jurisdiction, including any insolvency prohibition or moratorium on the disposal of assets, or that for any other reason it is not possible for it to dispose of the Disposable Portion of the Collateral (even at zero), and the Disposal Agent notifies the Issuer and the Trustee of the same.

(k) *Sales to Disposal Agent and Affiliates*

In effecting any Liquidation, the Disposal Agent may sell any of the Disposable Portion of the Collateral to itself, affiliates of itself or affiliates of the Swap Counterparty or the Noteholders provided that the Disposal Agent sells at a price that it believes to be a fair market price.

(l) *Notification of Enforcement Event*

Upon the Trustee effectively giving an Enforcement Notice to the Disposal Agent following the occurrence of an Enforcement Event, the Disposal Agent shall cease to effect any further Liquidation of any of the Disposable Portion of the Collateral and shall take no further action to Liquidate any of the Disposable Portion of the Collateral, save that any transaction entered into in connection with the Liquidation prior to the effective date of any such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and action necessary to settle such transaction and/or which is incidental thereto.

(m) *Transfer of Collateral*

In effecting any Liquidation, the Disposal Agent may sell any of the Disposable Portion of the Collateral to any third party, provided that the price for such Collateral is paid to the Custodian or to the order of the Issuer. The Disposal Agent shall not have the right to transfer the Disposable Portion of the Collateral to itself or to any of its affiliates other than in connection with a sale thereof to itself or one of its affiliates, as applicable, and provided that such sale is executed on a delivery versus payment basis.

14 Enforcement of Security

(a) *Trustee to Enforce Security*

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event, it may and (i) if so requested in writing by holders of at least one-fifth in nominal amount of the Notes then outstanding, (ii) if so directed by an Extraordinary Resolution, (iii) if so directed in writing by the Swap Counterparty, shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) enforce the Security constituted by the Trust Deed and/or any Other Security Documents (if applicable).

(b) *Enforcement Notice*

Prior to taking any steps to enforce the Security, the Trustee shall notify the Issuer, the Custodian and any Disposal Agent appointed at that time (such notice being an “**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security constituted by the Security Documents and (ii) the Disposal Agent is to cease to effect any further Liquidation of the Disposable Portion of the Collateral (if such Liquidation is taking place) save that any transaction entered into in connection with the Liquidation on or prior to the effective date of such Enforcement Notice shall be settled and the Disposal Agent shall take any steps necessary to settle such transaction.

(c) *Enforcement of Security*

In order to enforce the Security the Trustee may:

- (i) sell, call in, collect and convert the Mortgaged Property into money in such manner and on such terms as it shall think fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable. In exercising its discretion to sell, call in, collect and convert into money all or part of the Mortgaged Property, the Trustee and any receiver appointed by it in accordance with and pursuant to the terms of the Trust Deed shall have regard to whether the claims of the Secured Creditors are to physical delivery of any part of the Collateral or to cash amounts in accordance with the terms of the relevant Transaction Document. Subject to its being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee or any receiver appointed by it shall realise such portion of the Collateral as is not required to be delivered in physical form, provided that if the Trustee or any receiver appointed by it in its sole discretion determines that the proceeds of realisation of such portion of the Collateral and any other monies comprised in the Mortgaged Property are not sufficient to satisfy any claims which rank senior to a claim for physical delivery in the relevant priority of payments, the Trustee or any receiver appointed by it shall realise such further portion of the Collateral as is required to be liquidated to satisfy such senior claims (as determined in the Trustee's or receiver's sole discretion). The portion of the Collateral required to be realised as determined in the Trustee's or receiver's sole discretion and without incurring any liability to any person in respect thereof shall be referred to herein as the "**Realisable Portion**";

Neither the Trustee nor any receiver or any agent appointed by it shall incur any liability to any person in relation to the realisation of any Collateral, including in relation to any determination as to the portion of Collateral it considers in its absolute discretion is required to be liquidated to satisfy claims senior to a claim for physical delivery and shall incur no liability to any person if a greater amount of Collateral is liquidated than may be required to satisfy such senior claims, or in relation to the value received in respect of any Collateral which is liquidated or in relation to the timing or manner of any such liquidation of the Collateral and the Trustee, any receiver or any agent appointed by it may, and may continue to, liquidate the Collateral in one or multiple transactions on a single or multiple days until the claims of those ranking senior to a claim for physical delivery have been satisfied or, if earlier, there is no Collateral remaining;

- (ii) take such action against any Collateral Obligor as it deems appropriate but without any liability to the Noteholders, Couponholders or Warranholders as to the consequence of such action and without having regard to the effect of such action on individual Noteholders, Couponholders or Warranholders; and
- (iii) take any such other action or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession of all or any of the Mortgaged Property and/or appointing a receiver) as are permitted under the terms of the Trust Deed.

The Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction.

(d) *Enforcement Events*

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

"Enforcement Event" means, in respect of a Series of Notes, the occurrence of one or more of the following events:

- (i) the Issuer fails to pay the outstanding principal amount and/or interest due or payable in respect of the Notes or, if "Physical Delivery" is specified in the relevant Pricing Supplement and Condition 7(j) applies, the Issuer fails to deliver the relevant amount of Collateral in respect of the Notes (whether on final maturity or on any early redemption as provided in the Conditions and together with any default interest accrued on the Notes), in each case by the Final Discharge Date; and/or
- (ii) following the occurrence of a Mandatory Expiration Event under the Related Series of Warrants following an Early Redemption Event (other than a Collateral Call) in respect of the Notes, the

Issuer fails to pay the relevant Warrant Early Termination Amount (if any) under (and as defined in) the Related Series of Warrants by the Final Discharge Date; and/or

- (iii) following payment and/or delivery in full by the Issuer of any amount and/or Collateral that has become due and payable and/or deliverable to the Noteholders, the Couponholders and/or the Warrantheolders (whether before or after the Maturity Date), the Issuer fails to pay any amount due and payable to the Swap Counterparty on the relevant due date for payment under the relevant Swap Agreement.

“Final Discharge Date” means, in respect of a Series of Notes:

- (i) in the case of the enforcement of Security relating to an Enforcement Event arising due to the failure of the Issuer to either pay principal and/or interest or to deliver Collateral in respect of the Notes, the day which falls 15 Business Days after the date that such principal and/or interest became due, or such Collateral was due to be delivered, in accordance with the Conditions; and
- (ii) in the case of the enforcement of Security relating to an Enforcement Event arising due to the failure of the Issuer to pay the relevant Warrant Early Termination Amount to the holders of the Related Series of Warrants, the day which falls 15 Business Days after the relevant Warrant Early Termination Amount Payment Date under (and as defined in) the Related Series of Warrants.

(e) *Enforcement of Rights*

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Creditors under the Trust Deed and the Conditions and none of the Noteholders, the Couponholders or the other Transaction Parties (including, for the avoidance of doubt, the Warrantheolders) is entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails to do so within a reasonable period and such failure is continuing. In respect of any failure by the Issuer to make payment of the Final Redemption Amount, Warrant Exercise Early Redemption Amount and/or any interest that became due and payable on the Maturity Date or Warrant Exercise Early Redemption Date, no Noteholder or Couponholder or other Secured Creditor may direct the Trustee to pursue any remedies against the Issuer for any breach by the Issuer of the terms of the Trust Deed, the Notes or the Coupons until after the Final Discharge Date and the Trustee shall incur no liability to any person for any loss which may arise from such delay.

Only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed.

The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

15 Application of Proceeds

(a) *Application of Proceeds of Liquidation*

Following the Liquidation in full of the Disposable Portion of the Collateral as a result of a Liquidation Event, the Issuer shall, on the Early Redemption Date or Final Discharge Date, as applicable (or, if later, the date falling two Business Days after all of the Disposable Portion of the Collateral has been liquidated in full and the cash proceeds have been received by or on behalf of the Issuer) apply the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion, if any, as follows and subject to the satisfaction of the prior ranking claims to the extent there are sufficient Available Proceeds and/or Collateral:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Disposable Portion of the Collateral and/or the Security by the Disposal Agent;

- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee under the Trust Deed (including any taxes required to be paid and the Trustee's remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent, the Paying Agent and/or the Principal Warrant Agent for reimbursement in respect of payments made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation;
- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Note Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar and the Transfer Agent, the Principal Warrant Agent and the Warrant Calculation Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the relevant Swap Agreement;
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable, (B) the Final Redemption Amount then due and payable or (C) any interest that became due and payable on the Early Redemption Date or Maturity Date, as the case may be, and that remains due and payable, as the case may be, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include default interest) to the holders of Notes;
- (vii) seventhly, in payment of the Warrant Early Termination Amount (as defined in the Warrant Conditions) due and payable and that remains due and payable to the holders of the Related Series of Warrants; and
- (viii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer,

save that no such application shall be made at any time following an Enforcement Notice having been delivered by the Trustee following the occurrence of an Enforcement Event.

Any Secured Creditor that has a claim in respect of more than one Secured Obligation may rank differently in respect of each Secured Obligation.

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

"Available Proceeds" means, with respect to a Liquidation Event or Enforcement Event, all sums derived from a liquidation of the Disposable Portion, or as the case may be, the Realisable Portion of the Collateral for the Related Series of Securities, any amount paid by the Swap Counterparty to the Issuer as a result of the termination of all outstanding Swap Transactions under the Swap Agreement relating to the Notes, any amounts realised by the Trustee on enforcement of Security and all other sums available to the Issuer or the Trustee, as the case may be, derived from the Mortgaged Property for such Related Series of Securities.

"Residual Amount" means, with respect to an application of Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be) in connection with a Liquidation Event or an Enforcement Event, as applicable, all remaining proceeds (if any) after the application of the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be) to satisfy the payments set out in paragraphs (i) to (viii) of Conditions 15(a) or 15(b), as applicable.

(b) *Application of Proceeds of Enforcement of the Security*

Subject to and in accordance with the terms of the Security Documents, with effect from the effective date of any Enforcement Notice delivered by the Trustee following the occurrence of an Enforcement

Event, the Trustee will hold the Available Proceeds received by it or any receiver appointed by it under the Trust Deed and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be), if any, on trust to apply them, and subject to the satisfaction of the prior ranking claims to the extent there are sufficient Available Proceeds and/or Collateral, as follows:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Collateral and/or the Security by the Trustee, any receiver or the Disposal Agent;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the cost of realising any Security and the Trustee's remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent, the Paying Agent and/or the Principal Warrant Agent for reimbursement in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation;
- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Note Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar, the Transfer Agent, the Principal Warrant Agent and the Warrant Calculation Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the relevant Swap Agreement;
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable, (B) the Final Redemption Amount then due and payable or (C) any interest that became due and payable on the Early Redemption Date or Maturity Date, as the case may be, and that remains due and payable, as the case may be, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include default interest) to Noteholders;
- (vii) seventhly, in payment of the Warrant Early Termination Amount (as defined in the Warrant Conditions) due and payable and that remains due and payable to holders of the Related Series of Warrants; and
- (viii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer.

Any Secured Creditor that has a claim in respect of more than one Secured Obligation may rank differently in respect of each Secured Obligation.

(c) *Insufficient Proceeds*

If, following a Liquidation Event or an Enforcement Event, the available cash sums pursuant to Conditions 15(a) or 15(b), as applicable, are insufficient for the holders of Notes to receive payment in full of (i) the Early Redemption Amount, (ii) the Final Redemption Amount or (iii) any interest due and payable on the Early Redemption Date or Maturity Date, as the case may be, and, in each case, any interest accrued thereon, the holders of Notes will receive an amount which is less than any such amount and the provisions of Condition 16 will apply.

(d) *Foreign Exchange Conversion*

To the extent that any proceeds payable to any party pursuant to this Condition 15 are not in the Relevant Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Disposal Agent (prior to the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14) or the Trustee

(following the Trustee enforcing the Security pursuant to the Trust Deed and as described in Condition 14), but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Issuer, the Noteholders, the Couponholders, the Swap Counterparty and the Custodian.

For such purposes, “**Relevant Currency**” means the currency in which the Notes are denominated unless otherwise specified in the relevant Note Pricing Supplement.

16 Limited Recourse and Non-Petition

(a) General Limited Recourse

In respect of a Related Series of Securities, the Transaction Parties, the Noteholders and the Couponholders and Warranholders shall have recourse only to the Mortgaged Property in respect of such Related Series of Securities, subject always to the Security, and not to any other assets of the Issuer; provided that those holder(s) of the Related Series of Warrants who have submitted Warrant Exercise Notice(s) and paid the corresponding Warrant Exercise Amount(s) (together with any applicable taxes, fees and expenses) in full but have not received the relevant Collateral Entitlement in accordance with (and as defined in) the Warrant Conditions shall have recourse only to the Warrant Entitlement Collateral (as defined below). If after (i) the Mortgaged Property (excepting any Warrant Entitlement Collateral) in respect of such Related Series of Securities is exhausted (whether following Liquidation or enforcement of the Security) and (ii) application of the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or (as the case may be) the Realisable Portion as provided in Conditions 15(a) or 15(b) (as applicable), any outstanding claim against the Issuer in respect of the Notes and/or the Related Series of Warrants or the Transaction Documents relating to such Related Series of Securities remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof.

Following extinguishment in accordance with this Condition 16(a), none of the Transaction Parties, the Noteholders, the Couponholders, the Warranholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Related Series of Securities.

For such purposes, “**Warrant Entitlement Collateral**” means, in respect of any Related Series of Securities, the aggregate nominal amount of Collateral in respect of which holders of the Related Series of Warrants have submitted valid Warrant Exercise Notices and paid the corresponding Warrant Exercise Amount in full but have not received such relevant Collateral Entitlement in accordance with the Warrant Conditions.

(b) Non-Petition

None of the Transaction Parties, the Noteholders, the Couponholders, the Warranholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other notes or warrants issued by the Issuer (save for any further notes which form a single series with the Notes or warrants which form a single series with any Related Series of Warrants) or Obligations of the Issuer.

(c) Survival

The provisions of this Condition 16 shall survive notwithstanding any redemption of the Notes or the termination or expiration of any Transaction Document.

17 Prescription

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

18 Meetings of Noteholders, Modification, Waiver and Substitution

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions or any provisions of the Trust Deed. Such a meeting may be convened by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal 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 any Interest Amount in respect of the Notes, (iv) if any Rate of Interest is specified in the relevant Note Pricing Supplement as being subject to a maximum or minimum amount or value, to reduce any such minimum and/or maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Warrant Exercise Early Redemption Amount, Optional Redemption Amount or the Early Redemption Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (viii) to modify the provisions of the Trust Deed concerning this exception, (ix) to modify Condition 4 or to hold an Extraordinary Resolution for purposes of Conditions 4(b) or 4(c), (x) to modify Conditions 7(a) to 7(e)(iii) or Condition 12 or (xi) to modify Conditions 15 and 16, in which case the necessary quorum ("**Special Quorum**") 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. of the Notes for the time being outstanding in accordance with the Trust Deed. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at or participated in the meeting at which such resolution was passed) and on the holders of Coupons and Talons.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied) be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders. Such a resolution will be binding on all Noteholders, whether or not they participated in such written resolution, and on the holders of Coupons and Talons.

(b) Modification of the Conditions and/or any Transaction Document

The Trustee may agree, without the consent of the Noteholders or the Couponholders, to (i) any modification of any of the Conditions or any of the provisions of the Transaction Documents that is in its opinion of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the Conditions or any of the provisions of the Transaction Documents that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and such modification shall be notified to the Noteholders as soon as practicable.

(c) Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require, without the consent of the Noteholders or the Couponholders but subject to the prior written consent of the relevant Swap Counterparty, to the substitution of any other company in place of the Issuer, or of any previous substituted company, as principal debtor under the Trust Deed and the Notes, the Coupons and the Talons, as applicable. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or the Couponholders, to a change of the law governing the Notes, the Coupons, the Talons and/or the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders.

(d) Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 18) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders.

19 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in the relevant Note Pricing Supplement (in the case of Bearer Notes, Coupons or Talons) and of 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 21, 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 or Coupon is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Certificate, Coupon or Talon) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

20 Further Issues

The Issuer may from time to time without the consent of the Noteholders or the Couponholders, but subject to Condition 5, create and issue further notes or other Obligations either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them, issue date, issue price and nominal amount) so that such further issue shall be consolidated and form a single series with the Notes or upon such terms as the Issuer may determine at the time of their issue. Any such further notes shall only form a single series with the Notes provided that (i) (unless otherwise approved by an Extraordinary Resolution) the Issuer provides additional assets as security for such further notes which are fungible with, and have the same proportionate composition as, those forming part of the Mortgaged Property for the Notes and in the same proportion that the nominal amount of such new notes bears to the Notes and the Issuer enters into an additional or supplemental Swap Agreement extending the terms of any existing Swap Agreement to the new notes on terms no less favourable than such existing documents and agreements, (ii) the Issuer makes a further issue of Warrants in a principal amount equal to the notional amount of the new notes. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new notes and the existing Notes shall be secured by the same Mortgaged Property and references in the Conditions to "Notes", "Collateral", "Mortgaged Property", the "Swap Agreement", "Secured Obligations" and "Secured Creditor" shall be construed accordingly. The Trust Deed contains provisions for convening a single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

21 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the day it is delivered in the case of recorded delivery and three calendar days (excluding Saturdays and Sundays) in the case of inland post or seven calendar days (excluding Saturdays and Sundays) in the case of overseas post after despatch or if earlier when delivered, save that for purposes only of determining the occurrence of any Early Redemption Event the relevant Early Redemption Notice shall be deemed to have been given on the date despatched. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If in the opinion of the Trustee any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice 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 first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 21.

Notices from the Noteholders to the Issuer, the Trustee or the Note Calculation Agent shall be in writing and mailed to the specified office of the relevant party (in each case with a copy of such notice to the specified office of the Trustee and the Issuer) or to such other address as may be notified to the Noteholders as set out in this Condition 21. Any such notice shall be effective when the actual notice is delivered. For the purpose of determining when such notice shall be effective the delivery of the copies of such notice shall not be relevant.

22 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral and for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Mortgaged Property. The Trustee is not obliged or required to take any action, step or proceeding under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate are entitled to enter into business transactions with the Issuer, any Collateral Obligor or any Swap Counterparty or any of their subsidiaries, holding or associated companies without accounting to the Noteholders or Couponholders 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 and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless and until it has actual knowledge to the contrary.

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee does not assume any duty or responsibility to the relevant Swap Counterparty, the Custodian or the Issuing and Paying Agent or any other Transaction Party (other than to pay to any of such parties any moneys received and repayable to it and to act in accordance with the provisions of Condition 15) and shall have regard solely to the interests of the Noteholders.

23 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

24 Governing Law and Jurisdiction

(a) *Governing Law*

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

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has irrevocably appointed pursuant to the Trust Deed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

MASTER WARRANT CONDITIONS

*The following is the text of the master terms and conditions applicable to Warrants issued under the Programme (the “**Master Warrant Conditions**”). The text of these Master Warrant Conditions, subject to completion and amendment and as supplemented and/or varied in accordance with the provisions of the relevant Warrant Pricing Supplement, shall be applicable to the Warrants. The full text of these Master Warrant Conditions, together with the relevant provisions of the relevant Warrant Pricing Supplement, shall be endorsed on the Global Warrant. In respect of the Warrants, “**Conditions**” shall mean these Master Warrant Conditions as completed, amended, supplemented and/or varied by the relevant Warrant Pricing Supplement and by the terms of the Global Warrant in respect of the Warrants. In respect of the Warrants, “**Warrant Pricing Supplement**” means the Pricing Supplement issued specifying the relevant issue details of the Warrants in the form specified in “Form of Warrant Pricing Supplement”. The Warrant Pricing Supplement shall be included in any Tranche Prospectus pursuant to which the Notes may be issued.*

*References in the Conditions to “**Warrants**” are to the Warrants of one Series only, not to all Warrants that may be issued under the Programme. References in the Conditions to “**Notes**” and “**Series of Notes**” are to any Related Series of Notes of the Issuer specified as such in the relevant Warrant Pricing Supplement only, not to all Notes that may be issued under the Programme.*

The Warrants are constituted by an amended and restated note and warrant agency agreement dated 21 December 2015 (as amended or supplemented as at the Issue Date and as may be further amended and restated from time to time, the “**Agency Agreement**”) and made between the Issuer, BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)), The Bank of New York Mellon, London Branch as initial issuing and paying agent and calculation agent for the Notes and as principal warrant agent for the Warrants and SMBC Nikko Capital Markets Limited as disposal agent, determination agent and as calculation agent for the Warrants and the other agents named in it. An amended and restated custody agreement dated 21 December 2015 (as amended or supplemented as at the Issue Date and as may be further amended and restated from time to time, the “**Custody Agreement**”) has been entered into between the Issuer, the Trustee and The Bank of New York Mellon, London Branch as custodian. The issuing and paying agent for the Notes, the principal warrant agent, the custodian, the paying agents for the Notes, the calculation agent for the Notes, the determination agent, the registrar, the transfer agent, the calculation agent for the Warrants and the disposal agent for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Principal Warrant Agent**”, the “**Custodian**”, the “**Paying Agents**”, the “**Note Calculation Agent**”, the “**Determination Agent**”, the “**Registrar**”, the “**Transfer Agent**”, the “**Warrant Calculation Agent**” and the “**Disposal Agent**”. The Principal Warrant Agent and the Warrant Calculation Agent shall be referred to collectively as “**Warrant Agents**” and each a “**Warrant Agent**”. The Issuing and Paying Agent, the Paying Agents, the Note Calculation Agent, the Determination Agent, the Registrar, the Transfer Agent, the Disposal Agent and the Custodian shall be referred to collectively as “**Agents**” and each an “**Agent**”. Copies of the Trust Deed and the Agency Agreement are available for inspection during usual business hours at the principal office of the Trustee (presently at One Canada Square, London E14 5AL, United Kingdom) and at the specified offices of the Principal Warrant Agent.

The Warrants are secured by a supplemental trust deed dated the Issue Date of the Warrants (the “**Supplemental Trust Deed**”) and made between the Issuer, BNY Mellon Corporate Trustee Services Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)) and, if applicable, the other persons specified therein, supplemental to an amended and restated principal trust deed dated 21 December 2015 (as amended or supplemented as at the Issue Date and as may be further amended and restated from time to time, the “**Principal Trust Deed**”) and made between the Issuer and the Trustee. The Principal Trust Deed and the Supplemental Trust Deed are referred to together as the “**Trust Deed**”. These Master Warrant Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

In connection with each Series of Warrants, the Issuer will contemporaneously issue a related series of Notes (each, a “**Related Series of Notes**” and, together with the Series of Warrants to which it relates, a “**Related**

Series of Securities”), as specified in the relevant Warrant Pricing Supplement. The terms and conditions of the Related Series of Notes (the “**Note Conditions**”) will be as set out in the Master Note Conditions (as defined and set out in the Principal Trust Deed) as completed by the relevant Pricing Supplement for such Related Series of Notes (the “**Note Pricing Supplement**”). Each Series of Warrants and the Related Series of Notes are secured by the same Trust Deed on the same Mortgaged Property (as defined below) and in addition may be secured by a security document other than the Trust Deed (an “**Other Security Document**”), as specified in the relevant Supplemental Trust Deed. The term “**Noteholders**” as used in these Conditions shall have the meaning given to it in the Trust Deed.

The Warrantholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and any Other Security Document and are deemed to have notice of those provisions applicable to them of the Agency Agreement.

All capitalised terms that are not defined in the Master Warrant Conditions will have the meanings given to them in the Trust Deed, the absence of any such meaning indicating that such term is not applicable to the Warrants. In the event of any inconsistency between the terms of the Supplemental Trust Deed and the terms of the Principal Trust Deed, the terms of the Supplemental Trust Deed shall prevail. In the event of any inconsistency between the Master Warrant Conditions and the terms of the relevant Warrant Pricing Supplement, the terms of the relevant Warrant Pricing Supplement shall prevail. In the event of any inconsistency between the terms of the Trust Deed, the Master Warrant Conditions and the terms of the relevant Warrant Pricing Supplement, the terms of the relevant Warrant Pricing Supplement shall prevail.

1 Form, Title and Transfer

(a) Form

Warrants are issued in registered form and will at all times be represented by a single global warrant (the “**Global Warrant**”), substantially in the form set out in Schedule 5 to the Agency Agreement representing Warrants of the same Series that are registered in the name of a nominee for Euroclear Bank S.A./N.V. (“**Euroclear**”), Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”), which will be deposited with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”). In addition, Warrants may be cleared through any alternative clearing system specified in the relevant Warrant Pricing Supplement (an “**Alternative Clearing System**”), in addition to, or in place of, Euroclear and/or Clearstream, Luxembourg.

In these Conditions, Euroclear, Clearstream, Luxembourg and any Alternative Clearing System are referred to as the “**Relevant Clearing System(s)**”. Warrants in definitive form will not be available.

(b) Title

The persons for the time being appearing in the books of the Relevant Clearing System(s) as holding Warrants shall be treated as “**Warrantholders**” and no person shall be liable for so treating the holders.

(c) Transfer

All transactions involving the Warrants (including transfers and exercise of Warrants) may only be effected through the Relevant Clearing System. Title to each Warrant will pass upon registration of the transfer in the books of the Relevant Clearing System.

Transfers of Warrants may not be made (directly or indirectly) to a person located in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933 (“**Regulation S**”)) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S.

2 Constitution, Status, Collateral and Swap Agreement

(a) Constitution and Status of Warrants

The Warrants are constituted by the Agency Agreement and secured by the Trust Deed. The Warrants represent general contractual obligations of the Issuer, at all times ranking *pari passu* and without

prejudice among themselves. The Warrants are secured in the manner described in Condition 3 and will constitute secured limited recourse obligations of the Issuer, recourse in respect of which is limited in the manner described in Condition 16.

(b) Collateral

In connection with each issue of a Series of Warrants, the Issuer will issue a Related Series of Notes and shall acquire rights, title and/or interests in and to the “**Collateral**” specified in the relevant Warrant Pricing Supplement.

(c) Swap Agreement

The Issuer has entered into a (i) 2002 ISDA Master Agreement, together with a schedule thereto (the “**SMBC-NCM ISDA Master**”); and (ii) an EMIR ISDA Master Amendment Deed (the “**EMIR Amendment Deed**”), in each case with SMBC Nikko Capital Markets Limited (the “**Initial Swap Counterparty**”) and dated as of 21 October 2014 (together the “**SMBC-NCM ISDA Master Agreement**”) and, may, from time to time, enter into further ISDA Master Agreements with one or more further swap counterparties.

The EMIR Amendment Deed amends the terms of the SMBC-NCM ISDA Master so as to reflect certain reconciliation and dispute resolution obligations imposed by Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 in relation to Swap Transactions (as defined below) entered into between the Issuer and the Initial Swap Counterparty.

References in these Conditions to the Swap Counterparty shall be deemed to be references to the Initial Swap Counterparty unless the relevant Warrant Pricing Supplement specifies a different entity as the Swap Counterparty, in which case references in these Conditions to the Swap Counterparty shall be deemed to be references to the Swap Counterparty specified in the Warrant Pricing Supplement.

References in these Conditions to the ISDA Master Agreement shall be deemed to be references to the SMBC-NCM ISDA Master Agreement unless the relevant Warrant Pricing Supplement specifies a different entity as the Swap Counterparty, in which case references in these Conditions to the ISDA Master Agreement shall be deemed to be references to the ISDA Master Agreement entered into between the Issuer and the Swap Counterparty specified in the Warrant Pricing Supplement.

In connection with a Related Series of Securities, the Issuer will enter into one or more transactions pursuant to the relevant ISDA Master Agreement (each such transaction, a “**Swap Transaction**”, and, together with the confirmation(s) evidencing such transaction(s) and the ISDA Master Agreement, the “**Swap Agreement**”).

The obligations of the Initial Swap Counterparty under the SMBC-NCM ISDA Master Agreement are guaranteed by Sumitomo Mitsui Banking Corporation (the “**Swap Guarantor**”).

(d) Mortgaged Property and Secured Obligations

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

“**Mortgaged Property**” means:

- (i) the Collateral and all property, assets and sums derived therefrom;
- (ii) the rights and interest of the Issuer in and under the relevant Swap Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such Swap Agreement;
- (iii) the rights and interest of the Issuer under the Agency Agreement and the Custody Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements; and
- (iv) the rights, title and interest of the Issuer in any other assets, property, income, rights and/or agreements of the Issuer from time to time charged or assigned or otherwise made subject to the

security created by the Issuer in favour of the Trustee for the benefit of the Secured Creditors pursuant to the Security Documents, as the case may be,

in each case securing the Secured Obligations and includes where the context permits any part of that Mortgaged Property.

“Secured Creditor” means each person that is entitled to the benefit of Secured Obligations.

“Secured Obligations” means the payment and/or delivery obligations of the Issuer under the Trust Deed, the relevant Swap Agreement, the Custody Agreement, the Agency Agreement and each Warrant and each Note, Coupon and Talon of a Related Series of Notes, together with any obligation of the Issuer to reimburse and/or make payment to the Issuing and Paying Agent, Principal Warrant Agent or any other Agent or Warrant Agent in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation

“Security Document” means the Trust Deed and/or any Other Security Document in respect of any Related Series of Securities which creates or purports to create security in favour of the Trustee for the benefit of the Secured Creditors of such Related Series of Securities.

“Transaction Document” means each of the Security Document(s), the Agency Agreement, the Custody Agreement, the Dealer Agreement, the Swap Agreement, and any other agreement specified as such in the relevant Warrant Pricing Supplement.

“Transaction Party” means each party to a Transaction Document other than the Issuer, together with any other person specified as a Transaction Party in the relevant Warrant Pricing Supplement.

3 Security

(a) Security

Unless otherwise specified in the Supplemental Trust Deed, the Secured Obligations in respect of a Related Series of Securities are secured in favour of the Trustee for the benefit of the Secured Creditors, pursuant to the Trust Deed, by:

- (i) a first fixed charge over the Collateral and all property, assets and sums derived therefrom;
- (ii) an assignment by way of security of all the Issuer’s rights, title and interest attaching to or relating to the Collateral and all property, sums or assets derived therefrom, including, without limitation any right to delivery thereof or to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security of the Issuer’s rights, title and interest against the Custodian, to the extent that they relate to the Collateral;
- (iv) an assignment by way of security of the Issuer’s rights, title and interest under the Agency Agreement, to the extent that they relate to such Related Series of Securities;
- (v) an assignment by way of security of the Issuer’s rights, title and interest under the relevant Swap Agreement, to the extent that they relate to such Related Series of Securities;
- (vi) an assignment by way of security of the Issuer’s rights against the Disposal Agent under the terms of the Agency Agreement (or any other agreement entered into between the Issuer and the Disposal Agent), to the extent that they relate to the Collateral;
- (vii) an assignment by way of security of the Issuer’s rights, title and interest under the Custody Agreement, to the extent that they relate to any assets held by the Custodian in respect of such Related Series of Securities;
- (viii) a first fixed charge over (A) all sums held by the Issuing and Paying Agent and/or the Custodian to meet payments due in respect of any Secured Obligation in respect of such Related Series of Securities, (B) all sums held by the Principal Warrant Agent to meet payments due in respect of

the Warrants comprised in such Related Series of Securities and (C) any sums received by the Issuing and Paying Agent under the relevant Swap Agreement; and

- (ix) a first fixed charge over all property, sums and assets held or received by the Disposal Agent relating to the Transaction Documents and the Collateral, to the extent that they relate to such Related Series of Securities.

Notwithstanding the above, investors should note that where any Collateral and/or any property, assets and sums derived therefrom are held by the Custodian in book-entry form, the security interests granted in respect of the same might, as a result of such book-entry holding, take the form only of a security interest over the Issuer's rights against the Custodian in respect of such Collateral and/or property, assets and sums derived therefrom, as the case may be, rather than a charge over such Collateral and/or property, assets and sums derived therefrom, themselves.

Additionally, the Secured Obligations of the Issuer may be secured pursuant to an Other Security Document, as specified in the relevant Supplemental Trust Deed.

References in these Conditions to "**Security**" are to the security constituted by the Trust Deed and any Other Security Document (if applicable).

(b) Disposal Agent's right following Liquidation Event

Notwithstanding the above, following the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties) the Disposal Agent on behalf of the Issuer shall have the right to undertake any action as contemplated by the Conditions and the Agency Agreement as it considers appropriate, and any actions in furtherance thereof or ancillary thereto as they relate to the Collateral, without requiring any sanction referred to therein. Pursuant to the terms of the Trust Deed, upon the effective delivery of a valid Liquidation Commencement Notice to the Disposal Agent (copied to each of the other Transaction Parties), the Security described in Condition 3(a) will automatically be released without further action on the part of the Trustee to the extent necessary to effect the Liquidation (as defined in Condition 11) of the Disposable Portion of the Collateral; provided that nothing in this Condition 3(b) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Disposable Portion of the Collateral.

(c) Issuer's Rights as beneficial owner of Collateral

Prior to the Trustee effectively giving a valid Enforcement Notice to the Issuer (copied to the Custodian and the Disposal Agent), the Issuer may, with the sanction of an Extraordinary Resolution of the holders of the Notes comprised in the relevant Related Series of Securities or with the prior written consent of the Trustee:

- (i) take such action in relation to the Mortgaged Property in relation to such Related Series of Securities as it may think expedient; and
- (ii) exercise any rights incidental to the ownership of such Mortgaged Property and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any ownership interests in respect of such property.

Subject as provided below, the Issuer will not exercise any rights with respect to any Mortgaged Property unless it has the sanction or consent referred to above and, if such sanction or consent is given, the Issuer will act only in accordance with such sanction or consent.

Notwithstanding the foregoing, if the Collateral for a Related Series of Securities is subject to a put option (as specified in the relevant Warrant Pricing Supplement) (a "**Collateral Put Option**"), then the Determination Agent may, on behalf of the Issuer, direct the Custodian in relation to the exercise of the Collateral Put Option on behalf of the Issuer without the need for any such sanction or consent, to the extent necessary in order to fund redemption of such Notes.

(d) *Modifications*

In the event that the Issuer determines that an amendment to, modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with the Agency Agreement or the Conditions has become necessary, if the Trustee has consented to such amendment, modification, waiver or authorisation (such consent to be provided pursuant to and in accordance with the provisions of the Trust Deed), the Issuer (or the Principal Warrant Agent, having received the form of notice to be delivered to the Relevant Clearing Systems, on its behalf and at its expense) shall notify the Warrantheolders via the Relevant Clearing Systems of such proposed amendment, modification, waiver or authorisation and (subject to the next following paragraph) obtain the Warrantheolders' consent, provided that no such notification and consent is required if the proposed amendment, modification, waiver or authorisation is, in the opinion of the Issuer, of a formal, minor or technical nature or is required to be made to correct a manifest error, in which case the Issuer shall, without the consent of the Warrantheolders, be entitled to agree to such amendment or modification or give such waiver or authorisation.

In respect of any amendment, modification, waiver or authorisation which is required to be notified to and consented by the Warrantheolders, if the number of outstanding Warrants in respect of which Warrantheolders have given their consent to such amendment, modification, waiver or authorisation (as applicable) exceeds the number of outstanding Warrants in respect of which Warrantheolders have voted against giving such consent to such amendment, modification, waiver or authorisation (as applicable), in each case such voting performed electronically through the communication systems of the Relevant Clearing System in accordance with their operating rules and procedures and by the date falling the number of business days as provided in the notification to the Warrantheolders following such notification, such amendment, modification, waiver or authorisation (as applicable) shall be deemed to be approved by and be binding on all Warrantheolders and, where applicable, the relevant parties to the Agency Agreement shall enter into such documentation as shall be necessary to effect such amendment, modification, waiver or authorisation. In the event that no responses are received to the request for consent sent by the Issuer (or the Principal Warrant Agent on its behalf) to the Warrantheolders via the Relevant Clearing Systems by the date falling the number of business days (as provided in the notification to the Warrantheolders) following such request for consent, the Warrantheolders shall be deemed to have consented to the relevant amendment, modification, waiver or authorisation (as applicable) and such amendment, modification, waiver or authorisation shall be binding on all Warrantheolders.

Any amendment to or modification of the Agency Agreement and the Conditions shall be notified by the Issuer (or the Principal Warrant Agent on its behalf) to the Warrantheolders as soon as practicable thereafter in accordance with Condition 19.

Notwithstanding the above paragraphs of this Condition 3(d), the Trustee shall not be obliged to agree to any amendment to or modification of the Agency Agreement or the Conditions or to execute any documentation required to effect such modification if the Trustee is of the opinion that such modification materially affects the interests of the Trustee and/or the interests of the Noteholders. Furthermore, the Trust Deed provides that any consent or approval given by the Trustee may be given on such terms and subject to such conditions as the Trustee reasonably thinks fit and that, in connection with the exercise of its functions, the Trustee shall have regard only to the interests of the Noteholders and shall not have regard to the interests of the Warrantheolders.

4 Restrictions

So long as any of the Warrants remain outstanding, the Issuer shall not, without the prior consent in writing of the Trustee but subject to the provisions of Condition 11 (*Liquidation*) and except as provided for or contemplated in the Conditions or any Transaction Document (and as provided below):

- (a) engage in any business other than the issuance or entry into of Obligations, the entry into of related agreements and transactions and the performing of acts incidental thereto or necessary in connection therewith, and provided that:

- (i) such Obligations are secured on assets of the Issuer other than the Issuer's share capital and any assets securing any other Obligations (other than Equivalent Obligations); and
 - (ii) such Obligations and any related agreements contain provisions that limit the recourse of any holder of, or counterparty to, such Obligations and of any party to any related agreement to assets other than those to which any other Obligations (other than Equivalent Obligations) have recourse;
- (b) sell, transfer or otherwise dispose of any of the Mortgaged Property or any right or interest therein or create any mortgage, charge or other security or right of recourse in respect thereof (other than as contemplated by the Trust Deed, the Conditions, any Other Security Document and/or any other Transaction Document);
 - (c) subject to the proviso in Clause 7.1.32 of the Principal Trust Deed, cause or permit the relevant Swap Agreement or the priority of Security created by the Trust Deed to be amended, terminated or discharged (other than as contemplated by the Trust Deed and/or the Conditions);
 - (d) release any party to the Swap Agreement, the Trust Deed or any Other Security Document from any existing obligations thereunder (other than as contemplated by the Trust Deed, the Conditions and/or such Other Security Document);
 - (e) have any subsidiaries (although, for the avoidance of doubt, it may establish branches);
 - (f) consent to any variation of, or exercise any powers of consent or waiver pursuant to, the terms of the Trust Deed, the Swap Agreement, the Conditions, any Other Security Document or any other Transaction Document (other than as contemplated by the Trust Deed, the Conditions, any Other Security Document and/or any other Transaction Document);
 - (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions, including without limitation in connection with a substitution of the Issuer under the Warrants and the relevant Swap Agreement as provided in the Trust Deed, the Conditions and the relevant Swap Agreement);
 - (h) have any employees;
 - (i) issue any shares (other than such shares as are in issue at the date hereof) or make any distribution to its shareholders;
 - (j) open or have any interest in any account with a bank or financial institution unless (i) such account relates to the issuance or entry into of Obligations and such Obligations have the benefit of security over the Issuer's interest in such account or (ii) such account is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
 - (k) declare any dividends;
 - (l) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
 - (m) guarantee, act as surety for or become obliged for the debts of any other entity or person or enter into any agreement with any other entity or persons whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
 - (n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders; or
 - (o) except as is required in connection with the issuance or entry into of Obligations, advance or lend any of its moneys or assets, including but not limited to the Mortgaged Property, other entity or person.

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

"Equivalent Obligations" means, in respect of any Obligations which are issued in fungible form, all Obligations that are fungible with one another and which share common terms and conditions.

“**Obligation**” means (i) any obligation of the Issuer that is in the form of options, warrants or other similar form which shall include, without limitation, any Warrant, (ii) any obligation of the Issuer for the payment or repayment of borrowed money which shall include, without limitation, any Note and any other obligation that is in the form of, or represented by, a bond, note, certificated debt security or other debt security and (iii) any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement.

5 Exercise Period

(a) *Exercise Period*

Subject to Condition 9, Warrants are exercisable prior to the relevant Exercise Time on any Exercise Business Day during the relevant Exercise Period, subject to prior termination of the Warrants in accordance with the Conditions.

Where an Exercise Notice (as defined in Condition 7(a)) is received by the Relevant Clearing System(s) after the relevant Exercise Time and/or a copy of the Exercise Notice is received by the Warrant Calculation Agent after the relevant Exercise Notification Cut-off Time on an Exercise Business Day during the relevant Exercise Period (other than the Final Exercise Date), the Exercise Date (as defined in Condition 7(a)) will, unless the Warrant Calculation Agent in its sole discretion determines otherwise, be deemed to be the next following Exercise Business Day during the Exercise Period.

In these Conditions, unless the context otherwise requires:

“**Exercise Business Day**”, “**Exercise Notification Cut-off Time**”, “**Exercise Period Commencement Date**”, “**Exercise Time**” and “**Final Exercise Date**” have the meanings given to those terms in the relevant Warrant Pricing Supplement.

“**Exercise Period**” means the period from, and including the relevant Exercise Period Commencement Date to, and including, the relevant Final Exercise Date.

Warrantheolders should be aware that in order for Warrants to be effectively exercised on any Exercise Business Day, the relevant Exercise Notice needs to be delivered to the Relevant Clearing System(s) at or prior to the relevant Exercise Time on such Exercise Business Day and a copy of the Exercise Notice needs also to be delivered to the Warrant Calculation Agent by the Exercise Notification Cut-off Time on such Exercise Business Day.

(b) *Failure to Exercise*

Any Warrant with respect to which no duly completed Exercise Notice has been delivered, or deemed to be delivered to the Relevant Clearing System(s) at or prior to the Exercise Time on the relevant Final Exercise Date and/or a copy received by the Warrant Calculation Agent at or prior to the Exercise Notification Cut-off Time on such Final Exercise Date, in each case in the manner set out in Condition 7 shall become null and void immediately without value and all rights of the Warrantheolders and obligations of the Issuer with respect to such Warrant shall cease.

For the avoidance of doubt, any failure by an exercising Warrantheolder to deliver an Exercise Notice to the Warrant Calculation Agent at or prior to the Exercise Notification Cut-off Time on the relevant Final Exercise Date shall, unless the Warrant Calculation Agent in its sole discretion determines otherwise, result in such Exercise Notice becoming null and void in accordance with the foregoing provisions, notwithstanding that the Exercise Notice has been validly delivered, or deemed to be delivered to the Relevant Clearing System(s) at or prior to the Exercise Time on the relevant Final Exercise Date.

6 Exercise Rights

Each Warrant entitles the Warrantholder to the delivery of Collateral (in the amount per Warrant equal to the relevant Collateral Entitlement) against payment of the relevant Exercise Amount by the Warrantholder in the manner set out in Condition 7.

In these Conditions, unless the context otherwise requires:

“**Collateral Entitlement**” and “**Exercise Amount**” have the meanings given to those terms in the relevant Warrant Pricing Supplement.

7 Exercise Procedure

(a) Exercise Notice

Subject to Condition 9, Warrants may be exercised by delivery of a duly completed exercise notice in writing in the form (with such amendments as the Principal Warrant Agent may specify) set out at Schedule 10 to the Agency Agreement (copies of which may be obtained during normal office hours from the Principal Warrant Agent) (an “**Exercise Notice**”) to the Relevant Clearing System(s) (via the Euclid system) at or prior to the relevant Exercise Time with, as a further precondition to exercise, unless the Warrant Calculation Agent in its sole discretion determines otherwise, a copy to the Warrant Calculation Agent by email (to the email address set out in the form of Exercise Notice), not later than the relevant Exercise Notification Cut-off Time on any Exercise Business Day during the Exercise Period subject to prior termination of the Warrants in accordance with the Conditions (the day of such exercise being the day of receipt, or the deemed day of receipt pursuant to the next following paragraph, by the Relevant Clearing System(s) and the Warrant Calculation Agent of the Exercise Notice, the “**Exercise Date**”).

Any Exercise Notice delivered to the Relevant Clearing System(s) after the Exercise Time on any Exercise Business Day and/or any Exercise Notice of which the relevant copy is received by the Warrant Calculation Agent after the Exercise Notification Cut-off Time on such Exercise Business Day shall be deemed to have been delivered on the next succeeding Exercise Business Day, except that if the Exercise Notice is delivered to the Relevant Clearing System(s) after the Exercise Time on the Final Exercise Date and/or a copy thereof received by the Warrant Calculation Agent after the Exercise Notification Cut-off Time on the Final Exercise Date, such Exercise Notice shall be null and void in accordance with Condition 5(b) above.

Any Exercise Notice must in any case:

- (i) specify the name, address and contact details of the Warrantholder and the number of Warrants being exercised;
- (ii) specify the number of the Warrantholder’s account at the Relevant Clearing System(s) to be debited with the Warrants being exercised;
- (iii) irrevocably instruct the Relevant Clearing System(s) to debit the account of the relevant Warrantholder with the Warrants being exercised and the aggregate Exercise Amount in respect thereof on or before the Warrant Exercise Amount Settlement Date (as defined in Condition 7(b) below);
- (iv) specify the account (in the case where the Collateral is held in a clearing system specified in the relevant Warrant Pricing Supplement as the “**Collateral Entitlement Delivery Clearing System**”) or person and address (in the case where the Collateral is not held in a clearing system) to whom delivery of the Collateral Entitlement is to be made on or prior to the delivery date specified in the relevant Warrant Pricing Supplement (the “**Delivery Date**”), in accordance with the Conditions; and
- (v) certify that the beneficial owner of each Warrant being exercised is not a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933) or a person who has purchased such Warrant for resale to U.S. persons, that the Warrant is not being exercised within the United States or on behalf of a U.S. person other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S and that no cash, securities or

other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S.

(b) Exercise Amount

The Exercise Amount for each Warrant as at any date shall be an amount calculated by the Warrant Calculation Agent in its absolute discretion in accordance with the method set out in the relevant Warrant Pricing Supplement.

The Warrant Calculation Agent shall calculate the Exercise Amount applicable to the Warrants for any Exercise Business Day and shall notify such Exercise Amount to the Issuer (with a copy to the Principal Warrant Agent and the Trustee) no later than the relevant Exercise Amount Notification Date. The Principal Warrant Agent on behalf of the Issuer shall, in turn, notify the Warranholders of the Exercise Amount and the details of the account of the Issuer to be credited with the Exercise Amount as promptly as practicable thereafter, by delivering the notice to the Relevant Clearing Systems for onward transmission to the Warranholders. The Exercise Amount for each Warrant which is the subject of an Exercise Notice shall be payable by the relevant Warranholder on or prior to the date falling five Business Days after receipt by the Relevant Clearing System(s) and the Warrant Calculation Agent of the relevant Exercise Notice (the **“Warrant Exercise Amount Settlement Date”**).

If a Warranholder purports to exercise a number of Warrants but has only paid a portion of the aggregate Exercise Amount by the Warrant Exercise Amount Settlement Date, then only those Warrant(s) in respect of which the Exercise Amount has been fully discharged by the relevant Warranholder shall be exercised. Those Warrant(s) in respect of which the Exercise Amount has not been fully discharged by the relevant Warranholder shall be deemed to be not exercised and no Exercise Date shall occur in respect of the purported exercise of such Warrant(s). In respect of those Warrant(s) deemed not to be exercised, the Warranholder will be liable to the Issuer for any loss, costs and expenses suffered or incurred by the Issuer including (without limitation) those suffered or incurred as a consequence of the Issuer having terminated or commenced any related hedging operations in reliance on the relevant Exercise Notice and subsequently entering into replacement hedging operations in respect of such Warrant(s). Any insufficient amount received by the Issuer which relates to Warrant(s) which are deemed to be not exercised shall be repaid to the relevant Warranholder by the Principal Warrant Agent as soon as practicable and no interest shall be due from the Issuer to the relevant Warranholder in respect of such amount.

In these Conditions, unless the context otherwise requires:

“Exercise Amount Notification Date” means the date specified as such in the relevant Warrant Pricing Supplement.

(c) Debit of Warranholder’s Account

The Relevant Clearing System(s) will, on or before the Warrant Exercise Amount Settlement Date, debit the Warrant(s) being exercised and the Exercise Amount from the account of the Warranholder specified in the Exercise Notice, provided that the validity of a purported exercise of the Warrant(s) shall always be subject to Condition 7(b).

Warranholders should be aware that on delivery of an Exercise Notice, the relevant Warrant(s) will be blocked in their account until the Warrant Exercise Amount Settlement Date.

(d) Physical Settlement

Upon the exercise of a Warrant by a Warranholder, the Issuer shall deliver or procure delivery of the Collateral Entitlement on the Delivery Date to the account or person specified in the relevant Exercise Notice, provided that the Exercise Amount and any other amounts payable by the Warranholder in connection with such exercise (if any, including but not limited to any amount payable under Condition 7(f)) have been received by or to the order of the Issuer on or prior to the Warrant Exercise Amount Settlement Date in accordance with the Conditions.

For the purposes hereof, and to the extent that the Collateral is freely deliverable through the Collateral Entitlement Delivery Clearing System, delivery of the Collateral Entitlement will be made by credit to the account designated by the Warrantholder in the Exercise Notice held at the Collateral Entitlement Delivery Clearing System. To the extent that the Collateral is not freely deliverable through the Collateral Entitlement Delivery Clearing System, the Collateral Entitlement will be delivered by the Issuer making available such Collateral Entitlement for transfer in a commercially reasonable manner.

Exercise of the Warrants and any transfer of the Collateral Entitlement by or on behalf of the Issuer will be subject in all cases to all applicable fiscal and other laws, regulations and practices in force at the relevant time (including, without limitation, any relevant exchange control laws or regulations and the rules and procedures of the Relevant Clearing System) and none of the Issuer, the Principal Warrant Agent, the Trustee nor the relevant Warrant Calculation Agent shall incur any liability whatsoever if the Issuer, the Principal Warrant Agent, the Trustee or the Warrant Calculation Agent is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations and practices. None of the Issuer, the Principal Warrant Agent, the Trustee or the relevant Warrant Calculation Agent shall under any circumstances be liable for any acts or defaults of any clearing system in the performance of its duties in relation to the Warrants.

Upon the exercise of Warrant(s) by Warrantholder(s), a corresponding portion of the Related Series of Notes will be redeemed in accordance with the relevant Note Conditions (in a principal amount corresponding to the number of Warrant(s) exercised, either in whole or on a pro rata basis) and a pro rata proportion of the Swap Transaction will be terminated in accordance with the terms of the Swap Agreement.

(e) *Determination*

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Warrant Calculation Agent as soon as practicable following receipt by the Warrant Calculation Agent and shall be conclusive and binding on the Issuer, the Trustee, the Principal Warrant Agent and the relevant Warrantholder. Any Exercise Notice (i) determined to be incomplete or not in proper form, or (ii) which the Relevant Clearing System is unable to verify as originating from a person who was at the Exercise Time on the relevant Exercise Business Day the holder of the Warrant according to the books of the Relevant Clearing System, shall be null and void. The Principal Warrant Agent shall as soon as reasonably practicable notify the Warrant Calculation Agent upon receiving any communication from the Relevant Clearing System in relation to (ii) above. The Warrant Calculation Agent shall, as promptly as reasonably practicable following the determination that an Exercise Notice is incomplete or not in proper form in accordance with (i) above, notify the Principal Warrant Agent, such notice to specify the reason(s) for such determination.

If, in the case of (i) above, such Exercise Notice is subsequently corrected to the satisfaction of the Warrant Calculation Agent prior to the Exercise Time on the Final Exercise Date, then (X) if such correction is delivered prior to the Exercise Time on an Exercise Business Day during the Exercise Period, such corrected Exercise Notice shall be deemed to be a new Exercise Notice submitted at the time such correction is delivered to those parties or (Y) otherwise, such corrected Exercise Notice shall be deemed to be delivered on the next Exercise Business Day during the Exercise Period. For the avoidance of doubt, any correction delivered after the Exercise Time on the Final Exercise Date shall be disregarded and such corrected Exercise Notice shall be deemed null and void.

(f) *Effect of Exercise Notice*

Delivery of an Exercise Notice shall constitute an irrevocable representation, election and undertaking by the relevant Warrantholder (i) to exercise the Warrants specified therein in the manner specified therein; (ii) to (A) pay any taxes, duties, charges, withholdings or other payments and (B) reimburse the Issuer, if the Issuer is obliged to pay any tax, duty, charge, withholding or other payment, in each case, due in accordance with Condition 10 by reason of the exercise of Warrants and to authorise the Issuer to delay delivery of the Collateral Entitlement until such taxes and duties have been paid and/or the Issuer has been reimbursed for such payment, as applicable; and (iii) that (x) neither the person exercising the Warrants nor any person on whose behalf the Warrants are being exercised is a U.S. person (which term

includes a resident of the United States, a corporation, partnership or other entity created in or organised under the laws of the United States or an estate or trust the income of which is subject to United States federal income taxation regardless of its source) or a person within the United States (which term includes the territories, the possessions and all other areas subject to the jurisdiction of the United States of America); (y) payment or delivery with respect to the Warrants referred to in this notice will not be made to, or for the account of, a U.S. person; and (z) none of the Warrants was purchased by the holder in the United States.

After delivery of such Exercise Notice, such exercising Warrantholder may not otherwise transfer such Warrants. Notwithstanding this, if any Warrantholder does so transfer or attempts so to transfer such Warrants, the Warrantholder will be liable to the Issuer for any loss, costs and expenses suffered or incurred by the Issuer, including (without limitation) those suffered or incurred to any holder or purported holder of such Warrant in due course or as a consequence of the Issuer having terminated or commenced any related hedging operations in reliance on the relevant Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations, including, without limitation, costs incurred by the Swap Counterparty (if any).

If the number of Warrants specified in any Exercise Notice exceeds the number of Warrants held in the clearing system account specified in that Exercise Notice, then the Exercise Notice will be deemed to be null and void.

(g) Global Warrant

When the Relevant Clearing System confirms that a Warrant has been validly exercised and the Principal Warrant Agent has received written confirmation thereof, the Principal Warrant Agent will advise the Common Depository, and the Common Depository will note the exercise on the Global Warrant and the number of Warrants represented by such Global Warrant shall be reduced by the cancellation of the Warrants exercised.

(h) Expenses

A Warrantholder exercising a Warrant shall pay (i) all expenses, including, without limitation, any taxes, duties, charges, withholdings or other payments due in accordance with Condition 10 (the “**Exercise Expenses**”), if any, payable in connection with the exercise of the Warrant(s) (and shall reimburse the Issuer, if the Issuer is obliged to pay any such Exercise Expenses), (ii) all Exercise Expenses in relation to any transfer of the Collateral Entitlement made as a result of such exercise, (iii) all Exercise Expenses arising on the exercise of the Warrants in the place in which the Exercise Notice is delivered for exercise and (iv) all Exercise Expenses involved in delivering the Exercise Notice.

(i) Fractions

No fraction of any Collateral Entitlement will be transferred on exercise of any Warrant, provided that all Warrants exercised at the same time by the same Warrantholder shall be aggregated for the purpose of determining whether any (and if so what) fraction of any Collateral Entitlement arises and no payment shall be made by the Issuer in lieu of such undelivered fraction.

8 Settlement Disruption

(a) Collateral which is freely deliverable through the Collateral Entitlement Delivery Clearing System

Where the Collateral is freely deliverable through the Collateral Entitlement Delivery Clearing System, if the Principal Warrant Agent, in consultation with the Warrant Calculation Agent, determines that a Settlement Disruption Event (as defined below) has occurred and is continuing on the Delivery Date, then the Delivery Date will be the first succeeding Business Day on which delivery of the Collateral Entitlement can take place through the Collateral Entitlement Delivery Clearing System, unless a Settlement Disruption Event prevents settlement on each of the 10 Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date. In that case, (a) if such Collateral Entitlement can be delivered in any other commercially reasonable manner as

determined by the Principal Warrant Agent, in consultation with the Warrant Calculation Agent, and the Custodian, then the Delivery Date will be the first day on which settlement of a sale of the Collateral Entitlement executed on that tenth relevant Business Day customarily would take place using such other commercially reasonable manner of delivery as determined by the Principal Warrant Agent, in consultation with Warrant Calculation Agent (which other manner of delivery will be deemed the Collateral Entitlement Delivery Clearing System for the purposes of delivery of the Collateral Entitlement), and (b) if such Collateral Entitlement cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected through the Collateral Entitlement Delivery Clearing System or in any other commercially reasonable manner as determined by the Principal Warrant Agent, in consultation with the Warrant Calculation Agent.

(b) *Collateral which is not freely deliverable through a Collateral Entitlement Delivery Clearing System*

Where the Collateral is not freely deliverable through a Collateral Entitlement Delivery Clearing System, if the Principal Warrant Agent, in consultation with the Warrant Calculation Agent, determines that a Settlement Disruption Event has occurred and is continuing on the Delivery Date, then the Delivery Date will be the first succeeding Business Day on which the Issuer can make the Collateral Entitlement available for transfer subject to the completion of such documentation as is deemed necessary for transfer by the Issuer and the Principal Warrant Agent, in consultation with the Warrant Calculation Agent, in their absolute discretion.

For the purpose of this Condition 8, “**Settlement Disruption Event**” means the suspension or material limitation, in the opinion of the Principal Warrant Agent, in consultation with the Warrant Calculation Agent, of the Collateral Entitlement Delivery Clearing System (in case of Condition 8(a)) or the relevant settlement system for delivery of the Collateral Entitlement (in the case of Condition 8(b)) as a result of which the Issuer is unable to make the Collateral Entitlement available for transfer on the Delivery Date in a commercially reasonable manner.

9 **Mandatory Expiration**

(a) *Mandatory Expiration Trigger Event*

If, in respect of a Series of Warrants, an Early Redemption Event occurs under the Note Conditions of the Related Series of Notes (each a “**Mandatory Expiration Trigger Event**”), the Principal Warrant Agent shall, on behalf of the Issuer and, subject to its having received express written notice from the Warrant Calculation Agent of (i) the occurrence of such Mandatory Expiration Trigger Event and (ii) the relevant Final Exercise Date and Mandatory Expiration Date in respect of the Warrants (such notice, a “**Mandatory Expiration Trigger Event Notice**”), deliver such Mandatory Expiration Trigger Event Notice to the Warrantheolders, the Warrant Calculation Agent and the Trustee (the date such notice is delivered by the Principal Warrant Agent to the Warrantheolders, the Warrant Calculation Agent and the Trustee, the “**Mandatory Expiration Trigger Event Notice Date**”) to enable Warrantheolders to exercise the Warrants by the Final Exercise Date if they so wish. None of the Warrant Calculation Agent, the Principal Warrant Agent or the Trustee shall have any responsibility to monitor the occurrence of a Mandatory Expiration Trigger Event and shall not be liable in any way to the Warrantheolders for failing to notify the Warrantheolders of any such event which may have occurred but of which it has not received express written notice.

Notwithstanding the foregoing, if the relevant Early Redemption Event is a Collateral Default Event, the Mandatory Expiration Trigger Event Notice Date shall be both the Final Exercise Date and the Mandatory Expiration Date and the Warrantheolders shall not be able to exercise the Warrants.

In these Conditions, unless the context otherwise requires:

“**Collateral Default Event**” means the occurrence of either (or both of) a Collateral Early Redemption or Collateral Default pursuant to (and each as defined in) Note Condition 7(c)(ii).

“**Early Redemption Event**” means the occurrence of any of the following events pursuant to the Note Conditions of the Related Series of Notes:

- (i) a Collateral Call pursuant to (and as defined in) Note Condition 7(c)(i);
- (ii) a Collateral Early Redemption or Collateral Default pursuant to (and each as defined in) Note Condition 7(c)(ii);
- (iii) a Note Tax Event or Collateral Tax Event pursuant to (and each as defined in) Note Condition 7(d);
- (iv) a Swap Termination Event, a Swap Counterparty Event and/or a Swap Counterparty Bankruptcy Event pursuant to (and each as defined in) Note Condition 7(e); and/or
- (v) an Event of Default pursuant to (and as defined in) Note Condition 12.

“Mandatory Expiration Date” means the date specified as such in the relevant Warrant Pricing Supplement.

(b) Mandatory Expiration Event

A **“Mandatory Expiration Event”** will be deemed to have occurred on the Mandatory Expiration Date with respect to (i) those Warrants for which either (a) no Exercise Notice has been received by the Relevant Clearing System(s) by the Exercise Time on the Final Exercise Date or (b) an Exercise Notice has been received by the Relevant Clearing System(s) by the Exercise Time on the Final Exercise Date but a copy thereof has not been received by the Warrant Calculation Agent by the Exercise Notification Cut-off Time on the Final Exercise Date, in each case in accordance with the Conditions or (ii) those Warrants for which an Exercise Notice has been received by the Relevant Clearing System(s) by the Exercise Time on the Final Exercise Date and a copy thereof received by the Warrant Calculation Agent by the Exercise Notification Cut-off Time on the Final Exercise Date in accordance with the Conditions but in respect of which no Exercise Amount has been received by the Issuer in accordance with the Conditions by the relevant Mandatory Expiration Time on the Mandatory Expiration Date (such Warrants, the **“Expired Warrants”**); provided that, if the Warrant Calculation Agent determines that there has been no purported exercise of any of the then outstanding Warrants by the Exercise Notification Cut-off Time on the Final Exercise Date, then a Mandatory Expiration Event will be deemed to have occurred on such Final Exercise Date with respect to all the Warrants. The Warrant Calculation Agent shall notify the Issuer (with a copy to the Principal Warrant Agent, the Disposal Agent and the Trustee) of any such determination as aforesaid. Such notice shall be deemed to be an **“Expiry Notice”** with respect to all of the then outstanding Warrants.

For the avoidance of doubt, a proposed exercise of the Warrant(s) will only be considered valid if (i) the relevant Exercise Notice has been received by the Relevant Clearing System(s) by the Exercise Time on the Final Exercise Date and a copy thereof received by the Warrant Calculation Agent by the Exercise Notification Cut-off Time on the Final Exercise Date in accordance with the Conditions and (ii) the relevant Exercise Amount has been received by the Issuer in accordance with the Conditions by the Mandatory Expiration Time on the Mandatory Expiration Date. On the occurrence of a Mandatory Expiration Event, the exercise of rights of any Expired Warrant will be immediately cancelled and become void and each Expired Warrant shall fall due for payment on the relevant Warrant Early Termination Amount Payment Date at the relevant Warrant Early Termination Amount.

In these Conditions, unless the context otherwise requires:

“Mandatory Expiration Time”, **“Warrant Early Termination Amount”** and **“Warrant Early Termination Amount Payment Date”** have the meanings given to those terms in the relevant Warrant Pricing Supplement.

(c) Notice of Exercised and Expired Warrants

Following the occurrence of a Mandatory Expiration Event, the Principal Warrant Agent, on behalf of the Issuer, shall, on or before the date falling two Business Days following the Mandatory Expiration Date, send a notice to the Issuer, the Trustee, the Disposal Agent, the Warrant Calculation Agent, the Custodian and (in its capacity as Issuing and Paying Agent under the Related Series of Notes) the

holders of the Related Series of Notes. Each notice delivered in accordance with this Condition 9(c) shall set out (i) the number of Warrants which were validly exercised in accordance with the Conditions, (ii) the number of Warrants in respect of which no Exercise Notice was received in accordance with the Conditions and (iii) the number of Warrants in respect of which a valid Exercise Notice was received, but in relation to which the payment of the Exercise Amount had not been received, in each case by the Mandatory Expiration Time on the Mandatory Expiration Date. Such notice shall be deemed to be an “**Expiry Notice**” with respect to any Warrants falling within sub-paragraphs (ii) and (iii) above.

10 Taxation

A Warrantholder exercising Warrants shall pay any applicable stamp duty, stamp duty reserve tax and all other taxes, duties, charges, withholding or other payment (if any) payable in connection with the exercise of such Warrants and the delivery of the Collateral Entitlement as a result of such exercise. The Issuer will not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, exercise or enforcement of any Warrants.

The Issuer shall have the right, but not the duty, to withhold or deduct from any amount payable to the Warrantholder, such amount as is necessary (i) for the payment of any such stamp duty, stamp duty reserve tax or other taxes, duties, charges, withholdings or other payments or (ii) for effecting reimbursement in accordance with the following sentence. The relevant Warrantholder shall promptly reimburse the Issuer, if the Issuer is obliged to pay any stamp duty, stamp duty reserve tax or other tax, duty, charge, withholding or other payment referred to in this Condition 10.

11 Liquidation

(a) Liquidation Event

Upon the Issuer receiving notice (or otherwise becoming aware) of the occurrence of a Liquidation Event, the Issuer shall send a notice thereof to the Trustee, the Principal Warrant Agent, the Disposal Agent, the Custodian, the Note Calculation Agent and the Warrant Calculation Agent as soon as is reasonably practicable, provided that if at such time the Issuer would be required to use its reasonable efforts to appoint a replacement Disposal Agent pursuant to Condition 15(d), then such notice shall be provided to such replacement Disposal Agent (if any) upon its appointment as Disposal Agent.

The Disposal Agent need not do anything to find out if a Liquidation Event has occurred. Prior to receipt by it of a Liquidation Commencement Notice, the Disposal Agent may assume that no such event has occurred.

For the avoidance of doubt, neither the Trustee nor the Principal Warrant Agent shall be required to monitor, enquire or satisfy itself as to whether any Liquidation Event has occurred or to calculate any Warrant Early Termination Amount nor shall the Trustee or the Principal Warrant Agent have any obligation, responsibility or liability for giving or not giving any notice thereof to the Issuer, the Disposal Agent or any Secured Creditor. Each of the Trustee and the Principal Warrant Agent shall be entitled to rely on any notice given by the Issuer, the Disposal Agent or any other person in respect thereof without further enquiry or investigation.

The Disposal Agent shall not be regarded as acting as the agent of the Trustee in any circumstances and the Trustee shall not incur any liability to any person in respect of any acts or omissions or exercise of discretion of the Disposal Agent. The Trustee shall have no responsibility or liability for the performance or any failure or delay in the performance by the Disposal Agent under the Agency Agreement or the Conditions in relation to any Series or for the payment of any commissions or expenses charged by it or for any failure by the Disposal Agent to account for the proceeds of any Liquidation of Securities in accordance with the Agency Agreement and the Conditions.

The Disposal Agent shall be entitled to rely on a Liquidation Commencement Notice without investigation of whether the relevant Liquidation Event has occurred, save as otherwise provided in the Note Conditions of the Related Series of Notes.

(b) Liquidation Process

Following receipt by it of a valid Liquidation Commencement Notice from the Issuer and subject always to the third paragraph of this Condition 11(b) and as provided in the Note Conditions of the Related Series of Notes, the Disposal Agent shall, on behalf of the Issuer and having notified the Trustee in writing, so far as is practicable in the circumstances and to the extent that such Collateral is outstanding, effect an orderly Liquidation of the Collateral with a view to Liquidating all of the Disposable Portion (as defined below) of the Collateral on or prior to the Mandatory Early Redemption Date and provided that the Disposal Agent shall have no liability if the Liquidation of all of the Disposable Portion of the Collateral has not been effected by such date. If the Disposable Portion of the Collateral has not been Liquidated in full by such date, the Disposal Agent shall continue in its attempts to effect a Liquidation of the Disposable Portion of the Collateral until such time (if any) as it is instructed by the Issuer to the contrary or until receiving an Enforcement Notice (as defined in Condition 12(b)) from the Trustee.

The Disposal Agent may take such steps as it considers appropriate in order to effect such Liquidation, including but not limited to selecting the method of Liquidating any Collateral. The Disposal Agent must effect any Liquidation as soon as reasonably practicable and in a commercially reasonable manner, even where a larger amount could possibly be received in respect of the Disposable Portion of the Collateral if any such Liquidation were to be delayed. Subject to such requirement, the Disposal Agent shall be entitled to effect any Liquidation by way of one or multiple transactions on a single or multiple day(s). In accordance with the terms of the Trust Deed and Condition 3(b), following the occurrence of a Liquidation Event and delivery of a Liquidation Commencement Notice from the Issuer, the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the Disposable Portion of the Collateral. Nothing in this Condition 11(b) or Condition 3(b) will operate to release the charges and other security interests over the proceeds of the Liquidation of the Disposable Portion of the Collateral. The Disposal Agent will not be liable to the Issuer, the Trustee, the Swap Counterparty, the Noteholder(s), the Couponholders, the Warrant holders or any other person merely because a larger amount could have been received had any such Liquidation been delayed or had the Disposal Agent selected a different method of Liquidating any such Collateral. Notwithstanding the obligations of the Disposal Agent pursuant to this Condition 11(b), the Disposal Agent shall not effect a Liquidation of any Collateral which is due to be redeemed or repaid on or before the day falling two Business Days prior to the Mandatory Early Redemption Date unless a Liquidation Default (as defined in the Note Conditions) has occurred in respect thereof or on such day.

In effecting a Liquidation, the Disposal Agent shall have regard to whether the claims of the Secured Creditors are to physical delivery of any part of the Collateral or to cash amounts in accordance with the terms of the relevant Transaction Document. The Disposal Agent shall realise such portion of the Collateral as is not required to be delivered in physical form, provided that if the Disposal Agent in its sole discretion determines that the proceeds of realisation of such portion of the Collateral and any other monies comprised in the Mortgaged Property are not sufficient to satisfy any claims which rank senior to a claim for physical delivery in the relevant priority of payments, the Disposal Agent may realise such further portion of the Collateral as is required to be Liquidated to satisfy such senior claims (as determined in the Disposal Agent's sole discretion). The portion of the Collateral required to be Liquidated as determined in the Disposal Agent's sole discretion shall be referred to herein as the **"Disposable Portion"**.

In these Conditions, unless the context otherwise requires:

"Early Redemption Notice" means an irrevocable notice from the Issuer to the holders of the Related Series of Notes in accordance with Note Condition 21 (or, in the case of Note Condition 12, given by the Trustee to the Issuer) and that gives notice that such Related Series of Notes are to be redeemed under Note Conditions 7 or 12. A copy of any Early Redemption Notice shall also be sent by the Issuer to all Transaction Parties, save that any failure to deliver a copy shall not invalidate the relevant Early Redemption Notice.

"Liquidation" means, in respect of any Collateral, the realisation of such Collateral for cash proceeds whether by way of sale, early redemption, early repayment or agreed termination or by such other means as the Disposal Agent determines appropriate or in any other manner specified in the relevant Warrant Pricing Supplement and **"Liquidate"**, **"Liquidated"** and **"Liquidating"** shall be construed accordingly.

“Liquidation Commencement Notice” means, in respect of any Series of Warrants, the earliest to be received by the Disposal Agent of:

- (i) any Early Redemption Notice delivered by the Issuer pursuant to Note Condition 7(c)(ii) in respect of the Related Series of Notes;
- (ii) with respect to a Liquidation Event relating to any failure by the Issuer to pay the outstanding principal amount and/or interest due or payable in respect of the Related Series of Notes (whether on final maturity or on any early redemption as provided in the Note Conditions), a notice in writing to the Disposal Agent from the Issuer (copied to the Trustee) of the occurrence of such Liquidation Event;
- (iii) with respect to a Liquidation Event relating to a Mandatory Expiration Event under the Warrants, each Expiry Notice delivered by the Warrant Calculation Agent and/or the Principal Warrant Agent pursuant to Conditions 9(b) or 9(c); and
- (iv) any other notice in writing to the Disposal Agent (copied to the Trustee) from the Issuer of the occurrence of a Liquidation Event.

“Liquidation Event” means, in respect of any Series of Warrants:

- (i) default is made for more than two Business Days by the Issuer in: (a) the payment of any outstanding principal amount due and payable on the Related Series of Notes; and/or (b) the payment of any interest due and payable on the Related Series of Notes on final redemption thereof; or
- (ii) the occurrence of a Mandatory Expiration Event under the Warrants following the occurrence of an Early Redemption Event (other than a Collateral Call pursuant to Note Condition 7(c)(i)) in respect of (and as defined in) the Related Series of Notes.

“Mandatory Early Redemption Date” means the date that the Related Series of Notes are scheduled to be redeemed as a result of the occurrence of an Early Redemption Event under the Note Conditions of such Related Series of Notes.

“Swap Termination Notice” means a notice of termination given under the relevant Swap Agreement by the Issuer or the relevant Swap Counterparty, as the case may be, in connection with which an Early Termination Date (as defined in the Note Conditions) is designated or is deemed to have been designated in respect of all outstanding Swap Transactions thereunder.

(c) Proceeds of Liquidation

The Disposal Agent shall not be liable:

- (i) to account for anything except actual proceeds of the Disposable Portion of the Collateral received by it which, upon receipt, shall automatically become subject to the Security created by the Trust Deed; or
- (ii) for any taxes, costs, charges, losses, damages, liabilities, fees, commissions or expenses arising from or connected with any Liquidation or from any act or omission in relation to the Disposable Portion of the Collateral or otherwise unless such taxes, costs, charges, losses, damages, liabilities or expenses shall be caused by its own fraud, negligence or wilful default.

In addition, the Disposal Agent shall not be obliged to pay to the Issuer, any Transaction Party, any Warrantholder, Noteholder or Couponholder interest on any proceeds from any Liquidation held by it at any time.

(d) Good Faith of Disposal Agent

In effecting any Liquidation, the Disposal Agent shall act in good faith and, subject as provided above, in respect of any sale, early repayment, early redemption or agreed termination in respect of the Collateral, shall agree a price that it reasonably believes (after having requested dealers to provide bid quotations in accordance with the following paragraph) to be representative of or better than the price available in the

market for the sale of such Collateral in the appropriate size taking into account the Disposable Portion of Collateral to be sold, repaid, redeemed or terminated.

If the Disposal Agent is requested to sell the Disposable Portion of the Collateral it shall determine, in a commercially reasonable manner, the then market value of the Collateral. Where the Disposal Agent determines that it is commercially reasonable to do so, it shall use reasonable endeavours to seek firm bid quotes from five dealers in obligations of the type of the Collateral for the purchase of the Disposable Portion of the Collateral for settlement. If at least two bid quotations are received the Disposal Agent shall sell the Disposable Portion of the Collateral at the highest bid quote. If less than two bid quotes are received, then, if a single bid quote is available, sell the Disposable Portion of the Collateral at such quote.

(e) Disposal Agent to use all Reasonable Care

The Disposal Agent shall use all reasonable care in the performance of its duties hereunder but shall not be responsible for any loss or damage suffered by any party as a result of the Disposal Agent performing its duties hereunder save that the Disposal Agent's liability to the Issuer shall not be so limited where the loss or damage results from the fraud, negligence or wilful default of the Disposal Agent.

(f) No Relationship of Agency or Trust

The Disposal Agent shall not have any obligations towards or relationship of agency or trust with any Warrantholder or Transaction Party.

(g) Consultations on Legal Matters

The Disposal Agent may consult on any legal matter any reputable legal adviser of international standing selected by it, who may be an employee of or adviser to the Issuer, and it shall not be liable in respect of anything done or omitted to be done relating to that matter in good faith in accordance with that adviser's opinion.

(h) Reliance on Documents

The Disposal Agent shall not be liable in respect of anything done or suffered by it in reliance on a document it reasonably believed to be genuine and to have been signed by the proper parties or on information to which it should properly have regard and which it reasonably believed to be genuine and to have been originated by the proper parties.

(i) Entry into Contracts and other Transactions

The Disposal Agent may enter into any contracts or any other transactions or arrangements with any of the Issuer, any Transaction Party, any Warrantholder, Noteholder or Couponholder, any issuer or obligor in respect of the Collateral or any affiliate of any of them (whether in relation to the Warrants, the Related Series of Notes, the Collateral, the Security, an Obligation or any other transaction or obligation whatsoever) and may hold or deal in or be a party to the assets, obligations or agreements of which the relevant Collateral form a part and other assets, obligations or agreements of any issuer or obligor in respect of the Collateral. The Disposal Agent shall not be required to disclose any such contract, transaction or arrangement to any Warrantholder or Transaction Party and shall be in no way accountable to the Issuer or (save as otherwise provided in the Agency Agreement and the Conditions) to any Warrantholder or any Transaction Party for any profits or benefits arising from any such contract, transaction(s) or arrangement(s).

(j) Illegality

The Disposal Agent shall not be liable to effect a Liquidation of any of the Disposable Portion of the Collateral if it determines, in its sole and absolute discretion, that any such Liquidation of some or all of the Disposable Portion of the Collateral in accordance with Condition 11 would or might require or result in a violation of any applicable law or regulation of the Cayman Islands or any other relevant jurisdiction, including any insolvency prohibition or moratorium on the disposal of assets, or that for any other reason

it is not possible for it to dispose of the Disposable Portion of the Collateral (even at zero), and the Disposal Agent notifies the Issuer and the Trustee of the same.

(k) Sales to Disposal Agent and Affiliates

In effecting any Liquidation, the Disposal Agent may sell any of the Disposable Portion of the Collateral to itself, affiliates of itself, affiliates of the Swap Counterparty or the Noteholder(s) provided that the Disposal Agent sells at a price that it believes to be a fair market price.

(l) Notification of Enforcement Event

Upon the Trustee giving an Enforcement Notice to the Disposal Agent following the occurrence of an Enforcement Event (as defined in Condition 12(d)), the Disposal Agent shall cease to effect any further Liquidation of any of the Disposable Portion of the Collateral and shall take no further action to Liquidate any of the Disposable Portion of the Collateral, save that any transaction entered into in connection with the Liquidation prior to the effective date of any such Enforcement Notice shall be settled and the Disposal Agent shall take any steps and action necessary to settle such transaction and/or which is incidental thereto.

(m) Transfer of Collateral

In effecting any Liquidation, the Disposal Agent may sell any of the Disposable Portion of the Collateral to any third party, provided that the price for such Collateral is paid to the Custodian or to the order of the Issuer. The Disposal Agent shall not have the right to transfer the Disposable Portion of the Collateral to itself or to any of its affiliates other than in connection with a sale thereof to itself or one of its affiliates, as applicable, and provided that such sale is executed on a delivery versus payment basis.

12 Enforcement of Security

(a) Trustee to Enforce Security

At any time after the Trustee becomes aware of the occurrence of an Enforcement Event, it may and (i) if so requested in writing by the holders of at least one-fifth in nominal amount of the Related Series of Notes then outstanding, (ii) if so directed by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Related Series of Notes then outstanding or (iii) if so directed in writing by the Swap Counterparty, shall (provided in each case that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) enforce the Security constituted by the Trust Deed and/or any Other Security Documents (if applicable).

(b) Enforcement Notice

Prior to taking any steps to enforce the Security, the Trustee shall notify the Issuer, the Custodian and any Disposal Agent appointed at that time (such notice being an “**Enforcement Notice**”) that (i) the Trustee intends to enforce the Security constituted by the Security Document(s) and (ii) the Disposal Agent is to cease to effect any further Liquidation of the Disposable Portion of the Collateral (if such Liquidation is taking place) save that any transaction entered into in connection with the Liquidation on or prior to the effective date of such Enforcement Notice shall be settled and the Disposal Agent shall take any steps necessary to settle such transaction.

(c) Enforcement of Security

In order to enforce the Security the Trustee may:

- (i) sell, call in, collect and convert the Mortgaged Property into money in such manner and on such terms as it shall think fit, and the Trustee may, at its discretion, take possession of all or part of the Mortgaged Property over which the Security shall have become enforceable. In exercising its discretion to sell, call in, collect and convert into money all or part of the Mortgaged Property, the Trustee and any receiver appointed by it in accordance with and pursuant to the terms of the Trust Deed shall have regard to whether the claims of the Secured Creditors are to physical delivery of any part of the Collateral or to cash amounts in accordance with the terms of the relevant

Transaction Document. Subject to its being indemnified and/or secured and/or prefunded to its satisfaction, the Trustee or any receiver appointed by it shall realise such portion of the Collateral as is not required to be delivered in physical form, provided that if the Trustee or any receiver appointed by it in its sole discretion determines that the proceeds of realisation of such portion of the Collateral and any other monies comprised in the Mortgaged Property are not sufficient to satisfy any claims which rank senior to a claim for physical delivery in the relevant priority of payments, the Trustee or any receiver appointed by it shall realise such further portion of the Collateral as is required to be liquidated to satisfy such senior claims (as determined in the Trustee's or receiver's sole discretion). The portion of the Collateral required to be realised as determined in the Trustee's or receiver's sole discretion and without incurring any liability to any person in respect thereof shall be referred to herein as the **"Realisable Portion"**;

Neither the Trustee nor any receiver or any agent appointed by it shall incur any liability to any person in relation to the realisation of any Collateral, including in relation to any determination as to the portion of Collateral it considers in its absolute discretion is required to be liquidated to satisfy claims senior to a claim for physical delivery and shall incur no liability to any person if a greater amount of Collateral is liquidated than may be required to satisfy such senior claims, or in relation to the value received in respect of any Collateral which is liquidated or in relation to the timing or manner of any such liquidation of the Collateral and the Trustee, any receiver or any agent appointed by it may, and may continue to, liquidate the Collateral in one or multiple transactions on a single or multiple days until the claims of those ranking senior to a claim for physical delivery have been satisfied or, if earlier, there is no Collateral remaining.

- (ii) take such action against any issuer or obligor in respect of the Collateral as it deems appropriate but without any liability to the Warrantheolders, Noteholders or Couponholders as to the consequence of such action and without having regard to the effect of such action on individual Warrantheolders, Noteholders or Couponholders; and
- (iii) take any such other action or enter into any such other proceedings as it deems appropriate (including, without limitation, taking possession of all or any of the Mortgaged Property and/or appointing a receiver) as are permitted under the terms of the Trust Deed.

The Trustee shall not be required to take any action, step or proceeding in relation to the enforcement of the Security without first being indemnified and/or secured and/or pre-funded to its satisfaction.

(d) Enforcement Events

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

"Enforcement Event" means, in respect of a Series of Warrants, the occurrence of one or more of the following events:

- (i) the Issuer fails to pay the outstanding principal amount and/or interest due or payable in respect of the Related Series of Notes or, in the case where the claim of the holder(s) of such Related Series of Notes is to physical delivery of the Collateral, the Issuer fails to deliver the relevant amount of Collateral in respect of the Related Series of Notes (whether on final maturity or on any early redemption as provided in the Note Conditions of the Related Series of Notes and together with any default interest accrued on the Related Series of Notes), in each case by the Final Discharge Date;
- (ii) following the occurrence of a Mandatory Expiration Event following an Early Redemption Event (other than a Collateral Call pursuant to Note Condition 7(c)(i)) in respect of (and as defined in) the Related Series of Notes, the Issuer fails to pay the relevant Warrant Early Termination Amount (if any) in respect of the Warrants by the Final Discharge Date; and/or
- (iii) following payment and/or delivery in full by the Issuer of any amount and/or Collateral that has become due and payable and/or deliverable to the Noteholders, the Couponholders and/or the Warrantheolders (whether before or after the Maturity Date), the Issuer fails to pay any amount due

and payable to the Swap Counterparty on the relevant due date for payment under the relevant Swap Agreement.

“**Final Discharge Date**” means, in respect of a Series of Warrants:

- (i) in the case of the enforcement of Security relating to an Enforcement Event arising due to the failure of the Issuer to pay principal and/or interest or to deliver Collateral in respect of the Related Series of Notes, the day which falls 15 Business Days after the date that such principal and/or interest became due, or such Collateral was due to be delivered, in accordance with the Note Conditions; and
- (ii) in the case of the enforcement of Security relating to an Enforcement Event arising due to the failure of the Issuer to pay the relevant Warrant Early Termination Amount to Warrantholders following the occurrence of a Mandatory Expiration Event, the day which falls 15 Business Days after the relevant Warrant Early Termination Amount Payment Date.

(e) *Enforcement of Rights*

Only the Trustee may enforce the Security over the Mortgaged Property in accordance with, and subject to the terms of, the Trust Deed.

The Trustee shall in no circumstances be obliged to take any action, step or proceeding whether pursuant to the Trust Deed, any Other Security Document or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

13 Application of Proceeds

(a) *Application of Proceeds of Liquidation*

Following the Liquidation in full of the Disposable Portion of the Collateral as a result of a Liquidation Event, the Issuer shall, on the Mandatory Early Redemption Date or Final Discharge Date, as applicable (or, if later, the date falling two Business Days after all of the Disposable Portion of the Collateral has been liquidated in full and the cash proceeds have been received by or on behalf of the Issuer) apply the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion, if any, as follows and subject to the satisfaction of the prior ranking claims to the extent there are sufficient Available Proceeds and/or Collateral:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Disposable Portion of the Collateral and/or the Security by the Disposal Agent;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee under the Trust Deed (including any taxes required to be paid and the Trustee’s remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent, the Paying Agent and/or the Principal Warrant Agent for reimbursement in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation;
- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Note Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar, the Transfer Agent, the Principal Warrant Agent and the Warrant Calculation Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the Swap Agreement;
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable under (and as defined in) the Related Series of Notes, (B) the Final Redemption Amount then due and payable under (and as defined in) the Related Series of Notes or (C) any interest that becomes due and

payable on the Early Redemption Date or Maturity Date, as the case may be, under (and as defined in) the Related Series of Notes and that remains due and payable under the Related Series of Notes, as the case may be, and in each case the interest accrued thereon (which, for the avoidance of doubt, shall include default interest) to the holders of the Related Series of Notes;

- (vii) seventhly, in payment of the Warrant Early Termination Amount due and payable and that remains due and payable to the Warrantholders; and
- (viii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer,

save that no such application shall be made at any time following an Enforcement Notice having been delivered by the Trustee following the occurrence of an Enforcement Event

In the case where the claim of the holder(s) of the Related Series of Notes is to physical delivery of the Collateral, it is likely that the Available Proceeds will not be sufficient to cover all amounts that would otherwise be due and payable in respect of the claims of those Secured Creditors ranking below the Noteholder(s). The Warrant Early Termination Amount payable to Warrantholders may be as low as zero in this case.

Any Secured Creditor that has a claim in respect of more than one Secured Obligation may rank differently in respect of each Secured Obligation.

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

“Available Proceeds” means, with respect to a Liquidation Event or Enforcement Event, all sums derived from a liquidation of the Disposable Portion or, as the case may be, the Realisable Portion of the Collateral, any amount paid by the Swap Counterparty to the Issuer as a result of the termination of all outstanding Swap Transactions under the Swap Agreement, any amounts realised by the Trustee on enforcement of Security and all other sums available to the Issuer or the Trustee, as the case may be, derived from the Mortgaged Property for the Related Series of Securities.

“Residual Amount” means, with respect to an application of the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be) in connection with a Liquidation Event or an Enforcement Event, as applicable, all remaining proceeds (if any) after the application of the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be) to satisfy the payments or deliveries set out in paragraphs (i) to (viii) of Condition 13(a) or (b), as applicable.

(b) Application of Proceeds of Enforcement of Security

Subject to and in accordance with the terms of the Security Documents, with effect from the effective date of any Enforcement Notice delivered by the Trustee following the occurrence of an Enforcement Event, the Trustee will hold the Available Proceeds received by it or any receiver appointed by it under the Trust Deed and the portion of the Collateral not comprising the Disposable Portion or the Realisable Portion (as the case may be), if any, on trust to apply them, and subject to the satisfaction of the prior ranking claims to the extent there are sufficient Available Proceeds and/or Collateral, as follows:

- (i) first, in payment of any taxes required to be paid in connection with the Liquidation and/or any realisation of the Collateral and/or the Security by the Trustee, any receiver or the Disposal Agent;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities (if any) of the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, the cost of realising any Security and the Trustee’s remuneration);
- (iii) thirdly, *pari passu* in payment of any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Custody Agreement relating to sums receivable on or in respect of the relevant Collateral and in payment of any amounts owing to the Issuing and Paying Agent, the Paying Agent and/or the Principal Warrant

Agent for reimbursement in respect of payments made in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Obligation;

- (iv) fourthly, in payment of any fees, costs, charges, expenses and liabilities then due and payable to the Custodian under the Custody Agreement and the Paying Agents, the Note Calculation Agent, the Determination Agent, the Disposal Agent, the Registrar, the Transfer Agent, the Principal Warrant Agent and the Warrant Calculation Agent under the Agency Agreement;
- (v) fifthly, in payment of any amounts owing to the Swap Counterparty under the Swap Agreement;
- (vi) sixthly, in payment of (A) the Early Redemption Amount then due and payable under (and as defined in) the Related Series of Notes, (b) the Final Redemption Amount then due and payable under (and as defined in) the Related Series of Notes or (C) any interest that became due and payable on the Early Redemption Date or Maturity Date, as the case may be, under (and as defined in) the Related Series of Notes and that remains due and payable and in each case may be, and in case, any interest accrued thereon (which for the avoidance of doubt, shall include default interest) to the holders of the Related Series of Notes;
- (vii) seventhly, in payment of the Warrant Early Termination Amount due and payable and that remains due and payable to the Warrantheolders; and
- (viii) finally, subject to the rights of the Custodian set out in Clause 10.3 of the Custody Agreement, in payment of the Residual Amount to the Issuer.

In the case where the claim of the holder(s) of the Related Series of Notes is to physical delivery of the Collateral, it is likely that the Available Proceeds will not be sufficient to cover any or all amounts that would otherwise be due and payable in respect of the claims of those Secured Creditors ranking below such Noteholder(s). The Warrant Early Termination Amount payable to Warrantheolders may be as low as zero in this case.

Any Secured Creditor that has a claim in respect of more than one Secured Obligation may rank differently in respect of each Secured Obligation.

(c) *Insufficient Proceeds*

If, following a Liquidation Event or an Enforcement Event, the available cash sums pursuant to Condition 13(a) or 13(b), as applicable, are insufficient for the holders of Warrants to receive payment in full of the Warrant Early Termination Amount, the holders of Warrants will receive an amount which is less than any such amount and the provisions of Condition 16 will apply.

(d) *Foreign Exchange Conversion*

To the extent that any proceeds payable to any party pursuant to this Condition 13 are not in the Relevant Currency, then such proceeds shall be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Disposal Agent (prior to the Trustee enforcing the Security pursuant to Security Documents and as described in Condition 12) or the Trustee (following the Trustee enforcing the Security pursuant to Security Documents and as described in Condition 12), but having regard to current rates of exchange, if available. Any rate, method and date so specified shall be binding on the Issuer, the Warrantheolders, the Noteholders, the Couponholders, the Swap Counterparty and the Custodian.

For such purposes, “**Relevant Currency**” means the currency in which the Warrants are denominated unless otherwise specified in the relevant Warrant Pricing Supplement.

14 Purchase

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Collateral, for the reduction in the notional amount of the Swap Agreement, for the purchase of the Warrants and for the redemption of an equivalent portion of the Related Series of Notes,

which transactions will leave the Issuer with no net liabilities in respect thereof, it may purchase Warrants in the open market or otherwise at any price.

15 Agents

(a) Changes in Warrant Agents

The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Warrant Agent, the Warrant Calculation Agent and any additional Warrant Agents and to appoint other or additional Warrant Agents, provided that there will always be a Principal Warrant Agent with a specified office in London and a Warrant Calculation Agent. Appointments of a new Warrant Agent may be made by delivery by the Issuer to the new Warrant Agent of a notice in the form set out at Schedule 8 to the Agency Agreement. Notice of (i) any variation or termination of appointment, (ii) any changes in the specified office of any Warrant Agent, and (iii) the appointment of any other or additional Warrant Agents, will be given to the Trustee and to the Warranholders in accordance with Condition 19. In acting under the Agency Agreement, the Warrant Agents are acting solely as agents of the Issuer and do not assume any obligations or duty to, or any relationship of agency or trust for or with, the Warranholders.

(b) Warrant Calculation Agent

All calculation functions required of the Warrant Calculation Agent under the Conditions and any Global Warrant may be delegated to any such person as the Warrant Calculation Agent, in its absolute discretion, may decide.

(c) Calculations

The Warrant Calculation Agent shall have no responsibility for errors or omissions in any calculations and determinations made hereunder other than in respect of its negligence, fraud or wilful default, and all such calculations and determinations shall (save in the case of manifest error) be final and binding on the Issuer, the Warrant Agent(s) and the Warranholders.

The Warrant Calculation Agent may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a co-agent hereunder or not) all or any of its duties, obligations and powers under the Warrants. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Warrant Calculation Agent may think fit. Provided that the Warrant Calculation Agent shall have exercised reasonable skill and care in the appointment of any such delegate, the Warrant Calculation Agent shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any expenses incurred by reason of any misconduct or default on the part of any such delegate or sub-delegate. The Warrant Calculation Agent shall within a reasonable time after any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer.

(d) Appointment of Disposal Agent

The Issuer shall procure that there shall at all times be a Disposal Agent for so long as any Warrant is unexpired and the Related Series of Notes are outstanding. If the Disposal Agent fails to duly establish any rate, price, amount or value required to be determined by it under the Conditions or any Transaction Document or to take the steps required of it under the Conditions or the Agency Agreement to Liquidate the Disposable Portion of the Collateral, as the case may be, or fails to comply with any other material requirement pursuant to the Conditions, the Agency Agreement or any other Transaction Document, or a Disposal Agent Bankruptcy Event (as defined in the Note Conditions) occurs, then the Issuer shall appoint another entity as the Disposal Agent in accordance with the terms of the Agency Agreement.

The Disposal Agent may not resign its duties without a successor having been appointed.

16 Limited Recourse and Non-Petition

(a) General Limited Recourse

In respect of a Related Series of Securities, the Warranholders, the Noteholders, the Couponholders and the other Transaction Parties shall have recourse only to the Mortgaged Property in respect of such Related Series of Securities, subject always to the Security, and not to any other assets of the Issuer; provided that those Warranholder(s) who have submitted Exercise Notice(s) and paid the corresponding Exercise Amount(s) (together with any applicable taxes, fees and expenses) in full but have not received the relevant Collateral Entitlement in accordance with these Conditions (the “**Exercising Warranholders**”) shall have recourse only to the Warrant Entitlement Collateral (as defined below). With respect to Warranholders other than the Exercising Warranholders, the holder(s) of the Related Series of Notes and the other Transaction Parties, in the context of this Condition 16, the Mortgaged Property shall not include any Warrant Entitlement Collateral. If after (i) the Mortgaged Property in respect of such Related Series of Securities (excepting, other than with respect to the Exercising Warranholders, any Warrant Entitlement Collateral) is exhausted (whether following Liquidation or enforcement of the Security) and (ii) application of the Available Proceeds and the portion of the Collateral not comprising the Disposable Portion or (as the case may be) the Realisable Portion as provided in Conditions 13(a) or 13(b) (as applicable), any outstanding claim against the Issuer in respect of the Notes and/or Warrants comprised in such Related Series of Securities or the Transaction Documents relating to such Related Series of Securities remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following extinguishment in accordance with this Condition 16(a), none of the Transaction Parties, the Warranholders, the Noteholders, the Couponholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum in respect of such Related Series of Securities.

For the purpose of these Conditions, “**Warrant Entitlement Collateral**” means the aggregate principal amount of Collateral representing the aggregate of the Collateral Entitlement that the Exercising Warranholders are entitled to receive in accordance with the Conditions.

(b) Non-Petition

None of the Transaction Parties, the Warranholders, the Noteholders, the Couponholders or any person acting on behalf of any of them may at any time institute, or join with any other person in bringing, instituting or joining, insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, and none of them shall have any claim arising with respect to the assets and/or property attributable to any other warrants or notes issued by the Issuer (save for any further warrants which form a single series with the Warrants or notes which form a single series with any Related Series of Notes) or Obligations of the Issuer.

(c) Survival

The provisions of this Condition 16 shall survive notwithstanding any exercise or expiration of the Warrants of any Series or the termination or expiration of any Transaction Document.

17 Prescription

Claims against the Issuer for payment in respect of the Warrants shall be prescribed and become void unless made within 10 years from the appropriate Relevant Date in respect of them. For the purpose of this Condition, “**Relevant Date**” means, in respect of any Warrant, the date on which payment in respect of it 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 seven calendar days after that on which notice is duly given to the Warranholders that, upon further presentation of the Warrants being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

18 Further Issues

The Issuer may from time to time without the consent of the Warrantheolders, the Noteholders or the Couponholders, but subject to Condition 4, create and issue further warrants or other Obligations either having the same terms and conditions as the Warrants in all respects (or in all respects except for the issue date and the issue price) and so that such further issue shall be consolidated and form a single series with the Warrants or upon such terms as the Issuer may determine at the time of their issue. Any such further warrants shall only form a single series with the Warrants provided that (i) the Issuer provides additional assets as security for such further warrants which are fungible with, and have the same proportionate composition as, those forming part of the Mortgaged Property for the Warrants and in the same proportion that the number of such new warrants bears to the Warrants and the Issuer enters into an additional or supplemental Swap Agreement extending the terms of any existing Swap Agreement to the new warrants on terms no less favourable than such existing documents and agreements and (ii) the Issuer effects a further issue of Notes in a principal amount equal to the notional amount of the new warrants.

Any new warrants forming a single series with the Warrants shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new warrants and the existing Warrants shall be secured by the same Mortgaged Property and references in the Conditions to "Warrants", "Collateral", "Mortgaged Property", the "Related Series of Notes", the "Related Series of Securities", the "Swap Agreement", "Secured Obligations" and "Secured Creditor" shall be construed accordingly.

19 Notices

All notices to Warrantheolders will be valid if delivered to the Relevant Clearing System(s) for communication by them to entitled account holders. Any such notice shall be deemed to have been given on the date of dispatch, which date shall be stated on the face of such notice.

Notices to the Issuer (other than the Exercise Notices, to which Condition 7 shall apply) may be given by delivering the notice, in writing to the Issuer at:

Suite #4-210
Governors Square
23 Lime Tree Bay Avenue
PO Box 32311
Grand Cayman KY1-1209

or at such other address as may be notified to the Warrantheolders in accordance with this Condition 19.

20 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral and for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the Security created over the Mortgaged Property. The Trustee is not obliged or required to take any action, step or proceeding under the Trust Deed unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee and any affiliate are entitled to enter into business transactions with the Issuer, and issuer or obligor in respect of the Collateral or Swap Counterparty or any of their subsidiaries, holding or associated companies without accounting to the Warrantheolders 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 and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless and until it has actual knowledge to the contrary.

The Trust Deed provides that in acting as Trustee under the Trust Deed the Trustee does not assume any duty or responsibility to the Swap Counterparty, the Custodian, the Principal Warrant Agent, the Paying Agent or any other Transaction Party (other than to pay to any of such parties any moneys received and repayable

to it and to act in accordance with the provisions of Condition 13(a) or (b) (as applicable) and shall have regard solely to the interests of the Noteholders.

21 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Warrants under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Warrants expressly provide for such Act to apply to any of their terms.

22 Governing Law and Jurisdiction

(a) Governing Law

The Warrants and any non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Warrants and accordingly any legal action or proceedings arising out of or in connection with any Warrants ("**Proceedings**") may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Service of Process

The Issuer has irrevocably appointed pursuant to the Trust Deed an agent in England to receive, for it and on its behalf, service of process in any Proceedings in England.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes and Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Note Pricing Supplement or Tranche Prospectus, as applicable) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any 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 the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, 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 so 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 the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Note Pricing Supplement indicates that such 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 Restrictions”), in whole, but not in part, for the Definitive 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 Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Note Pricing Supplement for Definitive Notes.

In relation to any issue of Notes which are represented by a temporary Global Note which is expressed to be exchangeable for definitive Bearer Notes at the option of Noteholders, such Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and multiples thereof.

Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes 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, by the Issuer giving notice to the Issuing and Paying Agent and the Noteholders of its intention to effect such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only.

Global Certificates

If the Note Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant 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;
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the holder's intention to effect such transfer. Where the holding of Notes represented by a Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

Delivery of Notes

On or after any due date for exchange or transfer, the holder of a Global Note or Global Certificate may surrender such Global Note or Global Certificate or, in the case of a partial exchange or transfer, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged or transferred, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note or Global Certificate exchangeable or transferrable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes.

In this Offering Circular, "Definitive Notes" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon) and, in relation to any Global Certificate, the definitive Registered Notes from which interests in such Global Certificate has been transferred. Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On

exchange in full of each permanent 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 Notes.

Exchange Date

“**Exchange Date**” means, in relation to a temporary Global Note, the day falling after the expiry of 40 calendar days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 calendar days, or in the case of failure to pay principal in respect of any Notes when due 30 calendar days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and, if applicable, in the city in which the relevant clearing system is located.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in the Offering Circular. 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 Notes 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 Agency Agreement. All payments in respect of 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 Notes, surrender of that Global Note to or to the order of the Issuing and Paying 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 Notes. Condition 7(d)(ii)(C) and Condition 10(a)(x) of the Notes will apply to the Definitive Notes only. For the purpose of any payments made in respect of a Global Note, the words “in the relevant place of presentation,” shall not apply in the definition of “business day” in Condition 9(g) (*Non-Business Days*).

Condition 9(b) is amended such that all payments in respect of Registered Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the due date for payment (such date shall be the “**Record Date**” in respect of such Registered Notes), where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note or the Global Certificate 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 the Conditions).

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 integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

Cancellation

Cancellation of any 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 nominal amount of the relevant

permanent Global Note. Cancellation of any Note represented by the Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption), shall be effected by a reduction in the principal amount of the Notes in the register of Noteholders and the endorsement (for information purposes only) of the Global Certificate by the Issuing and Paying Agent.

Purchase

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

Issuer's Options

Any option of the Issuer provided for in the Conditions, while the Notes are represented by a permanent Global Note or the Global Certificate, 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 serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear 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) or any other Alternative Clearing System (as the case may be).

Selection of Notes for redemption upon exercise of Warrants

If some only of the Notes of a Series are to be redeemed in accordance with Condition 7(b) while the Notes are represented by a permanent Global Note or the Global Certificate and the relevant Note Pricing Supplement specifies that Notes are to be redeemed in whole, the Issuing and Paying Agent or the Registrar, as the case may be, shall co-ordinate the drawing of the relevant Notes to be redeemed with Euroclear and/or Clearstream, Luxembourg or any other Alternative Clearing System (as the case may be) (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion), all in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg or any other Alternative Clearing System (as the case may be).

If some only of the Notes of a Series are to be redeemed in accordance with Condition 7(b) while the Notes are represented by a permanent Global Note or the Global Certificate and the relevant Note Pricing Supplement specifies that all of the Note shall be redeemed on a *pro rata* basis, (i) the Issuing and Paying Agent shall, in respect of Bearer Notes, instruct Euroclear and/or Clearstream, Luxembourg or any other Alternative Clearing System (as the case may be) to make the appropriate entries in their records to reflect such partial redemption (to be reflected in the records of Euroclear and/or Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion), all in accordance with the standard procedures of Euroclear and/or Clearstream, Luxembourg or any other Alternative Clearing System (as the case may be), and (ii) the Registrar shall, in the case of Registered Notes, endorse the Global Certificate to reflect such partial redemption.

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.

Amendments when in Global Form

While any Global Note is held on behalf of, or Global Certificate is registered in the name of any nominee for, a clearing system, then, in respect of any resolution proposed by the Issuer or the Trustee, where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), each of the Issuer and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer

or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (“**Electronic Consent**”). Neither the Issuer nor the Trustee shall be liable or responsible to anyone for such reliance. Electronic Consent shall take effect as an Extraordinary Resolution and will be binding on all Noteholders and holders of Coupons and Talons, whether or not they participated in such Electronic Consent.

Where Electronic Consent is not being sought, then for the purpose of determining whether a written resolution has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or instructions given by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s Cedcom system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer and the Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of 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 or the Global Certificate, as the case may be, except that, so long as the Notes are listed on the Irish Stock Exchange or any other stock exchange, all notices to Noteholders will be published in accordance with the rules of the Irish Stock Exchange or such other stock exchange, as applicable. Any such notice shall be deemed to have been given to the Noteholders on the Business Day immediately following the day on which the said notice was given to the relevant clearing system.

USE OF PROCEEDS

The net proceeds from the issue of each Related Series of Securities will be used to purchase the Collateral constituting the Mortgaged Property in respect of such Related Series of Securities and to fund payment of any initial payment obligation that the Issuer may have under the Swap Agreement entered into between it and the relevant Swap Counterparty in relation to such Related Series of Securities.

DESCRIPTION OF THE ISSUER

The Issuer

Takumi Capital Limited (the "**Issuer**"), an exempted company incorporated in the Cayman Islands with limited liability, was incorporated on 4 November 2011 under the Companies Law (2011 Revision) of the Cayman Islands with company registration number MC-264016. The registered office of the Issuer is at Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands.

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 ordinary shares of U.S.\$1.00 each, 250 of which have been issued. All of the issued shares (the "**Shares**") are fully-paid and are held by SML Trustees Limited as share trustee (in such capacity, the "**Share Trustee**") under the terms of a declaration of trust dated 8 December 2011 as supplemented and amended by a deed of retirement and appointment of trustees dated 20 July 2015 (the "**Declaration of Trust**") under which the Share Trustee holds the Shares on trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Shares with the approval of the Trustee for so long as there are any Notes and/or Warrants outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power with the consent of the Trustee, to benefit the Noteholders, Warrant holders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distribution will be made whilst any Note or Warrant is outstanding. 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 does not have any substantial assets or liabilities other than in connection with the Notes and Warrants.

So long as any of the Notes and/or Warrants remain outstanding, the Issuer shall not, without the consent of the Trustee, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding assets in connection with the Notes and Warrants), issuing the Notes and Warrants and entering into related agreements and transactions as provided for in the Trust Deed, or, *inter alia*, declare any dividends, have any subsidiaries (although it may have more than one branch) or employees, purchase, own, lease, or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Trust Deed) or issue any shares (other than such Shares as were in issue on the date hereof or as contemplated in the Transaction Documents).

The Issuer has, and will have, no assets other than the sum of U.S.\$250 representing the issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of the Notes and Warrants and the acquisition of assets in connection with the Notes and Warrants, 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 and Warrants are secured. Save in respect of fees generated in connection with the issue of the Notes and Warrants 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 and Warrants are the obligations of the Issuer alone and not the Share Trustee. Furthermore, they are not the obligations of, or guaranteed in any way by the Arranger or any other party.

Restrictions on the Offer of the Notes and Warrants

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

Financial Statements

Since the date of 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 Enforcement Event or Liquidation Event (each as defined in the Trust Deed) or any other breach of the Trust Deed has occurred.

Capitalisation

As at the date of this Offering Circular, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities. There has been no change in the capitalisation of the Issuer since the date of its incorporation.

Directors of the Issuer

The directors of the Issuer are as follows:

Name	Principal Occupation
Darren Riley	Director, Summit Management Limited
Laura Medley	Assistant Manager Fiduciary Services, Summit Management Limited

The business address of each Director is:

Suite #4-210,
Governors Square,
23 Lime Tree Bay Avenue,
PO Box 32311,
Grand Cayman KY1-1209,
Cayman Islands

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

The Administrator

Summit Management Limited will act as the administrator of the Issuer (in such capacity, the "**Administrator**"). The office of the Administrator will serve as the general business office of the Issuer. Through the office, and pursuant to the terms of an Administration Agreement dated 21 July 2015 between the Issuer and the Administrator (the "**Administration Agreement**"), the Administrator will perform in the Cayman Islands or such other jurisdiction as may be agreed by the parties from time to time 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 either the Issuer or the Administrator may terminate such agreement by giving at least 14 days' notice to the other party at any time within 12 months of the happening of any of certain stated events, including any breach by the other party of its obligations under such agreement. In addition, the Administration Agreement provides that either party shall be entitled to terminate such agreement by giving at least three months' notice in writing to the other party.

The Administrator will be subject to the overview of the Issuer's Board of Directors. The Administration Agreement may be terminated (other than as stated above) by either the Issuer or the Administrator giving the other three months written notice.

The Administrator's principal office is Suite #4-210, Governors Square, 23 Lime Tree Bay Avenue, PO Box 32311, Grand Cayman, KY1-1209, Cayman Islands.

THE SWAP AGREEMENT

General

The Issuer has entered into a (i) 2002 ISDA Master Agreement, together with a schedule thereto (the “**SMBC-NCM ISDA Master**”); and (ii) an EMIR ISDA Master Amendment Deed (the “**EMIR Amendment Deed**”), in each case with SMBC Nikko Capital Markets Limited (the “**Initial Swap Counterparty**”) and dated as of 21 October 2014 (together the “**SMBC-NCM ISDA Master Agreement**”) and, may, from time to time, enter into further ISDA Master Agreements with one or more further swap counterparties.

The EMIR Amendment Deed amends the terms of the SMBC-NCM ISDA Master so as to reflect certain reconciliation and dispute resolution obligations imposed by Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012 in relation to Swap Transactions (as defined below) entered into between the Issuer and the Initial Swap Counterparty.

References herein to the Swap Counterparty shall be deemed to be references to the Initial Swap Counterparty unless the relevant Pricing Supplements for a Related Series of Securities specify a different entity as the Swap Counterparty, in which case references herein to the Swap Counterparty shall be deemed to be references to the Swap Counterparty so specified.

References herein to the ISDA Master Agreement shall be deemed to be references to the SMBC-NCM ISDA Master Agreement unless the relevant Pricing Supplements for a Related Series of Securities specify a different entity as the Swap Counterparty, in which case references herein to the ISDA Master Agreement shall be deemed to be references to the ISDA Master Agreement entered into between the Issuer and the Swap Counterparty so specified.

In connection with a Related Series of Securities, the Issuer will enter into one or more transactions pursuant to the relevant ISDA Master Agreement (each such transaction, a “**Swap Transaction**”, and, together with the confirmation(s) evidencing such transaction(s) and the ISDA Master Agreement, the “**Swap Agreement**”).

The obligations of the Initial Swap Counterparty under the SMBC-NCM ISDA Master Agreement are guaranteed by Sumitomo Mitsui Banking Corporation (the “**Swap Guarantor**”).

Each Swap Agreement will be governed by the laws of England.

Sumitomo Mitsui Banking Corporation

History and Development

Sumitomo Mitsui Banking Corporation (*Kabushiki Kaisha Mitsui Sumitomo Ginko*) is a joint stock corporation with limited liability (*Kabushiki Kaisha*) (“**SMBC**” or the “**Bank**”) under the laws of Japan. The registered head office of SMBC is located at 1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan.

SMBC was formed in March 2003 through the merger of the former Sumitomo Mitsui Banking Corporation with Wakashio Bank. The former Sumitomo Mitsui Banking Corporation was formed in April 2001 through the merger of Sakura Bank, whose origins can be traced back to 1683, and Sumitomo Bank, established in 1985. Wakashio Bank was established in 1996 as a subsidiary of Sakura Bank.

Business Overview

SMBC is one of the world’s largest commercial banks with ¥178 trillion in consolidated total assets as of 31 March 2015. SMBC is one of the group companies of Sumitomo Mitsui Financial Group, Inc. (“**SMFG**”), one of the three largest banking groups in Japan with an established presence across all of the consumer and corporate banking sectors. SMFG’s subsidiaries include Sumitomo Mitsui Finance and Leasing Company, Limited in leasing business, SMBC Nikko Securities, Inc. and SMBC Friend Securities Co., Limited in securities business and Sumitomo Mitsui Card Company, Limited, Cedyna Financial Corporation and SMBC Consumer Finance Co., Ltd. in consumer finance business.

SMBC Nikko Capital Markets Limited

History and Development

Registered in England and Wales and located in London, with an office in Sydney, SMBC Nikko Capital Markets Limited is a wholly-owned subsidiary of SMBC. It was founded in 1989 under the name of SBCM Limited. It was listed as a money-market institution under Section 43 of the Financial Services Act 1986 and licensed to undertake wholesale markets derivatives business. In 1995 it was accepted as a regulated firm by the Securities and Futures Authority (“SFA”) allowing it to engage in dealing or advising in securities or derivatives, including shares, bonds and traded futures and options. In December 2001, following the enactment of the Financial Services Markets Act 2000 (as amended), the regulatory functions of the SFA were taken over by the Financial Services Authority (“FSA”) that has authorised and regulated the firm as a full scope investment business from that date. In April 2013, the FSA was abolished and its regulatory functions were assumed by the Financial Conduct Authority.

Following the merger of its parent company, Sumitomo Bank with Sakura Bank to form SMBC in 2001, the firm was renamed SMBC Capital Markets Limited. Following SMBC’s acquisition of the former Nikko Cordial Securities in 2009, the firm entered into a business collaboration agreement with the renamed Nikko Cordial Securities Inc. In 2010 the firm changed its name to SMBC Nikko Capital Markets Limited to reflect its new business direction.

Business Overview

SMBC Nikko Capital Markets Limited is an investment banking firm whose activities include providing, pricing and execution capabilities in a wide range of derivative activities, customer facilitation, debt and equity underwriting, broking and trading in secondary debt and equity securities and investment advice.

SECURITY ARRANGEMENTS FOR COLLATERAL HELD IN CLEARING SYSTEM

The Security may include a fixed charge over the Collateral which may be held by or through the Custodian through Euroclear and/or Clearstream, Luxembourg and/or an alternative clearing system (each a “**clearing system**”). The charge is intended to create a property interest in any such Collateral in favour of the Trustee for the benefit of the Secured Creditors to secure the relevant Secured Obligations. However, where the Collateral is held through a clearing system, the interests which the Custodian holds and which are traded in the clearing system are not the physical Collateral itself but a series of contractual rights. These rights consist of (i) the Issuer’s rights against the Custodian, (ii) the Custodian’s rights as an accountholder against the clearing system, (iii) the rights of the clearing system against the common depository and (iv) the rights of the common depository against the issuer of the Collateral. As a result, where any Collateral is held in a clearing system, the Security will take the form of an assignment of the Issuer’s rights against the Custodian under the Custody Agreement rather than a charge over the Collateral itself.

TAXATION

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

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes and/or Warrants. 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:

Payments of interest and principal on the Notes and Warrants 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, Warrants or Shares, as the case may be, nor will gains derived from the disposal of the Notes, Warrants 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.

No stamp duty is payable in respect of the issue of the Notes and Warrants. The Notes and Warrants themselves will be stampable if they are executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Notes and Warrants. An instrument of transfer in respect of a Note or Warrant is stampable if executed in or brought into the Cayman Islands.

No stamp duty is payable in respect of the issue of the Shares or on an instrument of transfer in respect of a Share.

The Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has applied for and expects to obtain an undertaking from the Governor in Cabinet of the Cayman Islands in the following form:

The Tax Concessions Law

1999 Revision

Undertaking as to Tax Concessions

In accordance with the provision of section 6 of The Tax Concessions Law (1999 Revision), the Governor in Cabinet undertakes with Takumi Capital 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 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 22nd day of November, 2011.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 21 December 2015 (the “**Dealer Agreement**”) between the Issuer, the Dealer(s) and the Arranger, the Securities will be offered on a continuous basis by the Issuer to such Dealer(s). The Securities may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer(s). The Dealer Agreement also provides for Securities to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer has agreed to pay the commissions as agreed between it and the Dealer(s) in respect of each issue of Notes and Warrants. Such commissions (if any) will be stated in the relevant Pricing Supplement for the relevant Securities.

The Issuer has agreed to indemnify the Dealer(s) against certain liabilities in connection with the offer and sale of the Securities. The Dealer Agreement entitles the Dealer(s) to terminate any agreement that they make to subscribe Securities in certain circumstances prior to payment for such Securities being made to the Issuer.

Selling Restrictions

United States

The Securities and the Collateral to be delivered upon exercise of the Warrants have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”). No Securities, or interests therein, may at any time be offered, sold, resold, traded or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in accordance with Regulation S or to others for offer, sale, resale, trade or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) except in accordance with Regulation S. Consequently, any offer, sale, resale, trade or delivery made, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. person other than in accordance with Regulation S will not be recognised.

Each Dealer has represented and agreed that it will not at any time offer, sell, resell or deliver, directly or indirectly, Securities in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any such U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S. Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities or the Collateral to be delivered upon exercise of the Warrants, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Any person purchasing Securities must agree with a Dealer of such issue or the seller of such Securities that (i) it will not at any time offer, sell, resell or deliver, directly or indirectly, any Securities so purchased in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S or to others for offer, sale, resale or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S, (ii) it is not purchasing any Securities for the account or benefit of any U.S. person (as defined in Regulation S) and (iii) it will not make offers, sales, re-sales or deliveries of any Securities (otherwise acquired), directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S. Each Dealer will also be required to agree, and any person purchasing Securities must agree, to send

each person who purchases any Securities from it a written confirmation stating that the Securities and the Collateral to be delivered upon exercise of the Warrants have not been registered under the Securities Act and stating that such purchaser agrees that it will not at any time offer, sell, resell or deliver Warrants, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S) other than in offerings deemed to meet the definition of “offshore transaction” pursuant to Rule 902(h) of Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each 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 Securities which are the subject of the offering contemplated by this Offering Circular as contemplated by the relevant Pricing Supplement, Tranche Prospectus or Tranche Listing Particulars, as applicable, in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (i) if the Pricing Supplement, Tranche Prospectus or Tranche Listing Particulars, as applicable, in relation to the Notes and/or Warrants specify that an offer of those Notes and/or Warrants 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 Securities 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 been subsequently completed by the relevant Pricing Supplement, Tranche Prospectus or Tranche Listing Particulars, as applicable, 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 relevant Pricing Supplement, Tranche Prospectus or Tranche Listing Particulars, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “**an offer to the public**” in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, 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, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Securities which have a term of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Warrants would otherwise constitute a contravention of Section 19 of the Financial Services Markets Act 2000 (as amended) (the “**FSMA**”) by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Warrants in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Cayman Islands

Each Dealer has agreed that no invitation, whether directly or indirectly, may be made to the public in the Cayman Islands to subscribe for Securities by or on behalf of such Issuer unless at the time of invitation such Issuer is listed on the Cayman Islands Stock Exchange.

Hong Kong

Each Dealer has represented and agreed that it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan.

Switzerland

Each Dealer has represented and agreed that, except where explicitly permitted by the relevant Pricing Supplement:

- (i) it will not publicly offer the Securities in or from Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations (“**CO**”); and
- (ii) to the extent the Securities qualify as structured products (the “**Structured Products**”) within the meaning of the Swiss Collective Investment Schemes Act (the “**CISA**”), it will not offer, sell, advertise or distribute the Securities in or from Switzerland, as such terms are defined or interpreted under the CISA, except to qualified investors as defined in article 10 CISA (the “**Qualified Investors**”).

The Securities may not be publicly offered in or from Switzerland, except in the case of Securities, the Pricing Supplement of which explicitly permit a public offer in Switzerland. Offering or marketing material relating to Securities, the Pricing Supplement of which do not explicitly permit a public offer in Switzerland, may not be publicly distributed or otherwise made publicly available in Switzerland.

To the extent the Securities qualify as Structured Products, the Securities may not be offered, sold, advertised or distributed, directly or indirectly, in or from Switzerland, except (i) to Qualified Investors or (ii) in the case of Securities, the Pricing Supplement of which explicitly permit a public offer in Switzerland. Offering or marketing material relating to Securities, which qualify as Structured Products and the Pricing Supplement of which do not explicitly permit a public offer in Switzerland, may not be distributed or otherwise made available in Switzerland, except (i) to Qualified Investors or (ii) in the case of Securities, the Pricing Supplement of which explicitly permit a public offer in Switzerland.

The Securities do not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore, the Securities are not subject to the approval of, or supervision by, the Swiss Financial Market Supervisory Authority FINMA (“**FINMA**”), and investors in the Securities will not benefit from protection under the CISA or supervision by FINMA.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealer(s) following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Pricing Supplement relating to the Securities or in a supplement to this Offering Circular.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Securities, or possession or distribution of the Offering Circular or any other offering material(s) or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed 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 Securities or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the Issuer nor any other Dealer shall have responsibility therefor.

FORM OF NOTE PRICING SUPPLEMENT

Pricing Supplement dated [●]

TAKUMI CAPITAL LIMITED

(incorporated with limited liability in the Cayman Islands)

Issue of [Title of relevant Series of Notes (specifying type and amount of Notes)] (the “Notes”)

under the

Limited Recourse Secured Note and Warrant Programme

arranged by

SMBC Nikko Capital Markets Limited

Terms used herein shall be deemed to be defined as such for the purposes of the Master Note Conditions set forth in the Offering Circular dated [●] [and the Offering Circular Supplement dated [●]]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on Takumi Capital Limited (the “**Issuer**”) and the offer of the Notes is only available on the basis of the combination of this Note Pricing Supplement and the Offering Circular.

The following alternative language applies if the first Series of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Master Note Conditions (the “**Conditions**”) contained in the Principal Trust Deed dated [*original date*] and set forth in the Offering Circular dated [*original date*]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular dated [*current date*] [and the Offering Circular Supplement dated [●]] which [together] constitute[s] a Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on Takumi Capital Limited (the “**Issuer**”) and the offer of the Notes is only available on the basis of the combination of this Note Pricing Supplement and the Offering Circular dated [*original date*] and [*current date*] [and the Offering Circular Supplement[s] dated [●] and [●]].

For the avoidance of doubt, this Note Pricing Supplement does not constitute "Final Terms" for the purposes of Regulation 23 of S.I. 324, Prospectus (Directive 2003/71/EC) Regulations 2005.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Italics denote guidance for completing the Note Pricing Supplement.]

GENERAL INFORMATION

- | | | |
|---|------------------------------------|---|
| 1 | Issuer: | Takumi Capital Limited |
| 2 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [Not Applicable][●] (<i>if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible</i>) |
| | (iii) Related Series of Warrants: | [●] |
| 3 | (i) Specified Currency: | [●] |
| | (ii) Relevant Currency: | [Not Applicable][●] (<i>specify if other than the Specified Currency</i>) |
| 4 | Aggregate Nominal Amount of Notes: | [●] |
| | (i) Series: | [●] |

	(ii) Tranche:	[Not Applicable][●]
5	Issue Price:	[●] per cent. of the Aggregate Nominal Amount
6	(i) Specified Denomination:	[●] (<i>Note that this Note Pricing Supplement does not provide for Notes issued with a denomination consisting of a minimum Specified Denomination plus a higher integral multiple of another smaller amount</i>)
	(ii) Calculation Amount:	[●] (<i>Where the denomination is not expressed to be a minimum denomination and multiples of a Calculation Amount, the Calculation Amount specified should be the same as the denomination. Where the denomination is expressed to be a minimum denomination and multiples of a Calculation Amount, the Calculation Amount specified should be the minimum increment that is capable of being held in the relevant clearing system(s)</i>)
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[●]
8	Maturity Date:	[●]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[Specify reference rate) +/- [●] per cent. Floating Rate]] (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par (subject to Early Redemption)
11	Change of Interest or Redemption/ Payment Basis:	[Not Applicable][●]
12	(i) Status of the Notes:	Senior
	(ii) Date Board approval for issuance of Notes obtained:	[●]
13	Method of Distribution:	[Syndicated][Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE:		
14	Fixed Rate Note Provisions:	[Applicable][Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Rate(s) of Interest:	[●] per cent. per annum payable [annually][semi-annually] [quarterly][monthly][in arrear]
	(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with the Business Day Convention specified below/not adjusted]
	(iii) Business Day Convention:	[Following Business Day Convention][Modified Following Business Day Convention][Preceding Business Day Convention][Not Applicable]
	(iv) Business Centres:	[●][Not Applicable]
	(v) Fixed Coupon Amount:	[●] per Calculation Amount
	(vi) Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in][on] [●]
	(vii) Day Count Fraction:	[30/360][Actual/Actual ([ICMA][ISDA])]
	(viii) Determination Date:	[[●] in each year (insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last coupon). <i>Note: only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>] [Not

		Applicable]
15	Floating Rate Note Provisions:	[Applicable][Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Specified Interest Payment Dates:	[●] subject to adjustment in accordance with the Business Day Convention specified below.
	(ii) Interest Period Date(s)/Interest Period:	[●][Not Applicable] <i>(Not applicable unless different from Interest Payment Dates)</i>
	(iii) Business Day Convention:	[Floating Rate Business Day Convention][Following Business Day Convention][Modified Business Day Convention][Preceding Business Day Convention]
	(iv) Business Centre(s):	[●][Not Applicable]
	(v) Manner in which the Rate(s) of Interest is/are to be determined:	[ISDA Determination][Screen Rate Determination]
	(vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[Note Calculation Agent][Determination Agent]
	(vii) ISDA Determination:	[Applicable][Not Applicable]
	- Floating Rate Option:	[●]
	- Designated Maturity:	[●]
	- Reset Date:	[●]
	(viii) Screen Rate Determination:	[Applicable][Not Applicable]
	- Reference Rate:	[●]
	- Interest Determination Date(s):	[●]
	- Relevant Screen Page:	[●]
	(ix) Margin(s):	[+][-][●] per cent. per annum
	(x) Minimum Rate of Interest:	[[●] per cent. per annum][Not Applicable]
	(xi) Maximum Rate of Interest:	[[●] per cent. per annum][Not Applicable]
	(xii) Day Count Fraction:	[Actual/Actual][Actual/Actual-ISDA][Actual/365 (Fixed)] [Actual/360][30/360][Bond Basis][30E/360][Eurobond Basis][30E/360 (ISDA)][Actual/Actual-ICMA]
16	Mortgaged Property:	[As defined in Condition 5(a).]
	(i) Collateral:	The “ Collateral ” shall comprise [●] in principal amount of an issue of <i>[insert name of the obligor of the underlying assets]</i> of <i>[insert description of the underlying assets]</i> identified below: Collateral Obligor: [●] Address: [●] Country of Incorporation: [●] Business Activities: [●] Listing: [●] ISIN: [●] Coupon: [●]

	Maturity:	[●]
	Denomination:	[●]
	Collateral Call:	[Applicable][Not Applicable]
	Collateral Put Option:	[Applicable][Not Applicable] (if applicable, specify particulars)
	Governing Law:	[●]
(ii)	Swap Agreement:	[Applicable][Not Applicable]
(iii)	Swap Counterparty:	[SMBC Nikko Capital Markets Limited][<i>(specify other)</i>]
(iv)	Swap Guarantee:	[Applicable][Not Applicable]
(v)	Swap Guarantor:	[Sumitomo Mitsui Banking Corporation][<i>(specify other)</i>]
(vi)	Other Security Document:	[Not Applicable] [<i>give details</i>]

PROVISIONS RELATING TO REDEMPTION

17	Final Redemption Amount:	100 per cent. per Calculation Amount
18	Method of Early Redemption following exercise of Related Series of Warrants pursuant to Condition 7(b):	[Redemption of Notes in whole][Partial redemption of all the Notes on pro rata basis]
	(i) Warrant Exercise Early Redemption Amount:	[100 per cent. per Calculation Amount (as per Condition 7(b))] [<i>in the case of redemption in whole</i>] [[●] per Calculation Amount per Warrant exercised (as per Condition 7(b))] [<i>in the case of pro rata redemption</i>]
	(ii) Warrant Exercise Early Redemption Date:	[As per Condition 7(b)] [<i>Describe detail</i>]
	(iii) Party responsible for calculating the Warrant Exercise Early Redemption Amount:	[Note Calculation Agent] [Determination Agent] [●]
19	Redemption following a Collateral Call pursuant to Condition 7(c)(i):	
	(i) Early Redemption Date:	[As per Condition 7(c)(i)] [<i>Describe detail</i>]
	(ii) Early Redemption Amount:	[As per Condition 7(c)(i)] [<i>Describe detail</i>]
	(iii) Party responsible for calculating the Early Redemption Amount	[Note Calculation Agent] [Determination Agent] [●]
20	Other Early Redemption Events:	[As per Conditions 7(c)(ii), 7(d) and 7(e)] [<i>Describe detail</i>]
	(i) Early Redemption Basis:	[Cash Settlement][Physical Delivery] [<i>if Physical Delivery applies, describe how Noteholder's Collateral entitlement will be determined if different to Master Note Conditions</i>]
	(ii) Early Redemption Date:	[As per Condition 7(i)] [<i>Describe detail</i>]
	(iii) Early Redemption Amount:	[As per Condition 7(i)] [<i>Describe detail</i>]
	(iv) Party responsible for calculating the Early Redemption Amount:	[Note Calculation Agent] [Determination Agent] [●]
	(v) Public Source:	[As per Condition 7(c)] [●]
	(vi) Specified Number:	[As per Condition 7(c)] [●]
21	Call Option:	[Applicable][Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): [●]
- (ii) If redeemable in part: [Applicable][Not Applicable]
 - (a) Minimum Redemption Amount: [●] per Calculation Amount
 - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iii) Notice period: [As per Condition 7(f)] [*Describe detail*]

TERMS RELATING TO RELATED SERIES OF WARRANTS

- 22** (i) Mandatory Expiration Date: The [sixteenth] Business Day following the Mandatory Expiration Trigger Event Notice Date, unless (i) the relevant Mandatory Expiration Trigger Event Notice relates to a Collateral Call, in which case the Mandatory Expiration Date shall be the [seventh] Business Day prior to the Collateral Call Redemption Date or (ii) the relevant Mandatory Expiration Trigger Event Notice relates to a Collateral Default Event, in which case the Mandatory Expiration Date shall be the relevant Mandatory Expiration Trigger Event Notice Date.
- (ii) Final Exercise Date: The earliest to occur of:
- (i) [●];
 - (ii) in respect of the occurrence of a Mandatory Expiration Trigger Event as a result of the occurrence of a Collateral Call, the date falling [12] Business Days prior to the Collateral Call Redemption Date;
 - (iii) in respect of the occurrence of a Mandatory Expiration Trigger Event as a result of a Collateral Default Event, the relevant Mandatory Expiration Trigger Event Notice Date; and
 - (iv) in respect of the occurrence of a Mandatory Expiration Trigger Event otherwise than as a result of a Collateral Call or a Collateral Default Event, the date falling [11] Business Days following the relevant Mandatory Expiration Trigger Event Notice Date.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 23** Form of Notes: **[Bearer Notes:**
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]
- [Registered Notes:**
- [Regulation S Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]

24	New Global Note:	No
25	Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable][<i>(give details)</i>] (<i>Note that this paragraph relates to the date and place of payment</i>)
26	Other Transaction Documents:	[Swap Guarantee][Not Applicable][<i>(give details)</i>]
27	Other Transaction Parties:	[Swap Guarantor][Not Applicable][<i>(give details)</i>]
28	Other terms or special conditions:	[Not Applicable][<i>(specify)</i>]
29	Agents:	
	(i) Note Calculation Agent:	[The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom]
	(ii) Determination Agent:	SMBC Nikko Capital Markets Limited One New Change London EC4M 9AF United Kingdom
	(iii) Custodian:	The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom
	(iv) Issuing and Paying Agent:	The Bank of New York Mellon, London Branch One Canada Square London E14 5AL United Kingdom
	(v) Registrar:	The Bank of New York Mellon (Luxembourg) S.A. Vertigo Building – Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg][Not Applicable]
	(vi) Transfer Agent(s):	[The Bank of New York Mellon (Luxembourg) S.A. Vertigo Building – Polaris 2-4 rue Eugène Ruppert L-2453 Luxembourg][Not Applicable]
	(vii) Disposal Agent:	SMBC Nikko Capital Markets Limited One New Change London EC4M 9AF United Kingdom

DISTRIBUTION

30	(i) If syndicated, names of Managers:	[Not Applicable][<i>(specify name(s))</i>]
	(ii) Stabilising Manager(s) (if any):	[Not Applicable][<i>(specify name(s))</i>]
31	If non-syndicated, name of Dealer:	[Not Applicable][<i>(specify name(s))</i>]
32	U.S. Selling Restrictions:	Reg. S Compliance Category 2; [TEFRA C][TEFRA D] [TEFRA not applicable]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Note Pricing Supplement. [●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of Takumi Capital Limited

By

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing and admission to trading: [Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on the GEM.][Application has been made to the [●] for the Notes to be admitted to the official list and trading on its regulated market.][Not Applicable]
(Where documenting a fungible issue, need to indicate that original Notes are already admitted to trading.)
- (ii) Estimate of total expenses related to admission to trading: [Not Applicable] [●] *(Only include where the Notes are being listed)*

2. RATINGS

Ratings: The Notes have not been rated.

3. OPERATIONAL INFORMATION

- ISIN Code: [●]
- Common Code: [●]
- Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable][*(specify name(s) and number(s) [and address(es)])*]
- Delivery: Delivery [against][free of] payment
- Names and addresses of initial Paying Agent(s): The Bank of New York Mellon, London Branch
One Canada Square
London E14 5AL
United Kingdom
- Intended to be held in a manner which would allow Eurosystem eligibility: No
Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

(Include a description of any interest, including any conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.")

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer:

[•]

(See “Use of Proceeds” wording in Offering Circular – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.)]

[(ii) Estimated net proceeds:

[•]

[(iii) Estimated total expenses:

[•]

6. [FIXED RATE NOTES ONLY - YIELD

Indication of yield:

[•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

FORM OF WARRANT PRICING SUPPLEMENT

Pricing Supplement dated [●]

TAKUMI CAPITAL LIMITED

(incorporated with limited liability in the Cayman Islands)

Issue of [Title of relevant Series of Warrants (specifying type and amount of Warrants)] in respect of [description of CBs] (the “Warrants”)

under the

Limited Recourse Secured Note and Warrant Programme

arranged by

SMBC Nikko Capital Markets Limited

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Offering Circular dated [●] [and the Offering Circular Supplement dated [●]]. This document constitutes the Pricing Supplement of the Warrants described herein and must be read in conjunction with such Offering Circular [as so supplemented]. Full information on Takumi Capital Limited (the “**Issuer**”) and the offer of the Warrants is only available on the basis of the combination of this Warrant Pricing Supplement and the Offering Circular.

The following alternative language applies if the first Series of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Agency Agreement dated [original date] and set forth in the Offering Circular dated [original date]. This document constitutes the Warrant Pricing Supplement of the Warrants described herein and must be read in conjunction with the Offering Circular dated [current date] [and the Offering Circular Supplement dated [●]] which [together] constitute[s] a Offering Circular, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on Takumi Capital Limited (the “**Issuer**”) and the offer of the Warrants is only available on the basis of the combination of this Warrant Pricing Supplement and the Offering Circular dated [original date] and [current date] [and the Offering Circular Supplement[s] dated [●] and [●]].

For the avoidance of doubt, this Warrant Pricing Supplement does not constitute “Final Terms” for the purposes of Regulation 23 of S.I. 324, Prospectus (Directive 2003/71/EC) Regulations 2005.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Italics denote guidance for completing the Warrant Pricing Supplement.]

GENERAL INFORMATION

1	Issuer:	Takumi Capital Limited
2	(i) Series Number:	[●]
	(ii) Tranche Number:	[Not Applicable][●] <i>(if fungible with an existing Series, details of that Series, including the date on which the Warrants become fungible)</i>
	(iii) Related Series of Notes:	[●]
3	Title:	[currency] [notional amount] Secured Warrants in respect of [description of CBs]
4	Aggregate Proceeds Amount:	[●]
5	Number of Warrants:	[●] Warrants

6	Issue Date:	[●]
7	Issue Price:	[●] per Warrant
8	Minimum Number of Warrants that may be traded:	1
9	Status:	Secured limited recourse obligations of the Issuer as detailed in Condition 2(a), secured in accordance with Condition 3(a) as supplemented below

EXERCISE OF WARRANTS

10	Minimum Number of Warrants that may be exercised:	1
11	Exercise Time:	[9:00 a.m.] ([London] time)
12	Exercise Notification Cut-off Time:	[3:00 p.m.] ([London] time)
13	Exercise Period Commencement Date:	[●]
14	Final Exercise Date:	The earliest to occur of: <ul style="list-style-type: none"> (i) [●] ([being the date falling [●] Business Days prior to the Collateral Exercise End Date (as defined in paragraph [30] below)][being the date falling [●] Business Days prior to the deadline for the exercise of the Collateral Put Option]); (ii) in respect of the occurrence of a Mandatory Expiration Trigger Event as a result of the occurrence of a Collateral Call, the date falling [12] Business Days prior to the Collateral Call Redemption Date (as defined in paragraph [25] below); (iii) in respect of the occurrence of a Mandatory Expiration Trigger Event as a result of a Collateral Default Event, the relevant Mandatory Expiration Trigger Event Notice Date; and (iv) in respect of the occurrence of a Mandatory Expiration Trigger Event otherwise than as a result of a Collateral Call or a Collateral Default Event, the date falling [11] Business Days following the relevant Mandatory Expiration Trigger Event Notice Date.]
15	Exercise Period:	[As defined in Condition 5(a)]
16	Exercise Business Day:	A day (other than a Saturday or a Sunday) on which banks are open for business in [Tokyo] and [London] and on which the Relevant Clearing Systems are open for business, but excluding any day falling in the period from and including the [11th] Business Day immediately preceding [(a) in respect of an Interest Period under the Hypothetical Notes in which a Collateral Coupon Payment Date falls, the relevant Collateral Coupon Payment Date or (b) in respect of an Interest Period under the Hypothetical Notes in which no Collateral Coupon Payment Date falls, such Interest Payment Date, to and including such Interest Payment Date of the Hypothetical Notes.] (<i>for coupon-paying CBs</i>) [an Interest Payment Date of the Hypothetical Notes (as set out in Annex 2 hereto) to and including such Interest Payment Date of the Hypothetical Notes.] (<i>for zero</i>

coupon CBs)

["**Collateral Coupon Payment Date**" means [●].]

17 Exercise Amount:

- (a) A price per Warrant (determined by the Warrant Calculation Agent in its sole discretion) which is equal to the principal amount of the Collateral Entitlement minus Swap Value [plus Early Exercise Fee], subject to paragraph (b) below, where:

"**Swap Value**" means the present value, as determined by the Warrant Calculation Agent in its sole discretion, to the Fixed Rate Payer as at the Exercise Date, discounted using the bid side of the swap curve, of the hypothetical swap transaction with an Effective Date being the Delivery Date (as defined in paragraph [22] below), as set out in Annex 1 hereto (the "**Hypothetical Swap**"),

["**Early Exercise Fee**" means an amount in [currency] per Warrant determined by the Warrant Calculation Agent in its sole discretion in accordance with the following formula:

$$\text{Principal amount of Collateral Entitlement} \times R \times \frac{(180 - D)}{360}$$

where:

"**D**" means the actual number of days from, and including, the Exercise Period Commencement Date to, and including, the Warrant Exercise Early Redemption Date subject to a maximum of 180; and

"**R**" means [●] per cent.

No Early Exercise Fee shall be incurred if the Exercise Date falls on or after [●].]

- (b) Following the occurrence of a Swap Event caused by an Event of Default (as defined in the Swap Agreement) attributable to the Swap Counterparty, the Exercise Amount shall be a price per Warrant (determined by the Warrant Calculation Agent in its sole discretion) which is equal to the principal amount of the Collateral Entitlement [plus Accrued Note Interest] [plus Early Exercise Fee], where:

"**Swap Event**" means an Early Termination Date (as defined in the Swap Agreement) is duly designated in accordance with Section 6 of the relevant ISDA Master Agreement upon occurrence of an Event of Default (as defined in the Swap Agreement) or a Termination Event (as defined in the Swap Agreement) under the Swap Agreement or an Early Termination Date has occurred without any designation by the parties to the Swap Agreement.

["**Accrued Note Interest**" means an amount determined by the Warrant Calculation Agent in its sole discretion equal to the accrued but unpaid interest calculated in accordance with the summary of certain terms of the Hypothetical Notes (as set out in Annex 2 hereto) for the period from and including the

Interest Payment Date immediately preceding the Warrant Exercise Early Redemption Date to but excluding the Warrant Exercise Early Redemption Date.]

“**Warrant Exercise Early Redemption Date**” means, in respect of a repayment resulting from an exercise of the Warrants, the day falling eleven Business Days following the Warrant Exercise Amount Settlement Date in respect of such exercise of the Warrants.

Terms used in these definitions but not defined in this Warrant Pricing Supplement or the Conditions shall have the meanings given to them in the Hypothetical Swap.

- | | | |
|-----------|--|---|
| 18 | Exercise Amount Notification Date: | The [second] Business Day following the Exercise Date |
| 19 | Warrant Exercise Amount Settlement Date: | The [fifth] Business Day following the Exercise Date [(17:00 Tokyo time) <i>in the case of Japanese Yen</i>] |
| 20 | Settlement Method: | Physical Settlement |

PHYSICAL SETTLEMENT

- | | | |
|-----------|--|--|
| 21 | Collateral Entitlement: | In respect of each Warrant, [<i>currency</i>] [<i>amount</i>] in principal amount of the Collateral. |
| 22 | Delivery Date: | The [eighth] Business Day following the Exercise Date. |
| 23 | Collateral Entitlement Delivery Clearing System: | [Euroclear and Clearstream, Luxembourg / Other (<i>please specify</i>)] |

MANDATORY EXPIRATION

- | | | |
|-----------|-----------------------------------|--|
| 24 | Early Redemption Event: | [As defined in Condition 9(a)] [The events as defined in Condition 9(a) and the following event(s): [●]] |
| 25 | Collateral Call Redemption Date: | The date the Collateral is scheduled to be early redeemed as the result of a Collateral Call. |
| 26 | Warrant Early Termination Amount: | In respect of any Warrant Early Termination Amount which is payable as a result of a Mandatory Expiration Event triggered by a Mandatory Expiration Trigger Event other than a Collateral Call, an amount determined by the Warrant Calculation Agent as being equal to the remaining proceeds, if any, after the application of the Available Proceeds to satisfy the payment of all amounts which rank senior to the Warrant Early Termination Amount as set out in Condition 13(a) or 13(b) (as applicable), as determined by the Warrant Calculation Agent in its sole and absolute discretion or, in respect of any Warrant Early Termination Amount which is payable as a result of a Mandatory Expiration Event triggered by a Mandatory Expiration Trigger Event which is a Collateral Call, an amount determined by the Warrant Calculation Agent as being equal to the redemption proceeds of the Collateral plus the Early Termination Amount (as defined in the Swap Agreement) payable under the Swap Agreement minus items (ii) to (vi) as set out in Condition 13(a), as determined by the Warrant Calculation Agent in its sole and absolute discretion. The Warrant Calculation Agent shall be entitled to rely on any calculations made in respect of the Related Series of Notes in making such determinations. |

27 Warrant Early Termination Amount Payment Date:

The [tenth] Business Day following the Mandatory Expiration Date, unless (i) the relevant Mandatory Expiration Trigger Event is a Collateral Call, in which case the Warrant Early Termination Amount Payment Date shall be the fifth Business Day following the Collateral Call Redemption Date or (ii) the Mandatory Expiration Trigger Event Notice Date relates to a Collateral Default Event, in which case the Warrant Early Termination Amount Payment Date shall be the [twentieth] Business Day following the Mandatory Expiration Date.

28 Mandatory Expiration Date:

The [sixteenth] Business Day following the Mandatory Expiration Trigger Event Notice Date, unless (i) the Mandatory Expiration Trigger Event Notice Date relates to a Collateral Call, in which case the Mandatory Expiration Date shall be the [seventh] Business Day prior to the Collateral Call Redemption Date and (ii) the Mandatory Expiration Trigger Event Notice Date relates to a Collateral Default Event, in which case such Mandatory Expiration Trigger Event Notice Date shall be the Mandatory Expiration Date.

29 Mandatory Expiration Time:

[5:00] p.m. [Tokyo time (*in the case of Japanese Yen*)]

THE SECURITY ARRANGEMENTS

30 Mortgaged Property:

(i) Collateral:

The “**Collateral**” shall comprise [●] in principal amount of an issue of [*insert name of the obligor of the underlying assets*] of [*insert description of the underlying assets*] identified below:

Issuer: [●]

Denomination: [●]

Maturity Date: [●]

ISIN: [●]

[Final exercise date of stock acquisition rights

in respect of the Collateral: [●] (the “**Collateral Exercise End Date**”).]

Collateral Call: [Applicable][Not Applicable]

Collateral Put Option: [Applicable][Not Applicable]
(*if applicable, specify particulars*)

(ii) Swap Agreement:

[Applicable][Not Applicable]

(iii) Swap Counterparty:

[SMBC Nikko Capital Markets Limited][(*specify other*)]

(iv) Swap Guarantee:

[Applicable][Not Applicable]

(v) Swap Guarantor:

[Sumitomo Mitsui Banking Corporation][(*specify other*)]

(vi) Other Security Document:

[Not Applicable][(*give details*)]

ADDITIONAL INFORMATION

31 Business Day definition:

A day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in [Tokyo] and [London]

- 32 Other Transaction Documents: [Swap Guarantee][Not Applicable][*(give details)*]
- 33 Other Transaction Parties: [Swap Guarantee][Not Applicable][*(give details)*]
- 34 Trustee: BNY Mellon Corporate Trustee Services Limited
- 35 Agents:
- (i) Principal Warrant Agent: The Bank of New York Mellon, London Branch
 - (ii) Warrant Calculation Agent: SMBC Nikko Capital Markets Limited
 - (iii) Custodian: The Bank of New York Mellon, London Branch
 - (iv) Paying Agent: The Bank of New York Mellon, London Branch
 - (v) Disposal Agent: SMBC Nikko Capital Markets Limited
- 36 Form of Warrants: The Warrants are issued in registered form and are represented by a Global Warrant
- 37 Other terms and conditions: [•]

OPERATIONAL INFORMATION

- 38 Common Code: [•]
- 39 ISIN: [•]
- 40 Alternative Clearing System: [Not applicable][*(give details)*]
- 41 Delivery: Upon issue, the Warrants will be delivered [against/free of] payment to the Dealer(s).

PROVISIONS RELATING ONLY TO THE SALE AND LISTING OF THE WARRANTS

- 42 Details of any additions or variations to the selling restrictions: [Not applicable/give details]
- 43 Listing and admission to trading: [Application has been made to the Irish Stock Exchange for the Warrants to be admitted to the Official List and trading on the GEM.][Application has been made to the [•] for the Warrants to be admitted to the official list and trading on its regulated market.][Not Applicable]
(Where documenting a fungible issue, need to indicate that original Warrants are already admitted to trading.)
- 44 Method of issue of Warrants: [Individual Dealer]
- 45 The following Dealer(s) [is/are] subscribing the Warrants: [*Insert legal name(s) of Dealer(s)*]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Warrant Pricing Supplement. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of Takumi Capital Limited

By

Annex 1

Terms of the Hypothetical Swap

A hypothetical swap transaction between “Fixed Rate Payer” and “Floating Rate Payer” as specified below, governed by a 2002 ISDA Master Agreement with a Schedule thereto which specifies the following:

- (i) [●] as the Termination Currency; and
- (ii) English law as the governing law.

The 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) (the “**2006 Definitions**”) are deemed to apply to the Hypothetical Swap.

Effective Date: Delivery Date
Termination Date: [●]
Notional Amount: [The principal amount of the Collateral Entitlement per Warrant]

Fixed Amounts:

Fixed Amount: [●]
Fixed Rate Payer Payment Dates: [●]

Floating Amounts:

Floating Rate Payer Payment Dates: Each Interest Payment Date of the Hypothetical Notes (as set out in Annex 2 hereto), from, but excluding, the Effective Date, to, and including, the Termination Date.

Floating Rate Option: [[●]-LIBOR-BBA]

Designated Maturity [●] months, provided that, in respect of any Calculation Period of less than [●] months, the Relevant Rate shall be determined using straight-line interpolation by reference to two rates, one of which shall be determined as if the Designated Maturity were the number of months for which rates are available next shorter than the number of months within such Calculation Period, and the other of which shall be determined as if the Designated Maturity were the number of months for which rates are available next longer than the numbers of months within such Calculation Period, subject as provided below in “Initial Calculation Period Designated Maturity”.

Initial Calculation Period Designated Maturity: For the purposes of the initial Calculation Period, the Designated Maturity shall be deemed to be [●] months (notwithstanding that the length of such initial Calculation Period may be less than [●] months), provided that if the Effective Date falls in the initial Interest Calculation Period of the Hypothetical Notes, the Designated Maturity for the initial Calculation Period shall be the Designated Maturity in respect of the initial Interest Calculation Period of the Hypothetical Notes, determined in accordance with the provisions of Annex 2 hereto.

Reset Date: The first day of the Interest Calculation Period of the Hypothetical Notes, provided that, with respect to the initial Calculation Period, the Reset Date shall be the first day of the Interest Calculation Period of the Hypothetical Notes in which the Effective Date falls.

Spread: [●] per cent.

Floating Rate Day Count Fraction: [Actual/[360], adjusted]

Business Day: [Tokyo] and [London]

Business Day Convention: [Modified] Following Business Day Convention

Annex 2

Summary of Certain Terms of the Hypothetical Notes

Issue Date:	[●]
Maturity Date:	[●]
Initial Principal Amount:	[The principal amount of Collateral Entitlement per Warrant]
Interest Payment Dates:	[●] and [●] in each year, commencing on [●] and ending on the Maturity Date, subject to adjustment in accordance with the Business Day Convention.
Interest Commencement Date:	[●]
Interest Calculation Periods:	The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the next succeeding 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 Determination Option:	[[●]-LIBOR-BBA]
Designated Maturity:	[●] months, provided that, in respect of any Interest Calculation Period of less than [●] months, the Designated Maturity with respect to the determination of interest shall be a linear interpolation of the Designated Maturities for the number of months within such Interest Calculation Period (i) rounded down to the nearest whole number, and (ii) rounded up to the nearest whole number.
Margin:	[●] per cent.
Day Count Fraction:	[Actual/[360], adjusted]
Business Day:	[Tokyo] and [London]
Business Day Convention:	[Modified] Following Business Day Convention

GENERAL INFORMATION

- (i) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a board resolution of the Issuer passed on 17 October 2014 and the update of the Programme was authorised by a board resolution of the Issuer passed on 17 December 2015.
- (ii) As at the date of this Offering Circular, there has been no significant change in the financial or trading position of any Issuer and no material adverse change in the financial position or prospects of any Issuer since its date of incorporation.
- (iii) The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which such Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on its financial position or profitability.
- (iv) Each Bearer Note having a maturity of more than one year, 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".
- (v) The Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes and Warrants will be set out in the relevant Pricing Supplement for such Series of Notes and Warrants.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the relevant Pricing Supplement or Tranche Prospectus, as applicable.

- (vi) The Issuer does not intend to provide any post-issuance information in relation to any Securities or the Collateral relating to any Securities.
- (vii) For so long as Securities may be issued pursuant to the Programme (in respect of (a), (b), (d) and (e) below and for so long as any listed Securities remain outstanding, from the date of the relevant document (in respect of (c) and (f) below), the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted) for inspection at the registered office of the Issuer and at the specified office of The Bank of New York Mellon, London Branch:
 - (a) the Principal Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons and the Talons);
 - (b) the Agency Agreement (which includes the form of the Global Warrants and the form of Exercise Notice);
 - (c) the Memorandum and Articles of Association of the Issuer;
 - (d) the Declaration of Trust;
 - (e) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular;
 - (f) each relevant Pricing Supplement or Tranche Prospectus, as applicable (save for the Pricing Supplement or Tranche Prospectus, as applicable, relating to a Note or a Warrant which is neither admitted to the Official List and trading on the GEM nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, which documents will only be available for inspection by a

holder of the relevant Note(s) or Warrant(s) and such holders must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent or Principal Warrant Agent (as applicable) as to its holding and identity) and each subscription agreement (if any) and the related Supplemental Trust Deed, Swap Agreement and Custody Agreement for Securities which are admitted to the Official List and trading on the GEM.

- (viii) In the period from incorporation to the date of this Offering Circular, the Issuer has not published any financial statements.
- (ix) The EU has adopted a directive regarding the taxation of savings income. The directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another EU Member State, except that Austria may instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. The Council of the European Union has adopted an amending directive which would, when implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories have adopted similar measures to the directive.

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and Note Calculation Agent**

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Registrar, Paying Agent and Transfer Agent

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Custodian

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Warrant Calculation Agent, Disposal Agent, Swap Counterparty and Arranger

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