

**VIS FINANCE SA**

**a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 2, boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Luxembourg trade and companies register under number B. 166.336 and subject to the Luxembourg act dated 22 March 2004 on securitisation, as amended (the “Securitisation Act 2004”)**

**acting in respect of Compartment 2018-02**

**LISTING PARTICULARS**

**Issue of**

**Series 2018-02**

**EUR 200,000,000 Zero Coupon Uncollateralised Notes linked to JGBs, exposed to unsecured UBS Credit Risk due 2018 (the “Notes”)**

**under the Limited Recourse Secured Securities Programme**

Application has been made to the Irish Stock Exchange for these Listing Particulars to be approved and for the Notes to be admitted to the Official List of the Irish Stock Exchange and admitted to trading on the Global Exchange Market of the Irish Stock Exchange.

These Listing Particulars are only provided for the purposes of obtaining the admission of the Notes to the Official List of the Irish Stock Exchange and admission to trading on the Global Exchange Market of the Irish Stock Exchange and shall not be used for any other purpose.

These Listing Particulars do not constitute a “prospectus” for the purposes of the Prospectus Directive (Directive 2003/71/EC) (as amended by Directive 2010/73/EU) (the “Prospectus Directive”). Any references in these Listing Particulars to the “Series Prospectus” shall be deemed to be a reference to these Listing Particulars and any reference in these Listing Particulars to the “Base Prospectus” shall be deemed to be a reference to the Base Listing Particulars (as defined below).

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

These Listing Particulars are available on the website of the Irish Stock Exchange ([www.ise.ie](http://www.ise.ie)).

The Notes have the terms as set out in the Contractual Terms section of these Listing Particulars, which will complete and modify the Registered Securities Base Conditions Module, October 2017 Edition (the “**Registered Securities Base Conditions Module**”) and the General Definitions Module, October 2017 Edition (the “**General Definitions Module**”), as more particularly set out in the Contractual Terms section of these Listing Particulars.

The Registered Securities Base Conditions Module and the General Definitions Module are set out in the Base Listing Particulars dated 11 October 2017 (the “**Base Listing Particulars**”). These Listing Particulars must be read in conjunction with the Base Listing Particulars. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Listing Particulars, the Registered Securities Base Conditions Module, the

General Definitions Module and the Base Listing Particulars. The Base Listing Particulars are available for viewing during normal business hours at 2, boulevard Konrad Adenauer, L-1115 Luxembourg and copies may be obtained from 2, boulevard Konrad Adenauer, L-1115 Luxembourg.

By subscribing to the Notes or otherwise acquiring the Notes, each Noteholder expressly acknowledges and accepts that the Issuer (i) is subject to the Securitisation Act 2004 and (ii) has created Compartment 2018-02 in respect of the Notes to which all assets, rights, claims and agreements relating thereto will be allocated. Each Noteholder acknowledges and accepts the subordination waterfall and the priority of payments and, if applicable, deliveries included in these Listing Particulars, the articles of association of the Issuer and the Base Listing Particulars. Furthermore, each Noteholder acknowledges and accepts that it has recourse only to the assets of Compartment 2018-02 and not to the assets allocated to other compartments created by the Issuer or to any other assets of the Issuer. Each Noteholder acknowledges and accepts that once all the assets allocated to Compartment 2018-02 have been realised or enforced, as applicable, it is not entitled to take any further steps against the Issuer to recover any further sums or assets, as applicable, due and the right to receive any such sum or asset, as applicable, shall be extinguished. Each Noteholder agrees not to attach or otherwise seize the assets of the Issuer allocated to Compartment 2018-02 or to other compartments of the Issuer or other assets of the Issuer. In particular, no Noteholder shall be entitled to petition or take any other step for the winding-up, the liquidation or the bankruptcy of the Issuer, or any other similar proceedings.

**The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Listing Particulars (including "Risk Factors" on pages 17 to 33 of the Base Listing Particulars) and these Listing Particulars (including the "Additional Risk Factors" set out on pages 6 to 9 herein).**

**The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Accordingly, the Notes are being offered and sold only outside the United States (as such term is defined in Regulation S under the Securities Act ("Regulation S")) to non-US persons in reliance on Regulation S. The Notes (a) may not be offered, sold or otherwise transferred at any time within the United States or to the account of any US Person (as defined in Regulation S) and (b) may be offered, sold or otherwise transferred at any time only to persons that are Non-United States Persons (as defined by the Commodity Futures Trading Commission).**

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended, to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The expression "**Prospectus Directive**" for the purpose of this Series Prospectus means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), to the extent implemented in the relevant Member State of the European Economic Area, and

includes any relevant implementing measure in the relevant Member State, and **"2010 PD Amending Directive"** means Directive 2010/73/EU.

**The Issuer shall, if instructed to do so by UBS Limited, redeem the Notes if they are sold or transferred to any person that is not a Non-United States Person (as defined by the Commodity Futures Trading Commission) in breach of any applicable restrictions on sale of securities.**

Any websites referred to in this document do not form part of these Listing Particulars.

Dealer  
**UBS Limited**

## CONTENTS

<b>DOCUMENTS INCORPORATED BY REFERENCE .....</b>	<b>5</b>
<b>ADDITIONAL RISK FACTORS .....</b>	<b>6</b>
<b>CONTRACTUAL TERMS .....</b>	<b>10</b>
<b>OTHER INFORMATION .....</b>	<b>25</b>
<b>SCHEDULE 1 .....</b>	<b>26</b>
<b>SCHEDULE 2 .....</b>	<b>31</b>
<b>DESCRIPTION OF THE INITIAL CHARGED ASSETS .....</b>	<b>35</b>
<b>GENERAL INFORMATION .....</b>	<b>36</b>

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated in and form a part of these Listing Particulars:

- (a) the Base Listing Particulars;
- (b) the audited annual accounts of the Issuer for the financial year ending 31 December 2015;  
and
- (c) the audited annual accounts of the Issuer for the financial year ending 31 December 2016.

Each of the above documents has been filed with the Irish Stock Exchange and for so long as the Securities remain admitted to trading on the Irish Stock Exchange, copies of the above documents shall be available in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer.

## **ADDITIONAL RISK FACTORS**

*This “Additional Risk Factors” section of these Listing Particulars shall not form part of the Contractual Terms of the Notes. This “Additional Risk Factors” section sets out certain risk factors relating to the Notes which are not set out in the Base Listing Particulars. The “Risk Factors” section of the Base Listing Particulars must be read in addition to this “Additional Risk Factors” section.*

References in this “Additional Risk Factors” section of these Listing Particulars to “UBS” shall be deemed to be references to UBS AG and any relevant affiliate, whether acting in any capacity in relation to the Notes or otherwise.

### **Credit Risk of the Obligations and other Relevant Obligations**

The payment of principal under the Notes is subject to the credit risk of the Obligations (as defined in the Contractual Terms below) and any other Relevant Obligations. Relevant Obligations are any unsubordinated debt obligation of the issuer of the Obligations. This credit risk arises due to the fact that if the Relevant Obligations default and/or certain other events occur in relation to the Relevant Obligations, the Notes will be redeemed early (whether or not the Obligations are in default and regardless of whether any event or circumstance is affecting the Obligations). Upon any such redemption, the Early Redemption Amount due to Noteholders is an amount equal to the net proceeds of realisation of the Charged Assets (being any Obligations which have not been borrowed by the Securities Lending Counterparty and any Obligations or the market value thereof delivered or paid by the Securities Lending Counterparty to the Issuer as a consequence of the termination of the Securities Lending Agreement) less certain termination costs which may be payable by the Issuer to the Securities Lending Counterparty (or plus any termination costs which may be payable by the Securities Lending Counterparty to the Issuer) less all amounts due to any party who ranks in priority to the Noteholders. Such amount is likely to be considerably less than the outstanding principal amount of the Obligations.

Investors should note that the exposure to the risks of the Obligations includes exposure in the period from and including the later of 60 days prior to 10 January 2018 and the date the Obligations are issued and therefore the principal payable in respect of the Notes may be reduced as a result of the occurrence of an event which has an adverse effect on the value of the Obligations, notwithstanding that such event occurred prior to the Issue Date of the Notes. Investors should be aware that such an occurrence shall not discharge them from their obligation to purchase the Notes from the Dealer on or around the Issue Date.

### **Zero Coupon Securities**

The Notes are Zero Coupon Securities and will pay no interest. Unless the Notes are redeemed early in accordance with the early redemption provisions, the Notes shall be redeemed on the Maturity Date by payment of an amount equal to the Final Redemption Amount. No amount shall be payable to any Noteholders in respect of the Notes on any date other than the Maturity Date, subject to the early redemption provisions of the Notes.

### **The Notes are issued at a Premium**

The Notes are issued at a premium to par and, unless the Notes are redeemed early in accordance with the early redemption provisions, the Notes shall be redeemed at par on the Maturity Date. The Final Redemption Amount payable to Noteholders on the Maturity Date is less than the issue price of the Notes.

### **Credit Risk of the Counterparty and the Securities Lending Counterparty**

The Issuer will enter into the Swap Agreement with UBS AG, London Branch as Counterparty under which the Counterparty is required to pay amounts to the Issuer equal to amounts payable

by the Issuer under the Notes and the Issuer is required to pay amounts to the Counterparty equal to amounts payable under the Obligations. The Issuer will also enter into the Securities Lending Agreement with UBS AG as Securities Lending Counterparty under which the Securities Lending Counterparty may borrow on an uncollateralised basis Obligations comprised in the Charged Assets.

To the extent that an event of default occurs with respect to the Counterparty and the Swap Agreement is terminated and/or with respect to the Securities Lending Counterparty and the Securities Lending Agreement is terminated, the Notes will be required to be redeemed early. The Early Redemption Amount due to Noteholders is an amount equal to:

(a) the net proceeds of realisation of the Charged Assets (being any Obligations which have not been borrowed by the Securities Lending Counterparty and if an event of default has not occurred under the Securities Lending Agreement, any Obligations or the market value thereof delivered or paid by the Securities Lending Counterparty to the Issuer as a consequence of termination of the Securities Lending Agreement); less

(b) certain termination costs which may be payable by the Issuer to the Counterparty (or plus any termination costs which may be payable by the Counterparty to the Issuer) in respect of the termination of the Swap Agreement; less

(c) any amount which may be payable by the Issuer to the Securities Lending Counterparty (being, broadly, equal to any positive difference between (x) (provided that the Securities Lending Counterparty is not in default) any termination costs which may be payable by the Issuer to the Securities Lending Counterparty and (y) the market value of the Obligations borrowed by the Securities Lending Counterparty plus (provided that the Securities Lending Counterparty is not in default) any termination costs which may be payable by the Securities Lending Counterparty to the Issuer) (or plus any amount which may be payable by the Securities Lending Counterparty to the Issuer (being, broadly, equal to the absolute value of any negative difference between (x) (provided that the Securities Lending Counterparty is not in default) any termination costs which may be payable by the Issuer to the Securities Lending Counterparty and (y) the market value of the Obligations borrowed by the Securities Lending Counterparty plus (provided that the Securities Lending Counterparty is not in default) any termination costs which may be payable by the Securities Lending Counterparty to the Issuer)) in respect of the termination of the Securities Lending Agreement; less

(d) all amounts due to any party who ranks in priority to the Noteholders. The amount payable by the Issuer to the Noteholders in such circumstances is consequently likely to depend primarily on the realisation value of any Obligations comprised in the Charged Assets and, if any event of default has occurred under the Securities Lending Agreement, the market value of any Obligations not comprised in the Charged Assets together with any termination costs payable under the Swap Agreement and/or the Securities Lending Agreement.

**Noteholders should be aware that the Securities Lending Counterparty has the right to borrow the Obligations on an uncollateralised basis. To the extent that the Securities Lending Counterparty has borrowed any of the Obligations pursuant to the Securities Lending Agreement, the amount of available Charged Assets will be reduced (potentially to zero) and if the Securities Lending Counterparty subsequently defaults, the risk of Noteholders losing some or potentially all of the amount they have invested will be greater than if those Obligations had not been borrowed.**

See also the paragraph entitled “*Foreign Exchange Risk*” below.

#### **Delayed Delivery of Initial Charged Assets**

Where the Obligations comprised in the Initial Charged Assets are not delivered by the Dealer to the Issuer on the Issue Date, the provisions of Condition 4(c)(ii) will apply. This means that the

Dealer will be required to use reasonable endeavours to deliver the Obligations to the Issuer on or before the Initial Delivery Cut-Off Date (being the 14<sup>th</sup> calendar day following the Issue Date) and, pending such delivery, the Charged Assets will comprise cash (in any currency) equal to the market value of the Obligations, as determined by the Dealer in its sole and absolute discretion. There can be no assurance that the Initial Charged Assets will be delivered to the Issuer on or before the Initial Delivery Cut-Off Date, and, if they are not, the provisions of Condition 8(d)(i) (*Redemption and Exercise – Non-Delivery of Initial Charged Assets*) will apply. The Dealer shall not have any liability to the Noteholders or to any other person in relation to any failure to deliver any Initial Charged Assets to the Issuer where cash is delivered instead in accordance with Condition 4(c)(ii), or for any losses arising as a consequence of redemption pursuant to Condition 8(d)(i).

### **Charged Assets Comprised of Cash**

Investors should note that any cash comprised in the Charged Assets (including any cash deposited by the Dealer pending delivery of the Initial Charged Assets (if applicable)) will be credited to the Cash Deposit Account held by the Custodian. Any money credited to the Cash Deposit Account is held by the Custodian as a bank taking deposits and other repayable funds from the public. This means that any such money may be used by Deutsche Bank Luxembourg S.A. (acting as Custodian) in the course of its own business and in the case of winding-up proceedings (*liquidation judiciaire ou volontaire*) affecting the Custodian, the money would fall into the Custodian's insolvency estate (*masse des créanciers*) and the Issuer will rank only as a general creditor of the Custodian as regards such money, alongside the Custodian's unsecured creditors. Accordingly, insofar as the Charged Assets comprise cash, any investor in the Notes will be exposed to the credit risk of the Custodian and, if the security for the Notes is enforced, the balance of the Cash Deposit Account will only be available to satisfy the liabilities of the Issuer to the extent that such amount is available to the Issuer as a general creditor of the Custodian.

### **Aggregation of Orders**

UBS AG, London Branch and any of its affiliates (for the purposes of this paragraph, “**UBS**”) may, in its capacity as dealer, calculation agent and/or selling agent in respect of the Notes, when selling any securities and/or requesting bid prices in respect of any securities or obligations in accordance with the terms of the Notes, aggregate any orders with any orders in relation to any other transactions in respect of which UBS acts and/or existing inventory which UBS may hold. Any such aggregation of orders by UBS may reduce liquidity, and may therefore have a negative impact on the relevant price obtained and in turn on the amount payable in respect of any series of Notes.

### **Custody and Security Arrangements with respect to Obligations**

The Issuer has appointed the Custodian to hold the Charged Assets on its behalf in accordance with the Agency Agreement, and the Custodian has appointed the Tokyo Sub-Custodian as its custodian to hold on its behalf any Obligations which are from time to time comprised in the Charged Assets. The Obligations are book-entry Japanese Government Bonds (*furikae kokusai*) and will be held by the Tokyo Sub-Custodian in the Bank of Japan's Japanese Government Bonds Book-entry System (*Kokusai-Furikae Kessai Seido*) in accordance with the relevant subcustody arrangements. The Issuer has no direct contractual relationship with the Tokyo Sub-Custodian, and the Custodian has not created security over its rights against the Tokyo Sub-Custodian in favour of the Issuer. Furthermore, the security granted by the Issuer with respect to this Series is granted under English law only and perfected in accordance with the requirements of Luxembourg law. No Japanese pledge or other security interest under Japanese law is or will be granted over or in relation to any Obligations comprised in the Charged Assets. In the event that the Trustee enforces its security, it will have no direct rights to the Obligations (to the extent that the Obligations are then comprised in the Charged Assets) or against the Tokyo Sub-Custodian for delivery of the Obligations (to the extent that the Obligations are then comprised in the Charged Assets), but rather the Trustee will be relying on the Issuer's rights under the Agency



Agreement, which will be assigned to the Trustee pursuant to the security interests created by the Trust Instrument to direct the Custodian to deliver the Obligations to it or to its order in order to enforce its security. Investors should note that any action to enforce the obligations of the Tokyo Sub-Custodian may be limited by bankruptcy, insolvency, liquidation, reorganisation of the Tokyo Sub-Custodian and other laws of general application relating to or affecting the rights of creditors of the Tokyo Sub-Custodian. For the avoidance of doubt, any such proceedings are likely to be subject to Japanese law. In the event that the security becomes enforceable, there can be no guarantee that the courts in Japan (to the extent that the Obligations are, at such time, held by the Tokyo Sub-Custodian) will recognise the custodial arrangements on which the Tokyo Sub-Custodian will hold the Obligations or the English law claim created by the Trust Instrument as a valid and/or first ranking priority security interest with respect to such Obligations.

Prospective investors in the Notes should undertake their own due diligence as to the impact of the aforementioned custodial and security arrangements upon the enforceability of the security interests created by the Trust Instrument. In particular, while the Trustee is responsible for holding the security granted pursuant to the Trust Instrument for the benefit of the Noteholders and the other beneficiaries of such security, the Trustee is not responsible for the execution, delivery, legality, effectiveness, adequacy, genuineness, validity, performance, enforceability or admissibility in evidence of such security and has made no investigation of the same and the Trustee has no liability to Noteholders in respect thereof accordingly.

### **Fees**

UBS may have paid a fee to a third party introducer or broker in relation to the Notes. In certain circumstances UBS may sell securities to dealers and other financial institutions at a discount to the issue price or rebate them for their own account some proportion of the issue price. Further information is available from UBS on request.

### **Foreign Exchange Risk**

The Obligations are denominated in a different currency from the Notes. If the Obligations are required to be realised or the market value of the Obligations is required to be determined, the holders of the Notes may be exposed to foreign exchange risk of JPY as against EUR.

## CONTRACTUAL TERMS

The Notes have the terms as set out in this Contractual Terms section (the “**Terms**”), which will complete and modify the Registered Securities Base Conditions Module, October 2017 Edition (the “**Registered Securities Base Conditions Module**”) and the General Definitions Module, October 2017 Edition (the “**General Definitions Module**”), each of which is incorporated by reference into this Contractual Terms section (together, the “**Conditions**”) and any reference herein to a “Condition” shall be to a Condition of the Registered Securities Base Conditions Module. Unless otherwise defined herein, words and expressions defined in the Registered Securities Base Conditions Module, and the General Definitions Module (together the “**Modules**”) will bear the same meanings in these Terms.

- |     |                                 |  |
|-----|---------------------------------|--|
| 1.  | Issuer:                         | <p>VIS Finance SA</p> <p>Under the Securitisation Act 2004, the Issuer as a regulated entity within the meaning of articles 19 et seq. of the Securitisation Act 2004 is entitled to issue securities or shares to the public on an ongoing basis.</p> <p>The board of directors of the Issuer has created a separate compartment in respect of the Notes to which all the assets and liabilities relating to the Notes will be allocated. See paragraph 36 below.</p> |
| 2.  | Description of Securities:      | Notes  |
| 3.  | (a) Series Number:              | 2018-02  |
|     | (b) Tranche Number:             | 1  |
| 4.  | Governing Law:                  | English law  |
| 5.  | Currency of Issue:              | Euro (“ <b>EUR</b> ”)  |
| 6.  | Aggregate Nominal Amount:       | EUR 200,000,000  |
| 7.  | Issue Price:                    | 100.16 per cent. of the Aggregate Nominal Amount.  |
| 8.  | (a) Specified Denominations:    | EUR 100,000 and integral multiples of EUR 10,000 thereafter  |
|     | (b) Calculation Amount:         | EUR 10,000 (and, for the avoidance of doubt, references to any amount payable in respect of a Note shall be construed as references to the amount payable per EUR 10,000 nominal principal amount of such Note).   |
| 9.  | (a) Issue Date:                 | 17 January 2018  |
|     | (b) Interest Commencement Date: | Not Applicable. <b>The Notes are Zero Coupon Securities.</b>   |
| 10. | Maturity Date:                  | 12 July 2018, subject to adjustment in accordance  |

with the Business Day Convention.

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|-----|---|--|
| 11. | Interest Basis:                                       | Zero Coupon Securities (further particulars set out below).                              |
| 12. | Redemption/Payment Basis:                             | Redemption at par on the Maturity Date, subject as otherwise provided in the Conditions. |
| 13. | Change of Interest Basis or Redemption/Payment Basis: | Not Applicable   |
| 14. | Put/Call Options:                                     | Not Applicable   |
| 15. | Status of the Securities:                             | Secured limited recourse obligations of the Issuer secured as provided below.            |
| 16. | Method of distribution:                               | Non-syndicated   |

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- |     |  |  |
|-----|--|--|
| 17. | Fixed Rate Security Provisions:                                      | Not Applicable. <b>The Notes are Zero Coupon Securities.</b> |
| 18. | Floating Rate Securities Provisions and Indexed Interest Securities: | Not Applicable   |
| 19. | Zero Coupon Security Provisions:                                     | Applicable, subject to Additional Provision (5).             |

#### PROVISIONS RELATING TO REDEMPTION

- |     |   |   |
|-----|---|---|
| 20. | Issuer Call:  | Not Applicable  |
| 21. | Investor Put:   | Not Applicable  |
| 22. | Final Redemption Amount:  | EUR 10,000 per Calculation Amount.  |
| 23. | Early Redemption Amount and/or the method of calculating the same (if required or if different from that set out in Condition 8): | The definition of Early Redemption Amount in the General Definitions Module shall be deleted and replaced as follows: |

“**Early Redemption Amount**” means an amount (which may never be less than zero), calculated by the Calculation Agent equal to:

(a) the Charged Assets Realisation Amount; less

(b) the Swap Termination Amount (as defined in paragraph 30 below); less

(c) the Securities Lending Agreement Termination Amount; less

(d) (without duplication) all amounts due to any party who ranks in priority to the Noteholders in accordance with Condition 5 (*Application of*

*Mortgaged Property*),

as apportioned *pro rata* amongst all the Notes.”.

**“Charged Assets Realisation Amount”** means the net proceeds of redemption of the Charged Assets and/or, as applicable, of enforcement of the Security Interests over or of realisation of the Charged Assets. If the amount realised in respect of the Charged Assets is not in the same currency as the currency in which the Notes are denominated then the Calculation Agent shall convert such amount into the currency in which the Notes are denominated at the prevailing spot foreign exchange rate and such amount so converted shall be the Charged Assets Realisation Amount.

**“Securities Lending Agreement Termination Amount”** means an amount equal to the amount (if any) payable by the Issuer to the Securities Lending Counterparty (expressed as a positive number) or an amount equal to the amount (if any) payable by the Securities Lending Counterparty to the Issuer (expressed as a negative number), in each case pursuant to the Securities Lending Agreement, being (i) in the case of the termination of the Securities Lending Agreement by reason of an Event of Default (as defined therein), equal to the amount payable under paragraph 11 (*Consequences of an Event of Default*) of the Securities Lending Agreement (which takes into account certain costs of termination (as more particularly set out in the Securities Lending Agreement (the **“Costs of Termination”**))) unless Borrower is the Defaulting Party (as defined in the Securities Lending Agreement)); or (ii) in all other cases, equal to the Costs of Termination.

All amounts (save as mentioned below) relevant to the determination of the Early Redemption Amount shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner. The costs associated with the realisation of the Charged Assets pursuant to Condition 4(d) shall (other than the costs of the Trustee) be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

24. Physical Delivery Securities: Not Applicable

#### PROVISIONS RELATING TO SECURITY

25. Charged Assets: (i) An amount of Obligations equal to the Principal Held specified below shall comprise the

Initial Charged Assets. If all or any part of the Initial Charged Assets are not delivered to the Issuer on the Issue Date and so Condition 4(c)(ii) applies, then the Dealer will deposit or procure the deposit of Cash Collateral into the Cash Deposit Account, which shall comprise the Charged Assets subject to and in accordance with Condition 4(c)(ii) until such time as the Initial Charged Assets are delivered to the Issuer (to be credited to the Custodian Account) on or prior to the Initial Delivery Cut-Off Date.

Notwithstanding anything to the contrary in the General Definitions Module:

**“Cash Collateral”** means, the cash amount (in any currency) delivered to the Issuer by the Dealer equal to the market value, as determined by the Dealer in its sole and absolute discretion, of all or any part of the Obligations not delivered to the Issuer on the Issue Date in accordance with the Dealer's obligations under the Placing Agreement.

**“Obligations”** means:

Issuer: Japan

ISIN: JP1747311J13

Maturity: 10 July 2018

Principal Held: JPY 26,800,000,000 subject to proportionate adjustment by the Calculation Agent as a consequence of any further issue pursuant to Condition 21 or any purchase pursuant to Condition 9.

(ii) If any Obligations are borrowed by the Securities Lending Counterparty from the Issuer pursuant to the Securities Lending Agreement, those Obligations shall cease to comprise Charged Assets and, upon termination of any Loan (as defined in the Securities Lending Agreement), the Equivalent Securities (as defined in the Securities Lending Agreement) delivered by the Securities Lending Counterparty to the Issuer shall comprise Charged Assets, subject as provided in paragraph (iii) below.

(iii) If upon termination of any Loan (as defined in the Securities Lending Agreement), the Securities Lending Counterparty elects to pay the Market Value (as defined in the Securities Lending Agreement) of Equivalent Securities (as defined in the Securities Lending Agreement) to the Issuer in lieu of delivery of Equivalent Securities, such amount so paid shall be credited to the Cash Deposit Account and shall comprise

## Charged Assets.

(iv) The Custodian has appointed the London Sub-Custodian specified in paragraph 47 below as Sub-Custodian in relation to its holding of the Charged Assets (other than Obligations) pursuant to the Agency Agreement. The Custodian has appointed the Tokyo Sub-Custodian specified in paragraph 47 below as Sub-Custodian in relation to its holding of any Obligations comprised in the Charged Assets pursuant to the Agency Agreement.

26. Transferor:
  - (a) Vendor: Not Applicable
  - (b) Dealer: Applicable
27. Substitution of Charged Assets: Not Applicable
28. Redeeming Charged Assets Proceeds Paid to Counterparty: Applicable. The proceeds of redemption of any Obligations comprised in the Charged Assets shall be paid by the Issuer to the Counterparty pursuant to the Swap Agreement.
29. Further Issues: For the purpose of Condition 21, Nominal Value Basis applies.
30. Swap Agreements: Applicable
  - (a) Counterparty: UBS AG, London Branch
  - (b) Swap Agreement(s): A 2002 ISDA Master Agreement and Schedule thereto (in the form of the Swap Schedule Terms Module, October 2017 Edition) made between the Issuer and the Counterparty dated as of 17 January 2018, as supplemented by a confirmation thereunder in respect of a swap transaction in respect of the Notes (such transaction, the “**Swap Transaction**”) between the same parties as of the same date (together, the “**Swap Agreement**”). A *pro forma* of the confirmation in respect of the Swap Transaction is set out in Schedule 2 to this Series Prospectus.
  - (c) Counterparties’ rights to assign and/or to delegate its rights and obligations under the Swap Agreement(s): Not Applicable (other than as specified in paragraph (d) below).
  - (d) Counterparty Replacement Option (Condition 3(b)): Applicable in respect of the Counterparty and the Swap Agreement. The Replacement Counterparty in respect of the Counterparty and the Swap Agreement is UBS Limited.
  - (e) Swap Termination Amount (if

any):

Transaction, or the benefit to the Counterparty (as a negative number) in relation to the termination of the Swap Transaction, including, but not limited to, any costs to the Counterparty (as a positive number) or the benefit to the Counterparty (as a negative number) in relation to the termination of any hedging transactions (including but not limited to funding transactions) entered into in connection with the Swap Transaction.

For the purpose of determining the cost or benefit in relation to the termination of the Swap Transaction (and for no other purpose), the Issuer shall be deemed to be obliged to pay to the Counterparty in respect of the Swap Transaction an amount on the Securities Lending End Date (as defined in the Securities Lending Agreement) equal to the Securities Lending Fee (as defined in the Securities Lending Agreement) which is deemed to be payable by the Securities Lending Counterparty for the purpose of determining the Costs of Termination thereunder.

The Swap Termination Amount shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

31. Security Ranking Basis:

Counterparty Priority Basis. The definition of Counterparty Priority Basis in the General Definitions Module shall be deleted and replaced as follows in relation to this Series of Notes:

“**Counterparty Priority Basis**” means first, in meeting the claims of the Counterparty under the Swap Agreement and the Securities Lending Counterparty under the Securities Lending Agreement on a *pari passu* and *pro rata* basis and, thereafter, in meeting the claims of the Noteholders on a *pari passu* and *pro rata* basis and lastly, in payment of the balance (if any) to the Issuer”.

32. Instructing Creditor:

Counterparty only

33. Custodian Account details:

The Custodian Account is Account ID DPLZ - VIS Finance SA Series 2018-02 at the Custodian (or such other account as may be advised by the Custodian from time to time) and the Cash Deposit Account GB43DEUT40508178446829 and/or GB16DEUT40508178446830 as applicable (or such other account as may be advised by the Custodian from time to time).

Each of the Custodian Account and the Cash Deposit Account are referred to herein as a

**“Custody Account”.**

The Cash Deposit Account is an interest-bearing account which may, in certain circumstances, bear interest at a negative rate, as further set out in the Agency Agreement.

- |     |                               |                |
|-----|-------------------------------|----------------|
| 34. | Counterparty Account details: | Not Applicable |
| 35. | Additional Charging Document: | Not Applicable |

**GENERAL PROVISIONS APPLICABLE TO THE SECURITIES**

- |     |  |   |
|-----|--|---|
| 36. | Separate Compartment:  | A separate compartment has been created by the board of directors of the Issuer in respect of the Notes (the <b>“Compartment”</b> ). The Compartment is a separate part of the Issuer’s assets and liabilities. The Charged Assets (relating to the Notes) are exclusively available to satisfy the rights of the holders of the Notes (in accordance with the terms and conditions set out in this Series Prospectus) and the rights of the creditors whose claims have arisen at the occasion of the creation, the operation or the liquidation of the Compartment, as contemplated by article 23 of the articles of association of the Issuer. |
| 37. | Whether the Issuer is able to purchase any of the Securities pursuant to Condition 9 (Purchase):                         | Applicable  |
| 38. | Pre-closing Date:  | Not Applicable  |
| 39. | (a) Form of Securities:  | Registered Note represented by a Global Certificate and exchangeable for a Definitive Registered Note.  |
|     | (b) New Global Note:   | No  |
| 40. | Additional Financial Center(s) or other special provisions relating to Payment Days:                                     | Not Applicable  |
| 41. | Talons for future Coupons to be attached to definitive Securities in bearer form and dates on which such Talons mature): | No  |



42. Details relating to Partly Paid Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any rights of the Issuer to forfeit the Securities and interest due on late payment: Not Applicable
43. Credit Linked Securities Terms:
- (a) Single Name Credit Linked Securities Terms: Not Applicable
- (b) Linear Basket Credit Linked Securities Terms: Not Applicable
44. Other terms: Applicable

**Additional Provision (1) – Charged Assets early redemption**

Condition 8(c) (*Charged Assets early redemption*) applies save that:

- (i) in the first paragraph thereof (commencing with the word “If” and ending with the words “and the Selling Agent” (and, for the avoidance of doubt, including sub-paragraph (i) to (v) thereof)),
- (a) each reference to “Charged Assets” shall be deleted and replaced by “Relevant Obligations”; and
- (b) no notice of a Relevant Obligations Early Redemption Event is required to be given to the Selling Agent; and
- (ii) in the penultimate line of sub-paragraph (iii) of the first paragraph, the words “60 days prior to the Trade Date” shall be deemed deleted and replaced with the words “60 days prior to 10 January 2018”.

For this purpose, “**Relevant Obligations**” means any unsubordinated debt obligations of the issuer of the Obligations or any successor issuer of the Obligations from time to time.

For the purposes of Condition 8(c), “**Relevant Obligations Terms and Conditions**” means, in respect of any Relevant Obligations, the terms and conditions thereof as at the time of the relevant occurrence or event with respect to such

Relevant Obligations.

## **Additional Provision (2) – Securities Lending**

In relation to this Series of Notes, the Issuer and UBS AG (in such capacity, the “**Securities Lending Counterparty**”) have entered into a securities lending agreement as evidenced by an International Securities Lending Association form of Global Master Securities Lending Agreement (January 2010 Version) and Schedule thereto together with a Securities Lending Confirmation, each dated on or about the Issue Date of the Notes (the “**Securities Lending Agreement**”).

Pursuant to the Securities Lending Agreement, the Securities Lending Counterparty has the right to borrow Obligations comprised in the Charged Assets from the Issuer on an uncollateralised basis, subject to and in accordance with the terms of the Securities Lending Agreement. The Trust Deed in respect of this Series of Notes provides for the automatic release of the Security Interests created over the Charged Assets to the extent that any Obligations comprised in the Charged Assets are required to be delivered to the Securities Lending Counterparty.

***For the avoidance of doubt, to the extent such right is exercised the Securities Lending Counterparty has no obligation to deliver or deposit any securities or cash with the Issuer in exchange for the Obligations, and the Notes will, to such extent, be uncollateralised until such time as Equivalent Securities are delivered to the Issuer by the Securities Lending Counterparty upon termination of one or more Loans.***

The Trustee has no responsibility to calculate the Market Value of any Securities or Equivalent Securities, and has no obligation to monitor withdrawals or deposits made to or from any Custody Account. Further, the Trustee shall have no obligation to monitor whether any default has occurred under the Securities Lending Agreement and, unless it shall have received express notice to the contrary, the Trustee shall be entitled to assume that no default has occurred and that each of the relevant transaction parties is observing and performing its obligations under such agreements. The Trustee shall have no obligation to exercise any applicable voting rights in relation to the Charged Assets. The Custodian is authorised and directed by the Issuer to make or arrange for deliveries and payments from, and to accept deliveries and payments to, or arrange

for deliveries and payments to be accepted to, the relevant Custody Account in accordance with the instructions of the Securities Lending Counterparty and is not responsible to ascertain whether any such instructions are given in accordance with the terms of the Securities Lending Agreement and shall have no liability whatsoever for any loss arising if any such instructions are not so given in accordance with the Securities Lending Agreement.

All references in the Conditions to Swap Agreement and Counterparty shall be construed (except to the extent provided below or otherwise modified by or expressly stated in these Terms) as references to both the Swap Agreement and the Securities Lending Agreement and both the Counterparty and the Securities Lending Counterparty, respectively.

In relation to the foregoing paragraph:

- (a) the provisions thereof shall not apply to Condition 4(c)(ii)(D) or to Condition 9(a);
- (b) references in Condition 8(b) to Swap Agreement and Counterparty shall be construed as references to either the Swap Agreement and the Counterparty or the Securities Lending Agreement and the Securities Lending Counterparty, respectively; provided that the termination of one or more Loans (as defined in the Securities Lending Agreement) but not the Securities Lending Agreement shall not give rise to an Early Redemption Event; and
- (c) the provisions thereof shall not apply to the definition of Instructing Creditor.

### **Additional Provision (3) – Exercise of Rights**

Notwithstanding anything to the contrary in the Conditions or the Trust Deed, the Issuer will not, for as long as an Event of Default (as defined in the Securities Lending Agreement) has not occurred in respect of which the Securities Lending Counterparty is the Defaulting Party (as defined in the Securities Lending Agreement), exercise any rights in its capacity as holder of the Charged Assets unless directed to do so by the Securities Lending Counterparty and, if any such direction is given, only in accordance with such direction. In such circumstances, the Custodian has agreed to exercise such rights (at the cost of

the Securities Lending Counterparty) in such manner as the Securities Lending Counterparty may direct.

#### **Additional Provision (4) – Definitions**

The following additional definitions shall apply in respect of the Notes:

Notwithstanding anything to the contrary in the General Definitions Module, “**Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London, Tokyo and a day on which the Target2 System is open; and

“**Payment Day**” shall have the same meaning as Business Day (defined above).

#### **Additional Provision (5) – Zero Coupon Securities**

The Notes are Zero Coupon Securities and will pay no interest. Condition 8(h) and Condition 10(d)(iv) shall not apply.

### **AGENTS AND OTHER PARTIES AND DISTRIBUTION**

- |     |                         |   |
|-----|-------------------------|---|
| 45. | Trustee:                | Deutsche Trustee Company Limited<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom  |
| 46. | Principal Paying Agent: | Deutsche Bank AG, London Branch<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom   |
| 47. | Custodian:              | Deutsche Bank Luxembourg S.A.<br>2, boulevard Konrad Adenauer<br>L-1115 Luxembourg<br>Luxembourg  |
|     |                         | Sub-Custodian(s):<br><br>Deutsche Bank AG, London Branch<br>Winchester House<br>1 Great Winchester Street<br>London EC2N 2DB<br>United Kingdom<br>(the “ <b>London Sub-Custodian</b> ”) |

Sumitomo Mitsui Banking Corporation  
 2-3, Otenachi 1-chome,  
 Chiyoda-ku Tokyo  
 100-0004,  
 Japan  
 (the “**Tokyo Sub-Custodian**”)

- |     |  |  |
|-----|--|--|
| 48. | Calculation Agent and Agent Bank:  | UBS AG, London Branch  |
| 49. | Selling Agent:   | UBS AG, London Branch  |
| 50. | Issuer’s Process Agent:  | As specified in the Trust Instrument   |
| 51. | Registrar:   | Deutsche Bank Luxembourg S.A.<br>2, boulevard Konrad Adenauer<br>L-1115 Luxembourg<br>Luxembourg |
| 52. | Transfer Agent:  | Deutsche Bank Luxembourg S.A.<br>2, boulevard Konrad Adenauer<br>L-1115 Luxembourg<br>Luxembourg |
| 53. | Additional Agent(s):   | Not Applicable   |
| 54. | (a) If syndicated, names and addressed of Managers and underwriting commitments: | Not Applicable   |
|     | (b) Date of Subscription Agreement:  | Not Applicable   |
|     | (c) Stabilising Manager(s) (if any):   | Not Applicable   |
| 55. | If non-syndicated, name and addresses of relevant Dealer:                        | UBS Limited of 5 Broadgate, London EC2M 2QS  |
| 56. | Net Settlement:  | Not Applicable   |
| 57. | Total commission and concession:   | Not Applicable   |
| 58. | U.S. Selling Restrictions:   | Reg. S Category 2; TEFRA Not Applicable  |
| 59. | Non exempt Offer:  | Not Applicable   |
| 60. | Additional selling restrictions:   | <b>Hong Kong</b>   |

Each purchaser 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 Notes, 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 Notes 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 (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## **Japan**

The Notes have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law no. 25 of 1948, as amended) (“**FIEL**”), accordingly no Notes nor any interest therein shall be sold, directly or indirectly, in Japan or to, or for the benefit of any Japanese person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **Singapore**

This Series Prospectus and the Base Prospectus related to the VIS Finance SA Limited Recourse Secured Securities Programme have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Series Prospectus, the Base Prospectus related to the VIS Finance SA Limited Recourse Secured Securities Programme and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased

under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, where the transfer arises from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **United States**

The Notes covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered, sold or otherwise transferred at any time within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulations S). The Notes may be offered, sold or otherwise transferred at any time only to persons that are Non-United States Persons (as defined by the Commodity Futures Trading

Commission).

## **PURPOSE OF SERIES PROSPECTUS**

This Series Prospectus comprises the terms required for issue of the Notes described herein pursuant to the Limited Recourse Secured Securities Programme of VIS Finance SA.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Series Prospectus.

Signed on behalf of VIS Finance SA, acting in respect of Compartment 2018-02

By:.....

*Duly authorised*



## OTHER INFORMATION

1. **ADMISSION TO TRADING AND LISTING** The Issuer may at its option list the Notes on any stock exchange.
2. **RATINGS** The Notes have not been rated.
3. **OPERATIONAL INFORMATION**
  - (i) ISIN Code: XS1753892378
  - (ii) Common Code: 175389237
  - (iii) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable
  - (iv) 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 Series Prospectus, 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. 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.

## SCHEDULE 1

### DESCRIPTION OF SECURITIES LENDING AGREEMENT

*The following description of the Securities Lending Agreement is qualified in its entirety by reference to the detailed provisions of the Securities Lending Agreement (which comprises the International Securities Lending Association Global Master Securities Lending Agreement (January 2010 Version) together with the Schedule thereto and the Securities Lending Confirmation entered into between the Issuer (referred to below as “**Lender**”) and the Securities Lending Counterparty (referred to below as “**Borrower**”). The following description is a summary of certain provisions of the Securities Lending Agreement and does not purport to be complete. Copies of the documents comprising the Securities Lending Agreement are available upon request and prospective investors in the Notes must read such documents for detailed information regarding the terms of the Securities Lending Agreement.*

#### 1. Loans of Securities

The securities (“**Securities**”) to which the Securities Lending Agreement relates are the Obligations (or any of them) comprised in the Charged Assets. Lender has granted Borrower the option at any time and from time to time to borrow Securities from Lender (a “**Loan**”). If Borrower borrows Securities from Lender, title to the relevant Securities (“**Loaned Securities**”) will be transferred to Borrower free from all liens, charges and encumbrances. For the avoidance of doubt, Borrower shall not be obliged to retain legal and/or beneficial ownership of any Loaned Securities and Borrower shall be free to deal with the Loaned Securities in any manner which it thinks fit including, without limitation, disposing of all or any of such Loaned Securities or any of its rights with respect thereto, to one or more third parties.

Borrower may terminate a Loan at any time and deliver Equivalent Securities or an amount equal to the Market Value (as defined below) of Equivalent Securities to Lender. For the purposes of the Securities Lending Agreement, “**Equivalent**” or “**equivalent to**” means, in relation to any Loaned Securities, Securities or other property, of an identical type, nominal value, description and amount to particular Loaned Securities (as the case may be) so provided or, in the case of redemption, a sum of money equivalent to the proceeds of the redemption.

“**Calculation Agent**” means Borrower who, whenever it is required to make a determination or exercise judgement in any other way in its capacity as Calculation Agent, will act in good faith and in a commercially reasonable manner.

“**Market Value**” means in relation to the valuation of Securities or Equivalent Securities:

- (i) such price as is equal to the market quotation for the mid price of such Securities or Equivalent Securities as derived from a reputable pricing information service reasonably chosen in good faith by the Calculation Agent; or
- (ii) if unavailable the market value thereof as derived from the mid price or rate bid by a reputable dealer for the relevant instrument reasonably chosen in good faith by the Calculation Agent,

in each case at close of business on the previous Business Day, or the latest available price if in the reasonable opinion of the Calculation Agent there has been an exceptional movement in the price of the asset in question since such time, plus (in each case):

- (iii) the aggregate amount of Income which has accrued but not yet been paid in respect of the Securities or Equivalent Securities concerned to the extent not included in such price,

provided that in certain exceptional circumstances the price of Securities or Equivalent Securities will be based on quotations obtained by the Calculation Agent from leading dealers selected by the Calculation Agent in good faith.

**“Securities Lending End Date”** means the day which is three Business Days prior to the Maturity Date.

## 2. **Manufactured payments**

Where the term of a Loan extends over an Income Record Date in respect of any Loaned Securities, Borrower is required, on the date such Income is paid, to pay or deliver to Lender a sum of money or property equivalent to (and in the same currency as) the type and amount of such Income that would be received by Lender in respect of such Loaned Securities assuming such Securities were not loaned to Borrower and were retained by Lender on the Income Record Date.

**“Income”** means any interest, dividends or other distributions of any kind whatsoever with respect to any Securities.

**“Income Record Date”** means the date for payment of Income.

## 3. **Securities Lending Fee**

No Securities Lending Fee is actually payable by Borrower to Lender but, for the purpose of determining the Costs of Termination, the Securities Lending Fee is deemed to be payable by Borrower to Lender on the Securities Lending End Date.

## 4. **Exercise of voting rights**

Where any voting rights fall to be exercised in relation to any Loaned Securities, Borrower shall not have any obligation to arrange for voting rights of that kind to be exercised in accordance with the instructions of Lender in relation to the Securities borrowed by it unless otherwise agreed between the parties. Under no circumstances shall the Trustee be obliged to exercise any such voting rights.

## 5. **Events of Default**

The events of default applicable to the parties to the Securities Lending Agreement (the relevant defaulting party being the **“Defaulting Party”** and the other party being the **“Non-Defaulting Party”**) and such event being **“Events of Default”**) are set out in the Securities Lending Agreement and include failure to make a payment or delivery when due or to perform any other obligation under the Securities Lending Agreement (in each case, subject to certain grace periods), the occurrence of certain insolvency events and breach of warranty. The occurrence of an Event of Default in respect of the Notes is also an Event of Default with respect to which Lender is the Defaulting Party.

If an Event of Default occurs the parties’ delivery and payment obligations (and any other obligations they have under the Securities Lending Agreement) shall be accelerated so as to require performance thereof at the time such Event of Default occurs (the date of which shall be the **“Termination Date”**) so that performance of such delivery and payment obligations shall be effected only in accordance with the following provisions:

- (a) The Default Market Value of the Equivalent Securities to be delivered and any other cash (including interest accrued) to be paid by the Borrower are required to be established by the Non-Defaulting Party and deemed as at the Termination Date.

- (b) On the basis of the sums so established, an account is required to be taken (as at the Termination Date) of what is due from each party to the other under the Securities Lending Agreement (on the basis that each party's claim against the other in respect of delivery of Equivalent Securities equal to the Default Market Value thereof) and the sums due from one party shall be set off against the sums due from the other and only the balance of the account shall be payable (by the party having the claim valued at the lower amount pursuant to the foregoing) and such balance shall be payable on the next following Business Day after such account has been taken and such sums have been set off in accordance with this paragraph. For the purposes of this calculation, any sum not denominated in Euro shall be converted into Euro. Any additional payment due on termination (as described under paragraph 9 (*Termination – Costs of Termination*) below) shall be subject to set-off as described in paragraph (b) above.

The Securities Lending Agreement sets out a detailed methodology for determining the market value of Equivalent Securities following the occurrence of an Event of Default (the “**Default Market Value**”).

## 6. **Termination**

The following provisions apply in relation to the termination of the Securities Lending Agreement and/or any Loan thereunder:

### **Termination on the Securities Lending End Date**

The Securities Lending Agreement will terminate, unless otherwise terminated in full and subject as otherwise provided in the Securities Lending Agreement, on the Securities Lending End Date (but without prejudice to the respective rights, obligations and remedies of Lender and Borrower in respect of any Loan outstanding at such time and save in respect of any antecedent breach whether or not known at such date).

### **Termination following purchase of the Notes or the Notes becoming due and repayable**

If at any time all the Notes fall due and payable in full prior to their Maturity Date for any reason unless an Event of Default has occurred (in which case, see paragraph 8 (*Events of Default*) above) or if Lender notifies Borrower of an intention to purchase all of the Notes pursuant to Condition 9, Borrower is required, if any Loan is outstanding under the Securities Lending Agreement, as soon as reasonably practicable after having become aware of the same, to terminate all outstanding Loans.

If at any time all the Notes fall due and payable in part only or only some of the Notes fall due and payable prior to the Maturity Date, in each case for whatever reason, or if Lender notifies Borrower of an intention to purchase only some of the Notes pursuant to Condition 9, Borrower is required, if any Loan is outstanding under the Securities Lending Agreement as soon as reasonably practicable after having become aware of the same, to terminate each outstanding Loan in a proportion corresponding to at least the proportion which the principal amount of Notes to be redeemed or repurchased bears to the principal amount of all the Notes immediately prior to such redemption or repurchase, as determined by Borrower.

### **Termination following an Event of Default (in the absence of any outstanding Loan)**

If no Loan is outstanding under the Securities Lending Agreement and if an Event of Default occurs, the Securities Lending Agreement shall immediately terminate (but without prejudice to the respective rights, obligations and remedies of Borrower and Lender in respect of antecedent breach of the Securities Lending Agreement whether or not known as at such date).

### **Termination following a Tax Event**

If a Withholding Event occurs or if Lender (or the Trustee on behalf of Lender) notifies Borrower (or Borrower notifies Lender) that:

- (i) any action taken by a taxing authority or brought in a competent jurisdiction (regardless of whether such action is taken or brought with respect to Borrower or to Lender); or
- (ii) a change in the fiscal or regulatory requirements (including but not limited to a change in law or in the general interpretation of law but excluding any change in any rate of Tax)

has or will, in the notifying party's reasonable opinion, have a material adverse effect on that party in the context of a Loan (an "**Adverse Tax Event**"), either party (in the case of a Withholding Event) or the notifying party (in the case of an Adverse Tax Event) may by notice to the other party in writing (such written notice, a "**Tax Event Termination Notice**") terminate any Loan affected by such Withholding Event or (as the case may be) Adverse Tax Event with effect from the date specified in such Tax Event Termination Notice (not being earlier than 14 Business Days after the date on which such Tax Event Termination Notice is given and no later than two Business Days prior to the Securities Lending End Date) by nominating that date as the termination date in respect of that Loan.

**"Withholding Event"** means that a deduction or withholding for or on account of any tax is required by applicable law in respect of any payment under the Securities Lending Agreement.

### **Costs of Termination**

If as a result of the termination of any Loan pursuant to any of the above paragraphs headed *Termination following purchase of the Notes or the Notes becoming due and repayable, Termination following an Event of Default (in the absence of any outstanding Loan) or Termination following Tax Event* or the termination of the Securities Lending Agreement (other than by reason of the occurrence of an Event of Default where Borrower is the Defaulting Party) pursuant to paragraph 8 (*Events of Default*) above a party (the "**first party**") incurs any loss or expense in entering into replacement transactions or replacing or unwinding any hedging transactions, the other party shall be required to pay to the first party the amount determined by the first party in good faith to be equal to the loss or expense incurred in connection with such replacement transactions or such replacement or unwinding (including all fees, costs and other expenses) less the amount of any profit or gain made by that party in connection with such replacement transactions or such replacement or unwinding; provided that if that calculation results in a negative number, an amount equal to the absolute value of that number shall be payable by the first party to the other party. If an Event of Default has occurred where Lender is the Defaulting Party, the amount due from one party to the other as described above shall be subject to set-off as described in paragraph 8 (*Events of Default*) above.

For the purpose of determining the costs of termination in accordance with the foregoing paragraph (and for no other purpose) a Securities Lending Fee shall be deemed to be payable by Borrower on the Securities Lending End Date.

**"Securities Lending Fee"** means an amount equal to:

Nominal × Fee Rate × Day Count Fraction;

**"Nominal"** means JPY 26,800,000,000 (provided that if any Notes are purchased or cancelled or if there is a further issue which is consolidated with and forms a part of the Notes, the Nominal will be adjusted proportionately);

**"Fee Rate"** means 0.22 per cent. per annum; and

**“Day Count Fraction”** means a fraction the numerator of which is the number of days from and including the Issue Date to but excluding the Securities Lending End Date, and the denominator of which is 360.

7. **Assignment**

Neither party to the Securities Lending Agreement is permitted to charge, assign or otherwise deal with all or any of its rights or obligations without the prior consent of the other party, subject to certain limited exceptions.

However, Borrower has agreed and consented to the assignment by way of security by Lender of all of the Lender’s rights under the Securities Lending Agreement (for the avoidance of doubt, without prejudice to, and after giving effect to, any contractual netting or set-off provision contained in the Securities Lending Agreement) to the Trustee in accordance with the terms of the Trust Instrument.

## SCHEDULE 2

### **PRO FORMA CONFIRMATION IN RESPECT OF SWAP TRANSACTION**

UBS AG, London Branch  
5 Broadgate  
London EC2M 2QS  
(**"UBS"**)

VIS Finance SA  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg  
(**"VIS"**)

Fax no.: +352 421 22 718  
Attention: The Directors

17 January 2018

Dear Sirs

The purpose of this letter agreement is to set out the terms and conditions of the Swap Transaction entered into between us on the Trade Date specified below (the **"Swap Transaction"**). This letter agreement constitutes a **"Confirmation"** as referred to in the Agreement (as defined below).

Words and expressions used, but not otherwise defined herein, shall have the same meaning ascribed to them (or incorporated by reference) in the Terms of the VIS Series 2018-02 EUR 200,000,000 Zero Coupon Uncollateralised Notes linked to JGBs, exposed to unsecured UBS Credit Risk due 2018 (the **"Notes"**).

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

#### 1. **Swap Agreement**

This Confirmation supplements, forms part of, and is subject to, the ISDA Master Agreement dated as of 17 January 2018 (as the same may be amended or supplemented from time to time, the **"Agreement"**) entered into between UBS and VIS by their execution of the Trust Instrument dated 17 January 2018 between them and certain other persons for purposes including constituting and prescribing the Conditions of the Notes. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

#### 2. **Terms of Swap Transaction**

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

Trade Date: Issue Date.

Effective Date: Issue Date.

Termination Date:	Maturity Date.
Calculation Agent:	UBS.
Business Days:	The Business Days applicable to the Notes shall apply.

Fixed Payments

Fixed Rate Payer:	VIS.
Fixed Amounts:	All amounts (other than redemption amounts) payable to VIS or which would be payable to VIS if it were the holder thereof in respect of the Obligations. For the avoidance of doubt, if any such amounts received or which would be received by VIS are subject to withholding or deduction for or on account of any tax so that VIS receives or would receive a net amount, VIS shall be obliged to pay to UBS in respect of such distribution only such net amount.

Fixed Rate Payer Payment Dates:	Each date an amount is due under the terms of the Obligations.
	Furthermore, if the Obligations are not delivered on the Issue Date, then until such time as the Obligations are delivered to VIS pursuant to Condition 4(c)(ii), VIS shall pay to UBS amounts equal to any amounts of interest earned on the Cash Deposit Account as contemplated by Condition 4(c)(ii)(D).

Final Exchange

UBS Final Exchange Amount:	An amount equal to the Final Redemption Amount payable pursuant to the Terms and Conditions of the Notes on the Maturity Date falling immediately after such Final Exchange Date.
VIS Final Exchange Amount:	On the Final Exchange Date, VIS shall transfer all of the Charged Assets at such time (or an amount equal to the redemption proceeds thereof) to UBS.
Final Exchange Date:	One Business Day prior to the Termination Date.

3. **Other Provisions**

Section 6(e) of the Agreement shall not apply. If an Early Termination Date occurs, the amount payable in respect of the Early Termination Date with respect to this Swap Transaction shall be the Swap Termination Amount (as defined in, and determined in accordance with, the Terms of the Notes). If the Swap Termination Amount is a positive number it shall be payable by VIS to



UBS and if the Swap Termination Amount is a negative number, the absolute value of such negative number shall be payable by UBS to VIS.

4. **Account Details**

Payments/Deliveries to UBS: to be advised

Payments/Deliveries to VIS: to be advised

Please confirm that the foregoing correctly sets out the terms of our agreement by executing two copies of this Confirmation and returning one duly executed copy to us at your earliest convenience.

Yours sincerely

**UBS AG, LONDON BRANCH**

By: .....  
Authorised Signatory

By: .....  
Authorised Signatory

Accepted and confirmed as  
of the date written above:

**VIS FINANCE SA**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
R.C.S. Luxembourg B.166.336  
acting in respect of Compartment 2018-02

By: .....  
Authorised Signatory

By: .....  
Authorised Signatory

## DESCRIPTION OF THE INITIAL CHARGED ASSETS

The following information has been produced on the basis of information available to the Issuer from public sources. Such information has been accurately reproduced and as 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 issuer of the Initial Charged Assets does not accept any responsibility or liability for the accuracy or completeness of the information set out below. The following information and other information contained in these Listing Particulars relating to the Initial Charged Assets is a summary only of certain terms and conditions.

Initial Charged Assets: JPY 26,800,000,000 principal amount of Japanese Government Bonds due 10 July 2018 (ISIN: JP1747311J13).

Issuer of the Initial Charged Assets: The Government of Japan.

Registered Office: 3-1-1 Kasumigaseki, Chiyoda-Ku, Tokyo 100-8940, Japan.

Country of Incorporation: Japan.

Description of business/principal activities: Sovereign.

Method of Origination: The Initial Charged Assets were issued by auction through the Japanese Ministry of Finance.

Listing: The Issuer of the Charged Assets has securities admitted to trading on the Tokyo Stock Exchange. The Initial Charged Assets are unlisted.

Governing Law: Japanese Law.

## **GENERAL INFORMATION**

### **1. Authorisation**

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of the Securities. The issue of the Securities was duly authorised by a resolution of the board of directors of the Issuer dated 16 January 2018.

### **2. Interests of Natural and Legal Persons in the Issue**

So far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.

### **3. Significant or Material Change**

There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since 31 December 2016.

### **4. Litigation**

There are no legal, governmental or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had since the date of its incorporation a significant effect on the financial position or profitability of the Issuer.

### **5. Documents On Display**

For so long as the Securities remain admitted to trading on the Irish Stock Exchange, copies of the following documents be available in physical form during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer:

- (a) the Articles of Association of the Issuer;
- (b) the audited annual accounts of the Issuer for the financial year ending on 31 December 2015;
- (c) the audited annual accounts of the Issuer for the financial year ending on 31 December 2016;
- (d) the Trust Instrument relating to the Securities (and the documents incorporated therein, including, inter alia, the Agency Agreement, the Swap Agreement, the Securities Lending Agreement and the Sale Agreement);
- (e) the Base Listing Particulars;
- (f) these Listing Particulars and the documents incorporated by reference herein.

### **6. Post Issuance Reporting**

The Issuer does not intend to provide post-issuance information in relation to the Securities.

### **7. Estimated Total Expenses**

The Arranger has agreed to take responsibility for the expenses relating to the admission to trading and therefore the cost of such expenses to the Issuer is nil.

**8. Listing Agent**

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Securities and is not itself seeking listing of the Securities to the Official List of the Irish Stock Exchange or admission to trading on the Global Exchange Market of the Irish Stock Exchange.

**9. UBS AG Admission to Trading**

UBS AG has securities admitted to trading on the regulated market of the Irish Stock Exchange.

## **REGISTERED OFFICE OF THE ISSUER**

2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

## **ARRANGER**

**UBS Limited**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

## **TRUSTEE**

### **Deutsche Trustee Company Limited**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

## **TRANSFER AGENT, REGISTRAR AND CUSTODIAN**

**Deutsche Bank Luxembourg S.A.**  
2, boulevard Konrad Adenauer  
L-1115 Luxembourg  
Luxembourg

## **PRINCIPAL PAYING AGENT**

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

## **CALCULATION AGENT**

**UBS AG, London Branch**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

## **LEGAL ADVISERS**

To the Arranger as to English law:

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

To the Arranger as to Luxembourg law:

**Allen & Overy Luxembourg**  
33 avenue J.F. Kennedy  
L-1855 Luxembourg  
Luxembourg

## **IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**  
10 Earlsfort Terrace  
Dublin 2  
Ireland