

Prospectus dated 05 November 2018

**EIRLES TWO DESIGNATED ACTIVITY COMPANY**

*(incorporated with limited liability in Ireland)* (the "**Issuer**")

**PROSPECTUS**

**Series 376 JPY2,000,000,000 Fixed Rate Notes due 2027 (the "Notes")**

**issued under the EUR10,000,000,000 Secured Note Programme**

**ARRANGER**

**Deutsche Bank AG, London Branch (the "Arranger")**

The Base Prospectus issued in relation to the EUR 10,000,000,000 Secured Note Programme (the "**Programme**") of Eirles Two Designated Activity Company (the "**Issuer**") dated 24 April 2017 (the "**Base Prospectus**") (including the documents incorporated into the Base Prospectus by reference) is, subject as provided in the section entitled "*Documents Incorporated By Reference*" below, incorporated by reference in this document (this "**Prospectus**"). Full information on the Issuer and the Notes is only available on the basis of this Prospectus when read in conjunction with the Base Prospectus (as so incorporated by reference). Unless otherwise defined in this Prospectus, terms defined in the Base Prospectus have the same meaning in this Prospectus.

This Prospectus has been approved by the Central Bank of Ireland (the "Central Bank"), in its capacity as competent authority under Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, the "Prospectus Directive"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

This Prospectus comprises a prospectus for the purposes of Article 5.3 of the Prospectus Directive.

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (the "**Euronext Dublin**") for the Notes to be admitted to trading on its regulated market and to be listed on the official list of Euronext Dublin. There is no assurance that any listing will be obtained or that any listing which is obtained will be maintained for the term of the Notes or any other period. The Listing Agent appointed in respect of the Notes is Deutsche Bank AG, London Branch.

Pursuant to the Trust Instrument dated the issue date of Notes (the "**Trust Instrument**"), the Notes will be secured by (amongst other things): (i) a first fixed charge in favour of Deutsche Trustee Company Limited, in its capacity as trustee (the "**Trustee**") over or in respect the Collateral (as defined in the section entitled "*Terms and Conditions*" below) to be purchased by the Issuer on the issue date of Notes; (ii) a first fixed charge in favour of the Trustee over the Issuer's rights, title and interest under each of: (a) the Swap Agreement (as defined in the section entitled "*Terms and Conditions*" below) and the agency agreement dated the issue date of Notes and entered into between the Issuer, the Trustee and Deutsche Bank AG, London Branch (in its capacity as selling agent (the "**Selling Agent**"), as custodian (the "**Custodian**"), as issuing and paying agent (the "**Agent**") and as calculation agent (the "**Calculation Agent**")) (the assets, rights, title and interest which are the subject of such security, together with the other security described in the Trust Instrument, the "**Mortgaged Property**"). The respective rankings and entitlements in respect of the proceeds (if any) of enforcement of such security are set out in the section entitled "*Terms and Conditions*" below.

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

**The attention of investors is drawn to the section headed "*Risk Factors*" on page 7 of this Prospectus.**

## IMPORTANT NOTICES

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

The Issuer is a private limited company and accordingly its Articles of Association prohibit any invitation to the public to subscribe for any shares or debentures of the Issuer. This Prospectus does not constitute an invitation to the public within the meaning of the Irish Companies Act 2014 (as amended) (the "**Companies Act 2014**") to subscribe for the Notes.

The Notes constitute secured, limited recourse obligations of the Issuer and are not principal protected. Claims against the Issuer by each of the holders of the Notes, the Swap Counterparty and each other party (each, a "**Secured Party**") entitled to the benefit of the security granted in favour of the Trustee will be limited to the Mortgaged Property. If the net proceeds of the enforcement of the Mortgaged Property are not sufficient to make all payments due in respect of the Notes and due to the Swap Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and all claims of (and all debts, liabilities and obligations owing by the Issuer to) holders of the Notes, the Swap Counterparty and each Secured Party in respect of any such shortfall shall be extinguished and no such party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer as a consequence of any such shortfall. Such a shortfall will be borne by the holders of the Notes, the Swap Counterparty and the Secured Parties as specified in the section entitled "*Terms and Conditions*" below.

The Notes are not guaranteed by the Arranger, or any of its respective affiliates and none of the Arranger nor any of its respective affiliates has or will have any obligations in respect of the Notes. The Notes will represent secured limited recourse obligations of the Issuer only.

No person is or has been authorised to give any information or to make any representations, other than those contained in this Prospectus, in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer. Neither the delivery of this Prospectus nor any offering, sale or delivery made in connection herewith shall, under any circumstances, create any implication that: (i) the information herein is correct as of any time subsequent to the date hereof; (ii) there has been no change in the affairs or financial condition of the Issuer since the date hereof; or (iii) any other information supplied in connection with the Programme is accurate or complete at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Arranger disclaims any responsibility to advise Noteholders of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date of this Prospectus or from time to time thereafter.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Arranger that any recipient of this Prospectus or any recipient of any other information supplied in connection with the Programme or the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or the Arranger to subscribe for or to purchase any Notes.

Any investment in the Notes does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland (the "**Central Bank**"). The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being

taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where such action is required. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Arranger do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes.

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by and construed in accordance with English law.

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Prospectus or confirmed the accuracy or the adequacy of the information contained in this Prospectus. Any representation to the contrary is unlawful.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restriction. The publication of this Prospectus is not intended as an offer or solicitation for the purchase or sale of any Notes in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction. The Notes have not been and will not be registered under the Securities Act and will not be approved by the U.S. Commodity Futures Trading Commission (the "CFTC") under the U.S. Commodity Exchange Act of 1936, as amended (the "CEA"), and may include Notes in bearer form that are subject to U.S. tax law requirements. The Issuer has not registered and will not register under the Investment Company Act. Consequently, the Notes may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S except in accordance with the Securities Act or an exemption therefrom, or for any purpose under the CEA, or any rule, guidance or order proposed or issued under the CEA. For a description of certain restrictions on offers, sales and transfers of Notes and Alternative Investments and on distribution of this Base Prospectus, see the sections entitled "Subscription and Sale and Transfer Restrictions" in each of the Base Prospectus and this Prospectus.

Any transfer or other disposition of any legal or beneficial ownership interest in a Note to (i) an employee benefit plan (as defined in section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended, ("ERISA")), whether or not subject to ERISA; (ii) a plan described in section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended; or (iii) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity under US Department of Labor Regulations § 2510.3-101 (29 c.f.r. § 2510.3-101) (each a "**Benefit Plan Investor**"), or to a transferee using the assets of a Benefit Plan Investor to acquire such interest or holding such interest for or on behalf of a Benefit Plan Investor, shall be deemed to be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note, and the Issuer shall be entitled to cease to make any payments in respect of Notes held by such a transferee.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved.

THE NOTES OFFERED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED WITH, OR APPROVED BY, ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A

CRIMINAL OFFENCE.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME

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

**Benchmark Regulation –** Amounts payable under the Notes may be calculated by reference to LIBOR, EURIBOR or SHIBOR (or such other benchmark as may be specified in the relevant Prospectus) which is provided by Intercontinental Exchange, Inc. (in the case of LIBOR), the European Money Markets Institute (in the case of EURIBOR) or the People's Bank of China (in the case of SHIBOR) (or such other administrator as specified in the relevant Prospectus). As at the date of this Base Prospectus, the Intercontinental Exchange, Inc., the European Money Markets Institute and the People's Bank of China do not appear, as at the date of the Base Prospectus, on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that Intercontinental Exchange, Inc. (in the case of LIBOR), the European Money Markets Institute (in the case of EURIBOR) or the People's Bank of China (in the case of SHIBOR) are not currently required to obtain, or may be in the process of obtaining, authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

**MIFID II product governance / target market –** The Prospectus in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "MiFID Product Governance Rules"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

**THE ISSUE OF THE NOTES IS OF A SPECIALIST NATURE AND THE NOTES SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS. 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 THE SUITABILITY OF THE NOTES AS AN INVESTMENT IN LIGHT OF THEIR OWN CIRCUMSTANCES AND FINANCIAL CONDITION. IT IS THE RESPONSIBILITY OF**

**PROSPECTIVE PURCHASERS TO ENSURE THAT THEY HAVE SUFFICIENT KNOWLEDGE, EXPERIENCE AND PROFESSIONAL ADVICE TO MAKE THEIR OWN LEGAL, FINANCIAL, TAX, ACCOUNTING AND OTHER BUSINESS EVALUATION OF THE MERITS AND RISKS OF INVESTING IN THE NOTES. NOTES MAY INVOLVE A HIGH DEGREE OF RISK, AND POTENTIAL INVESTORS MAY SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT IN THE NOTES. SEE THE SECTION HEADED "*RISK FACTORS*" BELOW.**

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## RISK FACTORS

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: (I) CONSULT WITH THEIR OWN LEGAL, REGULATORY, TAX, FINANCIAL AND ACCOUNTING ADVISERS; AND (II) 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 THIS PROSPECTUS (INCLUDING THE DOCUMENTS INCORPORATED HEREIN BY REFERENCE) INCLUDING, IN PARTICULAR: (I) THE CONSIDERATIONS SET FORTH BELOW AND (II) THE RISKS SET OUT IN THE SECTIONS ENTITLED "*RISK FACTORS*" AND "*INVESTOR SUITABILITY*" IN THE BASE PROSPECTUS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER OR THE ARRANGER.

AN INVESTMENT IN THE NOTES MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY. THE AMOUNT PAID (OR THE ASSETS DELIVERED) BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN (OR MAY HAVE A VALUE LESS THAN) THE PRINCIPAL AMOUNT OF THE NOTES AND IN CERTAIN CIRCUMSTANCES MAY BE (OR MAY HAVE A VALUE OF) ZERO.

THE NOTES INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

Terms used in this section and not otherwise defined shall have the meanings given to them in "*Terms and Conditions of the Notes*".

Investment in the Notes is only suitable for sophisticated investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate all of the information contained in the Base Prospectus and this Prospectus (including without limitation the terms and conditions of the Notes) and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
- (4) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities that are active on a regular and professional basis in the financial markets for their own account.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Collateral (as it may change from time to time) and the obligor(s) in respect thereof, the security arrangements, the Notes, the Swap Counterparty and all other relevant persons and market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes.

Further, each prospective purchaser of Notes must determine, based on its own independent review and

such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, regulatory requirements and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Arranger, the Swap Counterparty or any other person has or will make any representation or statement as to the suitability of the Notes for investors. Investors should obtain all required independent professional advice before purchasing the Notes.

Investors should further note that if the net proceeds of the realisation of the security created pursuant to the Trust Instrument are not sufficient to make all payments due in respect of the Notes and for the Issuer to meet its obligations in respect of the termination of the Swap Agreement then the obligations of the Issuer in respect of the Notes and the Swap Agreement will be limited to such net proceeds, and the other assets of the Issuer will not be available for payment of any such shortfall which shall be borne by the Noteholders and the Swap Counterparty according to the priorities specified in the Trust Instrument.

The Notes are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves and secured in the manner described in the Terms of the Notes. Recourse in respect of the Notes will be limited to the Mortgaged Property relating to the Notes. Claims of (and debts, liabilities and obligations owing by the Issuer to) Noteholders in respect of the Notes and any other persons entitled to the benefit of the security for the Notes shall rank in accordance with the priorities specified in the Trust Instrument and in this Prospectus.

The Issuer believes that the factors described below represent the material risks inherent in investing in Notes, but a decline in the value of, or the payments due under, the Notes and/or the inability of the Issuer to pay amounts on or in connection with any Notes may occur for other reasons. The Issuer does not represent that the statements below regarding the risks of holding Notes are exhaustive. This Prospectus and the Base Prospectus do not describe all of the risks and investment considerations associated with the purchase of the Notes and are provided as general information only.

### ***Special purpose vehicle***

The Issuer is a special purpose vehicle whose sole business is the raising of money by issuing notes and entering into loans for the purposes of purchasing assets and entering into related derivatives and other contracts.

### ***No principal protection***

The Notes are not principal protected and future returns are not guaranteed. Accordingly, a Noteholder may lose a substantial amount or potentially all of its investment in the Notes.

### ***Limited Recourse Obligations***

The Notes represent limited recourse debt obligations of the Issuer. The Notes are payable solely from the realisation of the security created pursuant to the Trust Instrument. None of the Trustee, the Swap Counterparty or any of their affiliates or any other person or entity will be obliged to make payments in respect of the Notes. Consequently, the holders of the Notes must rely solely on distributions from the Swap Agreement and the Collateral charged to secure the Notes for the payment of principal and interest. If payments by the Swap Counterparty and/or secured property are insufficient to make payments on the Notes, no other assets (including, in particular, assets of the Issuer securing other loans or series of notes) will be available for payment of the shortfall and, following realisation of the Mortgaged Property charged to secure the Notes, none of the Issuer, the Swap Counterparty, the Trustee or any of their affiliates nor any other person shall be obliged to pay any such shortfall and all outstanding claims (and all outstanding debts, liabilities and obligations owing by the Issuer) in respect of such shortfall shall be extinguished. The Trustee, the Noteholders, the Swap Counterparty and the other secured creditors shall



have no further claim against the Issuer in respect of such unpaid amounts.

### ***Compounding Risk***

An investment in the Notes involves risks and should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, commodities, interest rates, etc., and the risks associated with such investments. More than one risk factor may have simultaneous effects with regard to the Notes such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect, which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

### ***Priority of Claims***

The Trustee is obliged pursuant to the terms of the Trust Instrument in relation to the Notes to apply all moneys received by it in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument in accordance with "Counterparty Priority" (as defined in the Conditions). In such circumstances, the Trustee will apply moneys received by it to pay any amounts owed to it under the Trust Instrument and/or to the Custodian and the Agent under the Agency Agreement and/or to the Swap Counterparty under the Swap Agreement (as applicable) before paying amounts owing to Noteholders under the Notes. There may be insufficient moneys left from the realisation or enforcement of the security, following such payments to pay amounts owing to Noteholders in full or at all.

Noteholders' rights in respect of the proceeds of realisation or enforcement of the security constituted by or pursuant to the Trust Instrument will be subordinated to all higher-ranking claims. In particular, the Swap Counterparty will rank ahead of the Noteholders in all circumstances (including without limitation in circumstances where the Swap Counterparty is in default under the Swap Agreement). Amendments have been made to (amongst other things) Condition 4.4(A) of the Notes in this regard.

### ***Bond Collateral Risk***

The holders of the Notes are exposed, *inter alia*, to the performance of the Bond Collateral. If the Notes are redeemed prior to the Maturity Date (which may occur for multiple different reasons, including a default in respect of the Bond Collateral), the Noteholders are exposed to the risk that the market value of the Bond Collateral may have reduced (potentially to zero) or that the creditworthiness of BNP Paribas may have deteriorated. In such circumstances, the redemption value of the Notes will, in whole or in part, be based on, or linked to, the market value of the Bond Collateral (which may be significantly less than the original investment of the Noteholders and may be zero). Accordingly, the Noteholders could lose all or substantially all of their original investment.

The Bond Collateral shall include the rights, title and/or interest in and to any further collateral acquired by the Issuer by way of substitution or replacement of any Bond Collateral previously held by the Issuer and any asset or property (which may, for the avoidance of doubt, include debt or equity instruments and/or the benefit of any contractual rights) into which the Bond Collateral is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Bond Collateral for or on behalf of the Issuer) by reason of its holding thereof, in each case including but without limitation by reason of any bail-in of the Bond Collateral whereby national authorities are given resolution powers to write down and convert certain liabilities into ordinary shares or other instruments.

No investigation, due diligence or other enquiries have been made by the Issuer, the Arranger or any other person in respect of the Bond Collateral. No representations, warranties or undertakings whatsoever have been or will be made by the Issuer or any other person in respect of the Bond Collateral.

Following the delivery of the Bond Collateral to the Noteholder, (1) the Issuer shall be deemed to have discharged all of its obligation in respect of the payment of Early Redemption Amount to the Noteholder

and shall not have any other obligations to the Noteholder thereafter and (2) the Noteholder will bear the complete risk of holding, selling, and recovering the value of the Bond Collateral.

### ***Credit Risk***

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the payment of all sums due from the Swap Counterparty under the Swap Agreement and the obligor in respect of the Bond Collateral, upon the Agent and the Custodian making the relevant payments when received and upon all parties to the transaction documents (other than the Issuer) performing their respective obligations thereunder. Accordingly, Noteholders are exposed, inter alia, to the creditworthiness of such parties.

### ***Currency Risk***

Amounts received by the Issuer may need to be converted from JPY to USD and vice versa before being paid under the Notes. The conversion rate will be determined by the Calculation Agent acting in its sole and absolute discretion.

### ***Swap Agreement***

The Issuer or the Swap Counterparty may terminate the Swap Agreement in certain circumstances specified therein. If the Notes become due for redemption prior to their scheduled maturity, the Swap Agreement will be terminated. In addition, a termination of the Swap Agreement will result in mandatory redemption of the Notes. In the event that the Swap Agreement is terminated (other than in circumstances where the Swap Counterparty is the sole Defaulting Party), the Issuer may be required to pay and/or deliver amounts in respect of the Bond Collateral to the Swap Counterparty. In return, the Swap Counterparty may be required to pay amounts to the Issuer calculated on the basis of the amounts payable by the Issuer to the Noteholders. Any payments and/or deliveries due from the Issuer to the Swap Counterparty will be made before any payments are made on the Notes and will reduce the amounts and assets available to make payments to Noteholders. In addition, the Swap Counterparty may be permitted to deduct from the amounts it pays to the Issuer certain amounts in respect of costs and losses incurred by it as a result of any mandatory redemption of the Notes. Any such deduction may reduce the amounts available to make payments or deliveries to the Noteholders and may result in the Noteholders receiving less than was anticipated.

### ***Potential Extension of the Maturity Date***

If on or prior to the Scheduled Maturity Date, in the opinion of the Calculation Agent in its sole and absolute discretion, an Early Redemption Event may have occurred, the Calculation Agent may extend the Maturity Date to the earlier of (1) the date that is three Business Days following the date on which the Calculation Agent determines that no Early Redemption Event had actually occurred or is capable of occurring; and (2) ninety calendar days following the Scheduled Maturity Date. If the Calculation Agent determines that an Early Redemption Event has occurred, the Notes will be redeemed in accordance with the provisions relating to redemption of the Notes that are applicable to such Early Redemption Event pursuant to the Terms and Conditions and each Noteholder shall be entitled to receive, in respect of each of its Notes, payment of the applicable Early Redemption Amount or, as applicable, Delivery of its Early Redemption Entitlement in respect of the redemption of such Notes.

### ***Early Redemption of the Notes***

The Notes may be redeemed as a result of the occurrence of an Early Redemption Event (as defined in Paragraph 31 of the Terms of the Notes). In such circumstances, the amount paid (or the assets delivered) by the Issuer on redemption of the Notes may be less than (or may have a value less than) the Principal Amount of the Notes and in certain circumstances may be (or may have a value of) zero. The Early Redemption Amount or, as applicable, the Early Redemption Entitlement will take into account the Unwind Costs. Such costs may represent a considerable portion of (or exceed) the Principal Amount of the Notes and/or the value of the Bond Collateral, so investors may receive less than their initial investment in the Notes and in certain circumstances may receive nothing.

In addition, with respect to an Early Redemption Event triggered by a Market Credit Event, an investor must understand the terms of the Market Standard Credit Default Swap (including, but not limited to, the terms of the 2014 ISDA Credit Derivatives Definitions and the definition of “Bankruptcy”, “Failure to Pay”, “Restructuring” and “Governmental Intervention” (each as defined in the 2014 ISDA Credit Derivatives Definitions) and (2) that a Market Credit Event may occur even though no DC Credit Event Announcement (as defined in the 2014 ISDA Credit Derivatives Definitions) is made.

### ***Physical Settlement***

In certain circumstances following the occurrence of an Early Redemption Event, each Note will be redeemed by delivery of its Early Redemption Entitlement rather than by payment of any early redemption amount. Physical settlement is likely to involve a longer settlement timeline than cash settlement and may incur additional fees, expenses and taxes (which will be borne by the Noteholders). If for any reason delivery of all or some of the Early Redemption Event cannot be effected, settlement may be delayed and the obligation to deliver such assets may be replaced by an obligation to pay a cash amount (determined in accordance with the Conditions), which may be significantly less than the Principal Amount of the Notes and may even be zero.

Upon delivery (which will be at the risk of the Noteholders) by the Issuer of the relevant Early Redemption Entitlement, the Issuer shall have discharged its obligations in respect of the Notes and shall have no other liability or obligation whatsoever in respect thereof. The actual value of any such asset may be less than any early redemption amount that would otherwise have been paid in cash, and the relevant Noteholder will bear all the risks associated with holding, transferring, selling and recovering the value of the relevant assets from the date of delivery. The Issuer is not liable for any market risks, liquidity risks or further credit risks that any such holding, transfer, sale or recovery may entail. Noteholders should be prepared to hold the Early Redemption Entitlement until maturity, as Noteholders may not be able to liquidate or sell some or all of the Early Redemption Entitlement. There may not be a liquid secondary market for the Early Redemption Entitlement at any time.

### ***Trustee Fees and Expenses***

The Trustee has a right to recover from the Mortgaged Property all liabilities and expenses properly incurred by it including, without limitation, fees and extraordinary or unanticipated expenses and it shall be entitled to be indemnified out of the Mortgaged Property in respect of the execution of any of its powers, authorities or discretions. In the event that the Trustee exercises this right, in respect of any such liabilities or expenses which are not otherwise met, this will result in a reduction of the amounts (if any) available for distribution to the holders of the Notes.

Where the security constituted by or created pursuant to the Trust Instrument over the Mortgaged Property becomes enforceable the Trustee shall not be obliged to act on the direction of the holders of the requisite percentage of outstanding Notes unless it has been indemnified and/or secured and/or prefunded to its satisfaction against any loss, liability cost, claim, action, demand or expense which may be incurred or made against it.

### ***Custodian and Trustee***

The Collateral will be held by the Custodian. The Custodian will receive payments on the Collateral and the Swap Agreement. The Agent will remit payments to the Noteholders and Swap Counterparty in discharge of the Issuer's obligations under the Notes and Swap Agreement. In the event that the Custodian is bankrupt or does not otherwise perform its obligations, the Noteholders may not receive payments when expected and may experience considerable delays in the realisation of their investment. In the event that the Noteholders require the Trustee to enforce the security, the Noteholders should be aware that the Trustee may not take any such action until it is indemnified and/or secured and/or prefunded to its satisfaction. This may involve the Noteholders providing an indemnity and may cause delays in the redemption of the Notes during which time the market price of the Collateral may decrease and this may reduce the amount of any payment that is made to the Noteholders.

### ***Liquidity Risk***

Noteholders should be prepared to hold their Notes until the Maturity Date as Noteholders may not be able to liquidate or sell some or all of the Notes as and when they require or at an amount equal to or more than the amount paid for the Notes. There is currently no active or liquid secondary trading market for the Notes. There can be no assurance that (1) an investor will be able to obtain a firm bid price for the Notes should the investor desire to sell the Notes, (2) anyone intends to make a market in the Notes, (3) a market-maker in the Notes (if any) will offer an amount equal to or greater than the amount paid for the Notes or (4) if a market-maker does offer a price for the Notes which is equal to or greater than the amount paid for the Notes, that it will continue to do so. Therefore, the Notes may not be marketable and as such may not be able to be liquidated or sold before maturity, or if liquidated/sold, may only realise an amount that is at a significant discount to the amount paid by the investor. A purchase of the Notes should be viewed as a “hold until maturity” investment. Investors are strongly discouraged from using the Notes for trading opportunities.

In addition, the Notes are subject to significant transfer restrictions as described under "Subscription and Sale and Transfer Restrictions" in the Base Prospectus which further limit the liquidity of the Notes. In particular, the Notes may not be sold in the U.S. or to U.S. persons.

### ***Potential Conflicts of Interest***

Deutsche Bank AG, London Branch may have placed, underwritten or may hold long and/or short positions in the assets comprising the Collateral from time to time. Furthermore, Deutsche Bank AG, London Branch may have provided certain investment banking, commercial banking or other services to other parties in respect of the issuer of the Collateral.

Deutsche Bank AG, London Branch is the Swap Counterparty, the Calculation Agent, the Agent, the Custodian, and the Purchaser with respect to the Notes. Certain of these roles provide such entity with discretionary powers, which may have a material impact on the value and performance of the Notes. Such discretions may create conflicts of interest due to the capacities in which such entities are acting and these discretions may be exercised (or not be exercised) in a way that could adversely affect the holders of the Notes.

### ***Market Risk***

The Notes may be volatile instruments and subject to considerable fluctuations in value and other risks inherent in investing in securities and/or derivatives. The value of a Note may rapidly decrease or increase due to numerous factors, including, but not limited to, systemic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook and the price/level of the assets comprising the Bond Collateral.

### ***Basis Selection***

Investors in the Notes may be exposed to a variation in the proportion which the principal amount of the Bond Collateral bears to the principal amount of the Notes, depending on the Basis Selection elected by the Issuer on any issue of Further Notes (as described in Condition 15 of the Notes).

### ***Taxation***

The Noteholders 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 Notes. The Issuer will not pay any additional amounts to any Noteholders to compensate or reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or the Agent, although the imposition of such tax, assessment, or charge may in some circumstances lead to an early redemption of the Notes.

Purchasers of Notes should conduct such independent investigation and analysis regarding the tax

treatment of the Notes, including the Swap Agreement, as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments or deliveries in respect of the Notes and/or the Swap Agreement.

### *Anti-Tax Avoidance Directive*

The Anti-Tax Avoidance Directive (“**ATAD**”) was adopted as Council Directive (EU) 2016/1164 on 12 July 2016 and must be implemented by all European Union Member States by 1 January 2019. A second directive amending ATAD was adopted as Council Directive (EU) 2017/952 on 29 May 2017 (“**ATAD 2**”) and must be implemented by all European Union Member States by 1 January 2020. When implemented, it is possible that ATAD and ATAD 2 may affect the tax treatment of this transaction. However, in the absence of implementing legislation, the possible implications of ATAD and ATAD 2 are unascertainable.

### *Preferred Creditors under Irish Law and Floating Charges*

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (See "**Examinership**" below).

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Trust Instrument may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the relevant charged assets of the Issuer would be regarded by the Irish courts as a floating

charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up, even if crystallised prior to the commencement of the winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

### ***Centre of Main Interests***

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest ("**COMI**") for the purposes of Regulation (EU) No. 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings (recast) (the "**Recast Insolvency Regulation**") is in Ireland provided that the Issuer did not move its registered office within 3 months prior to a request to open insolvency proceedings and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings (which was recast by the Recast Insolvency Regulation), that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

### ***Examinership***

Examinership is a court procedure available under the Companies Act 2014 (as amended) to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going

concern. A scheme of arrangement may be approved by the relevant Irish court when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Noteholders.

The fact that the Issuer is a special purpose vehicle and that all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

However, if, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the Noteholders are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Noteholders as secured by the Trust Instrument;
- (b) the Trustee, acting for and on behalf of the Secured Parties, would not be able to enforce rights against the Issuer during the period of examinership;
- (c) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Notes or the transaction documents.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED "INVESTOR SUITABILITY" AND "RISK FACTORS" IN THE BASE PROSPECTUS.**

## DOCUMENTS INCORPORATED BY REFERENCE

Subject as provided below, the following document, which has previously been filed with Euronext Dublin and the Central Bank of Ireland, is incorporated by reference in, and forms part of, this Prospectus:

- the Base Prospectus (which is published on the website of Euronext Dublin at [http://www.ise.ie/debt\\_documents/Eirles%20Two%20Designated%20Activity%20Company%20-%20Base%20Prospectus%202017%20-%20Final%20\(36239453\\_1\)\\_89bea444-c27d-43d2-98c4-afd81dfbdaa4.PDF](http://www.ise.ie/debt_documents/Eirles%20Two%20Designated%20Activity%20Company%20-%20Base%20Prospectus%202017%20-%20Final%20(36239453_1)_89bea444-c27d-43d2-98c4-afd81dfbdaa4.PDF))

**This Prospectus shall be read and construed on the basis that such document is incorporated into and forms part of this Prospectus, save that any statement contained in such document shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that any statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. For the avoidance of doubt, any modifications of the provisions in the Base Prospectus are for the purpose of updating such provisions and do not purport to delete or amend such provisions in the Base Prospectus.**

For the avoidance of doubt, the content of any website referred to in this Prospectus does not form part of this Prospectus.

The audited financial statements of the Issuer in respect of the financial year ending on 31 December 2016 are available at the following website: [https://www.rns-pdf.londonstockexchange.com/rns/8615D\\_-2017-5-2.pdf](https://www.rns-pdf.londonstockexchange.com/rns/8615D_-2017-5-2.pdf)

The audited financial statements of the Issuer in respect of the financial year ending on 31 December 2017 are available at the following website: [https://www.rns-pdf.londonstockexchange.com/rns/7065M\\_-2018-5-1.pdf](https://www.rns-pdf.londonstockexchange.com/rns/7065M_-2018-5-1.pdf)



## TERMS AND CONDITIONS OF THE NOTES

The Terms and Conditions of the Notes shall consist of the terms and conditions (the "**Conditions**") set out on pages 37 to 90 of the Base Prospectus, as incorporated by reference into this Prospectus and as amended and/or supplemented by the terms set out below. Capitalised terms used and not otherwise defined below shall have the meanings specified in the Conditions.

The following "**Terms**" shall complete, modify, supplement and amend the Conditions which shall apply to the Notes as so completed, modified, supplemented and amended. References in the Terms to "**paragraphs**" and "**sub-paragraphs**" are to the paragraphs and sub-paragraphs of the Terms, unless the context requires otherwise.

1. Issuer: Eirles Two Designated Activity Company
2. Arranger: Deutsche Bank AG, London Branch acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB.
3. Series No: 376.
4. Relevant Currency: Japanese Yen ("**JPY**").
5. Principal Amount: JPY2,000,000,000 as may be reduced from time to time in accordance with the Conditions of the Notes.
6. Form of the Notes: Bearer.

Condition 1 (Form, Denomination and Title) shall be deemed to be modified for the purpose of the Notes by in the fifth paragraph thereto:

- (i) deleting the words "(a U.S. Series)";
- (ii) immediately after the words, "under the U.S. Securities Act of 1933, as amended (the "**Securities Act**)", inserting the words "or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") (a "**U.S. Series**)";
- (iii) immediately after the words, "to be offered and sold in the United States or to or for the account or benefit of", (1) deleting the word, "**U.S. Person**", and (2) inserting the words "(i) U.S. persons (as defined in Regulation S under the Securities Act) or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act)";
- (iv) immediately after the words, "Any Notes of such U.S. Series to be offered and sold outside the United States to persons that are not", (1) inserting the word, "(i)"; and

immediately after the words, "U.S. persons in reliance on Regulation S" inserting the words "under the Securities Act or (ii) U.S. persons (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act)".

7. Status: Secured and limited recourse obligations of the Issuer, secured as provided below.

8. Denomination: JPY100,000,000.

9. Issue Price: 100 per cent.

10. Issue Date: 25 September 2018.

Trade Date:

24 August 2018.

11. Maturity Date: Subject as provided under 'Maturity Date Extension' in these Terms and the Conditions below, 17 March 2027 (the "**Scheduled Maturity Date**")

Maturity Date  
Extension:

If the Calculation Agent determines in its sole and absolute discretion that an Early Redemption Event may have occurred on or before the Scheduled Maturity Date, the Calculation Agent may notify the Issuer that the Maturity Date will be extended until the earlier of:

- (i) the date that is three Business Days following the date on which the Calculation Agent determines that no Early Redemption Event had actually occurred or is capable of occurring; and
- (ii) ninety calendar days following the Scheduled Maturity Date, provided that, if the Calculation Agent determines that an Early Redemption Event has occurred, the Notes will be redeemed in accordance with the provisions relating to redemption of the Notes that are applicable to such Early Redemption Event pursuant to these Terms and Conditions and each Noteholder shall be entitled to receive, in respect of each of its Notes, payment of the applicable Early Redemption Amount or, as applicable, Delivery of its Early Redemption Entitlement in respect of the redemption of such Notes.

The Calculation Agent shall give notice of any such extension to the Issuer and the Issuer (or an agent acting on the Issuer's behalf) shall thereafter as soon as reasonably practicable give notice of such postponement to the Noteholders, the Trustee, the Swap Counterparty, the Agent, the Clearing Systems and, for so long as the Notes are listed on Euronext Dublin and the rules of Euronext Dublin require, to Euronext Dublin.

No additional amounts shall be payable for the period between the Scheduled Maturity Date and the Maturity Date or the Early



Interest Period End Date.

(g) Interest Rate 1.00 per cent. per annum.

(h) Day Count 30/360.  
Fraction:

(i) Calculation Agent: The Calculation Agent for the Notes will be Deutsche Bank AG, London Branch. All determinations of the Calculation Agent shall be made in its sole and absolute discretion. The Calculation Agent may, amongst other things, decide issues of construction and legal interpretation in its sole and absolute discretion. In calculating the amount of interest payable in respect of each Note on any Interest Payment Date, the Calculation Agent shall round each amount to the nearest cent with one half of one cent being rounded up.

**13. Redemption:**

(i) Subject as set forth elsewhere in these Terms and Conditions in relation to mandatory redemption of the Notes pursuant to Condition 8.2 (*Mandatory Redemption*), Condition 8.4 (*Redemption at option of the Issuer for Regulatory Redemption Event*) or Condition 8.5 (*Redemption for taxation and other reasons*) (each as amended by the Terms where applicable) or paragraph 31(7) (*Bond Collateral Prepayment*), each Note shall be redeemed on the Maturity Date at its Redemption Amount (being, in respect of the Maturity Date, its outstanding principal amount as at the Maturity Date).

In respect of each Note, if the aggregate of the Redemption Amount together with any other amounts paid in respect of such Note exceeds the par value of such Note, payment of any such excess shall constitute a payment of interest in respect of such Note.

Payment by the Issuer of the Redemption Amount on the Maturity Date will be in full and final settlement of all claims accruing at any time in respect of the relevant Note, whether before or after such date.

(ii) Conditions 8.6 (*Adverse Tax Event following delivery of Collateral to Swap Counterparty under Credit Support Annex*), 8.8 (*Early Redemption of Zero Coupon Notes*), Condition 8.9 (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*), Condition 8.10 (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*) and Condition 8.11 (*Redemption by Instalments*) shall not apply to the Notes

**14. Unmatured Coupons to become void upon early redemption:**

Not Applicable.

**15. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon (Bearer Notes):**

Not Applicable.

16. Business Day Jurisdictions for Condition 9.8 (jurisdictions required to be open for payment): London, Singapore, Tokyo and New York
17. Exchange
- (a) Notes to be represented on issue by: Temporary Global Note held by Common Depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**" and, together with Euroclear, the "**Clearing Systems**" and each a "**Clearing System**").
- (b) Applicable TEFRA exemption: TEFRA D Rules.
- (c) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes: Yes – exchangeable for interests in Permanent Global Note held by Common Depositary for Euroclear and Clearstream, Luxembourg on or after 40 days from Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of the Temporary Global Note) upon certification as to non-U.S. beneficial ownership.
- (d) Permanent Global Note exchangeable for Definitive Bearer/Registered Notes at the request of the holder: Yes, for definitive Bearer Notes but only if Euroclear or Clearstream, Luxembourg 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.
18. Security: Collateral charged to Trustee.
19. Collateral:
- (i) The "**Collateral**" shall comprise (i) the "**Bond Collateral**", being, as of the Issue Date, USD18,000,000 in principal amount of the 4.625% fixed rate tier 2 subordinated notes due 17 March 2027 issued by BNP Paribas (the "**Bond Issuer**") (ISIN: US05581LAC37) and (ii) the Swap Agreement.
- For the avoidance of doubt, the Bond Collateral shall include the rights, title and/or interest in and to any further collateral acquired by the Issuer by way of substitution or replacement of any Bond Collateral previously held by the Issuer and any asset or property (which may, for the avoidance of doubt, include debt or equity instruments and/or the benefit of any contractual rights) into which the Bond Collateral is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Bond Collateral for or on behalf of the Issuer) by reason of its holding thereof, in each case including but without limitation by reason of any bail-in of the Bond Collateral whereby national authorities are given resolution powers to write down and convert certain liabilities into ordinary shares or other instruments (a "**Bail-in**").

- (ii) Conditions 4.5(A) and (B) shall not apply to the Notes.
- (iii) The Trustee shall apply all moneys received by it under the Trust Instrument in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument on the basis of Counterparty Priority, provided that Condition 4.4(A) will be deleted and replaced with the following:
  - "(A) If "**Counterparty Priority**" is specified in the Terms, the Trustee shall apply such moneys received by it:
    - (i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument (including, without limitation, any taxes to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the remuneration of the Trustee and any receiver);
    - (ii) secondly, *pro rata* in payment of any amounts owing to: (a) the Swap Counterparty under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement); and (b) the Custodian and/or the Agent under the Agency Agreement (in whichever capacity such entity is acting);
    - (iii) thirdly, *pro rata* in payment of any amounts owing to the holders of Notes; and
    - (iv) fourthly, in payment of the balance (if any) to the Issuer."
- (iv) The Selling Agent is Deutsche Bank AG, London Branch.
- (v) Condition 4.6 (*Purchase of Collateral maturing after the Maturity Date*) shall not apply.
- (vi) Condition 4.7(A) (*Realisation of Security*) shall be amended as by inserting the following paragraph at the end thereof:

"Any direction given by the Swap Counterparty under this Condition 4.7(A) will have priority over any conflicting request or direction given under this Condition 4.7(A), and the Trustee shall decline to act on any request or direction given by any person in respect of the matters referred to in this Condition 4.7(A) unless it is a request or direction given under paragraphs (a), (b) or (c) of this Condition 4.7(A)."
- (vii) Condition 4.9 (Issuer's rights as holder of Collateral) shall be amended by deleting the final sentence thereof.

20. Swap Agreement:

Applicable. Details of the Swap Agreement are set out below:

The ISDA Master Agreement (including the Schedule thereto) entered into by the Issuer and the Swap Counterparty by executing the Trust Instrument, as so supplemented by a confirmation thereto in the form attached as Annex A to the Terms set out in the Trust Instrument with an effective date of the Issue Date (the "**Asset Swap Confirmation**", and the Transaction (as defined in the ISDA Master Agreement) documented under such Asset Swap Confirmation, the "**Asset Swap**") (the ISDA Master Agreement as so supplemented by the Asset Swap Confirmation, the "**Swap Agreement**").

Swap Counterparty:

Deutsche Bank AG, London Branch. In its capacity as Swap Counterparty, Deutsche Bank AG, London Branch is also designated as the calculation agent (the "**Swap Calculation Agent**") for the purpose of the Swap Agreement. Any determination by the Swap Calculation Agent shall be conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agent and all other persons and no liability shall attach to the Swap Calculation Agent in respect thereof.

21. Repurchase Agreement:

Not Applicable.

Repurchase  
Counterparty:

Not Applicable.

22. Credit Support  
Document:

Not Applicable.

23. Mandatory  
Redemption:

The Notes are subject to mandatory redemption pursuant to Condition 8.2 (*Mandatory Redemption*), Condition 8.4 (*Redemption at option of the Issuer for Regulatory Redemption Event*), Condition 8.5 (*Redemption for taxation and other reasons*) (in each case, where applicable, as amended herein) and paragraph 31(7) (*Bond Collateral Prepayment*).

24. Listing:

Application has been made on or after the Issue Date to Euronext Dublin for the Notes to be admitted to the official list of Euronext Dublin and to trading on its regulated market. No assurance can be given that the Notes will be listed, and if listed, that such listing will be maintained for the term of the Notes, on Euronext Dublin.

25. The Notes have been accepted in Euroclear and Clearstream, Luxembourg and have the following security codes:

Common Code: 187412064

ISIN Code: XS1874120642

- 26. Rating:** None.
- 27. Custody:** The Custodian in respect of the Collateral will be Deutsche Bank AG, London Branch or any other person subsequently appointed as Custodian pursuant to the Agency Agreement.

All Bond Collateral (including any amounts representing distributions, interest, principal, redemption proceeds or other payments derived therefrom) shall, subject to the provisions of the Swap Agreement, be credited to account number 91622 of the Custodian with Euroclear (the "Custodian Account") or to such other account of or on behalf of the Custodian as the Trustee may approve, subject in all cases to the security created by and pursuant to the Trust Instrument.

Amounts in respect of distributions, interest, principal, redemption proceeds or other payments received by the Issuer in respect of the Collateral shall be paid to the Swap Counterparty in accordance with the terms of the Swap Agreement.

Notwithstanding any provision of the Agency Agreement, the Custodian may hold any Collateral in the form of securities in any account used by it solely to hold securities on behalf of customers to whom it provides custody services.

Furthermore, to the extent that a Bail-in occurs, and the Bond Collateral is exchanged or converted in accordance therewith, the Issuer's rights against the Custodian pursuant to the Agency Agreement will extend to and include any assets or property so delivered following such exchange or conversion.

- 28. Agent for Service of Process:** Deutsche Bank AG, London Branch at its registered office for the time being (currently at Winchester House, 1 Great Winchester Street, London EC2N 2DB).

- 29. Governing Law:** All contractual and non-contractual obligations arising out of or in connection with the Notes will be governed and construed in accordance with English law.

**30. General provisions relating to security**

The first paragraph of Condition 4.3 (General provisions relating to security) shall be deleted in its entirety and replaced with the following:

"The security constituted or created pursuant to the Trust Instrument will be granted to the Trustee for itself and as trustee under the Trust Instrument as continuing security (i) for the payment of fees, costs, charges, expenses, liabilities and other amounts<sup>24</sup> incurred by or payable to the Trustee or any receiver



under the Trust Instrument or due under the Notes (which shall include any taxes required to be paid, the costs of realising any security, any amounts to be indemnified by the Issuer to the Trustee, any costs of litigation and the Trustee's remuneration), (ii) for the performance of the Issuer's obligations under the Swap Agreement (which shall include, without limitation, any termination amount payable by the Issuer to the Swap Counterparty as a consequence of the termination of the Swap Agreement), (iii) for the payment of all sums payable to the Custodian for reimbursement in respect of payments made to the Swap Counterparty by the Custodian relating to sums receivable on or in respect of the Collateral pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Custodian for any payment made by the Custodian to the Swap Counterparty relating to sums receivable on or in respect of the Collateral before actual payment to the Custodian of the amount receivable on or in respect of the Collateral and (iv) for the payment of all sums payable to the Agent or the Registrar pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Agent or the Registrar for any amount paid out by the Agent or the Registrar, as the case may be, to the holders of Notes, Coupons or Receipts before receipt of the corresponding amount due from the Issuer.”

### 31. Provisions relating to forced transfer and early redemption

- (1) Condition 8.2 (*Mandatory Redemption*) shall be deleted in its entirety and replaced with the following:

#### **"8.2 Mandatory Redemption**

If the Calculation Agent determines, in its absolute discretion, that an event of default (however defined in the governing documents of the Bond Collateral) or an event that with the passage of time and/or the delivery of notice would lead to an event of default (however defined in the governing document(s) of the Bond Collateral) has occurred under the original terms of the Bond Collateral on or prior to the Maturity Date (a "**Collateral Default Event**" and all such Bond Collateral, "**Repayable Assets**"), the Calculation Agent (acting on the Issuer's behalf) shall as soon as reasonably practicable give notice of that event to the Trustee, the Noteholders and the Swap Counterparty and, for as long as the Notes are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and on the Early Redemption Date (which must be not less than 5 Business Days after the date on which such notice is given): (i) the Issuer shall redeem all but not some only of the Notes, with each Note being redeemed in whole at its Early Redemption Amount or, as applicable, by Delivery of its Early Redemption Entitlement; and (ii) the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these Conditions).

Failure to make any payment due in respect of a mandatory redemption under this Condition 8.2 of part of the principal amount of the Notes shall not constitute an Event of Default under Condition 11.

The Calculation Agent shall, on behalf of the Issuer, notify any stock exchange on which the Notes are listed of any extension to the Maturity Date of the Notes."

- (2) Condition 8.3 (*Forced transfer at option of the Issuer on void transfer or other disposition*) shall be deleted in its entirety and replaced with the following:

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

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S of the Securities Act;
- (b) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act); or
- (c) a person who comes within any definition of U.S. person for the purposes of the Commodity Exchange Act of 1936, as amended, or any rule, guidance or order proposed or issued by the Commodity Futures Trading Commission (the "CFTC")

thereunder (including but not limited to any person who is not a “Non-United States person” under CFTC Rule 4.7(a)(1)(iv) (excluding for purposes of CFTC Rule 4.7(a)(1)(iv)(D) the exception for qualified eligible persons who are not “Non-United States persons”)),

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

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

Any transfer or other disposition of any legal or beneficial ownership interest in a Note to (i) an employee benefit plan (as defined in section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended, (“ERISA”)), whether or not subject to ERISA; (ii) a plan described in section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended; or (iii) an entity whose underlying assets include plan assets by reason of a plan's investment in the entity under US Department of Labor Regulations § 2510.3-101 (29 c.f.r. §2510.3-101) (each a “**Benefit Plan Investor**”), or to a transferee using the assets of a Benefit Plan Investor to acquire such interest or holding such interest for or on behalf of a Benefit Plan Investor, shall be deemed to be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note, and the Issuer shall be entitled to cease to make any payments in respect of Notes held by such a transferee.

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

(3) Condition 8.4 (*Redemption at option of the Issuer for Regulatory Redemption Event*) shall be amended by:

i. deleting the first paragraph thereof in its entirety and replacing it with the following:

If, in the determination of the Calculation Agent, a Regulatory Event occurs (a “**Regulatory Redemption Event**”) then Calculation Agent (acting on the Issuer's behalf) shall as soon as reasonably practicable give notice of that event to the Noteholders, the Trustee, the Swap Counterparty and, for as long as the Notes are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and on the Early Redemption Date: (i) the Issuer shall redeem all but not some only of the Notes, with each Note being redeemed in whole at their Early Redemption Amount or, as applicable, by Delivery of its Early Redemption Entitlement; and (ii) the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these Conditions).

The Calculation Agent shall, on behalf of the Issuer, notify any stock exchange on which the Notes are listed of any extension to the Maturity Date of the Notes.

- ii. deleting the second paragraph thereof in its entirety and replacing it with the following:

**"Regulatory Event"** means that, as a result of any Regulatory Trigger Event: (i) there is a reasonable likelihood of it becoming unlawful; and/or (ii) it is or there is a reasonable likelihood of it becoming unduly onerous, impossible or impracticable (including, without limitation, as a result of a change in the regulatory, accounting or tax treatment of the Notes or any Regulatory Event Party); and/or (iii) there is (or there is reasonably likely to be) a material increase in costs, (in each case) for: (1) the Issuer to maintain the Notes; and/or (2) the Issuer to maintain any other series of notes issued by the Issuer; and/or (3) any Regulatory Event Party to perform any duties in respect of or in connection with the Notes or any Transaction Document.

**"Regulatory Event Party"** means each of the Issuer, the Arranger, the Agent, the Trustee, the Swap Counterparty, the Custodian, the Calculation Agent or any affiliate of the Swap Counterparty (in each case excluding when acting in the capacity of Noteholder).

**"Regulatory Trigger Event"** means each of the following:

- (x) the implementation or adoption of, or any change in, any applicable law or regulation, or any interpretation, action or response of a regulatory authority;
- (y) the promulgation of, or any interpretation by any court, tribunal, government or regulatory authority with a competent jurisdiction (each, a **"Relevant Authority"**) of, any relevant law or regulation; or
- (z) a public or private statement or action by, or response of, any Relevant Authority (or any official or representative of any Relevant Authority acting in an official capacity), in each case at any time after the Trade Date.

The German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz, **"SAG"**) and any measure taken thereunder by any responsible authority is not a Regulatory Trigger Event. Further, any events described under items (x), (y) or (z) in the definition of Regulatory Trigger Event shall not trigger a Regulatory Trigger Event if such event relates to the SAG."

- (4) Condition 8.5 (*Redemption for taxation and other reasons*) shall be amended by:

- i. Paragraph (B) of Condition 8.5 (*Redemption for taxation and other reasons*) shall be deleted in its entirety and replaced with:

"(B) the Calculation Agent, in its sole and absolute discretion, determines that the performance of the Issuer's obligations under the Notes or in respect of the Collateral or any arrangement made in relation to the Collateral or the Notes (including without limitation, any arrangements made to hedge the Issuer's obligations under the Notes) has or will become unlawful, illegal, impractical or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof (an **"Illegality Event"**); and/or";

- ii. Paragraph (C) of Condition 8.5 (*Redemption for taxation and other reasons*) shall be deleted in its entirety and replaced with:

"(C) an **"Early Termination Date"** (as such term is defined in the Swap Agreement) has occurred under the Swap Agreement (due to, amongst other events, (a) where the Swap Counterparty is the sole Defaulting Party (as such term is defined in the Swap Agreement), (b) the occurrence of any event which would hinder, limit or restrict the Swap Counterparty from hedging its exposure under the Asset Swap or (c) the occurrence of a Swap Regulatory

Event (as such term is defined in the Swap Agreement) (a “**Swap Event**”); and or”;

- iii. Paragraph (D) and the immediately following paragraph of Condition 8.5 (*Redemption for taxation and other reasons*) shall be deleted in its entirety and replaced with:

“a Market Credit Event occurs,

then the Calculation Agent (acting on the Issuer’s behalf) shall as soon as reasonably practicable give notice of the relevant event to the Trustee, the Noteholders, the Swap Counterparty and, if the Notes are listed on any stock exchange and the rules and regulations thereof so require, such stock exchange, and on the Early Redemption Date (which must be not less than 5 Business Days after the date on which such notice is given): (i) the Issuer shall redeem all but not some only of the Notes, with each Note being redeemed in whole by payment of its Early Redemption Amount or, as applicable, by Delivery of its Early Redemption Entitlement; and (ii) the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these Conditions).

The Calculation Agent shall, on behalf of the Issuer, notify any stock exchange on which the Notes are listed of any extension to the Maturity Date of the Notes.”; and

- iv. in the second paragraph:

a. the deletion of the words "Redemption Amount" and the replacement therefor with the words "Redemption Amount, Early Redemption Amount or Early Redemption Entitlement";

b. insertion of the words "(and the Issuer shall not be liable as a result for, or otherwise obliged to pay, any additional amounts to any such Noteholder in respect of, or compensation for, any such withholding or deduction)" immediately after the words "such taxes from the amounts payable to such Noteholder ";

c. deletion of the words "or domicile".; and

- (5) Each of a Collateral Default Event, a Regulatory Redemption Event, Tax Event, Swap Event, an Illegality Event or Market Credit Event shall be an "**Early Redemption Event**". If any event or circumstances which constitutes or give rise to an Early Redemption Event also constitutes or give rise to another type of Early Redemption Event, the Early Redemption Event which occurred first shall take precedence for the purposes of the early redemption of the Notes, provided that a Collateral Default Event which occurs as a result of any specific event or circumstances will always be deemed to occur after any other Early Redemption Event which occurs as a result of the same event or circumstances. If more than one Early Redemption Event occurs simultaneously, the Issuer (acting on the instructions of the Calculation Agent) shall elect the applicable Condition pursuant to which the Notes are to be redeemed.

- (6) If the Notes become subject to mandatory redemption pursuant to an Early Redemption Event as set out Condition 8.2 (*Mandatory Redemption*), Condition 8.4 (*Redemption at option of the Issuer for Regulatory Redemption Event*) or Condition 8.5 (*Redemption for taxation and other reasons*) (each as amended by this paragraph 31), the Calculation Agent will use commercially reasonable efforts to promptly calculate the aggregate Early Redemption Amounts or the aggregate Early Redemption Entitlements (as applicable) in respect of the Notes.

(7) **Bond Collateral Prepayment**

The Notes will be redeemed early and in full if the Bond Collateral is prepaid in full before the scheduled maturity date of such Bond Collateral (a “**Bond Collateral Prepayment Event**”).

Following the occurrence of a Bond Collateral Prepayment Event, the Notes will redeem in full in an amount equal to each Note’s *pro rata* share of the Prepayment Redemption Amount on the applicable Early Redemption Date.

If a Bond Collateral Prepayment Event occurs, interest shall cease to accrue on the Notes from and including the Interest Payment Date immediately preceding the date of the Bond Collateral Prepayment Event.

(8) **Delivery of the Early Redemption Entitlement**

Upon the occurrence of an Early Redemption Event, the Calculation Agent shall following any announcements that may be required to comply with any market abuse rules and stock exchange listing requirements, deliver a notice to the Noteholders, on behalf of or via the Issuer, through the Clearing Systems or through any other method that the Calculation Agent determines appropriate (and which obligation shall be deemed complied with to the extent that the Noteholders are notified of the occurrence of such Early Redemption Event as contemplated in Condition 8.2, Condition 8.3, Condition 8.4 or Condition 8.5, as applicable, in each case as amended herein) (such notice, an “**Early Redemption Date Notice**”).

Where an Early Redemption Date Notice is delivered, a Noteholder holding one hundred per cent. in aggregate principal amount of the Notes shall be entitled on, or prior to, the Cut-off Date to provide to the Calculation Agent and the Issuer (i) evidence of its holding of the entire outstanding Principal Amount of the Notes, in form and substance, satisfactory to the Calculation Agent and the Issuer and (ii) notice of its election for physical settlement of its Notes by way of Delivery and its settlement instructions to receive its aggregate Early Redemption Entitlement in the form of an Asset Transfer Notice, as provided below (such evidence and notification provided in items (i) and (ii) of this paragraph, taken together, a “**Physical Settlement Selection Notice**”). In which case, the Notes of such Noteholder shall, subject to the other provisions of this Special Condition 8, be redeemed by Delivery to such Noteholder in respect of each Note held by such Noteholder of the relevant Early Redemption Entitlement on the related Delivery Date.

The following shall apply to any Note to be redeemed by Delivery of the relevant Early Redemption Entitlement, in order to obtain Delivery of the Early Redemption Entitlement in respect of any Note.

- i. If such Note is represented by a Global Note, the relevant Noteholder must deliver to the relevant Clearing System, with a copy to the Issuer, the Swap Counterparty, the Custodian, the Trustee, the Agent and the Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice (in the form set out in Annex B to the Terms set out in the Trust Instrument).
- ii. If such Note is in definitive form, the relevant Noteholder must deliver to the Agent with a copy to the Issuer, the Swap Counterparty, the Custodian, the Trustee, the Agent and the Calculation Agent not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice (in the form set out in Annex B to the Terms set out in the Trust Instrument).
- iii. Subject as provided in these Terms, if any Note is to be redeemed by Delivery of the relevant Early Redemption Entitlement, at or before 5:00 pm London time on the fifth Business Day following the date on which the Asset Transfer Notice was effectively delivered to the Issuer and the Calculation Agent (such date, the “**Delivery Date**”), the relevant Noteholder shall receive physical delivery of the Bond Collateral in an amount equal to the aggregate of the Early Redemption Entitlements relating to such Noteholder. Delivery of the Early Redemption Entitlements on behalf of the Issuer shall be in full and final satisfaction of all claims accruing at any time in respect of the Notes, whether before or after the date of such Delivery, and the Issuer shall have no further obligations under the Notes. In connection therewith, the Calculation Agent, on behalf of the Issuer, shall be entitled to give the Custodian such instructions as it determines as are necessary to effect such Delivery to such Noteholder on behalf of the Issuer. In addition, on the Delivery Date, the Issuer shall pay to the relevant Noteholder its *pro rata* share of the Negative MTM Amount, if any.
- iv. If the Issuer is to pay a Negative MTM Amount, the Issuer may, at its sole and absolute discretion, (x) convert such Negative MTM Amount into JPY at the spot USDJPY exchange rate determined by the Calculation Agent in its sole and absolute discretion and (y) deduct such

JPY amount from the Unwind Costs (and if such JPY amount exceeds the Unwind Costs, the Unwind Costs shall be reduced to zero and the Issuer shall be obligated to pay to such Noteholder such Noteholder's *pro rata* share of such excess on the relevant Delivery Date).

- v. An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to the relevant Clearing System, or (ii) if such Note is in definitive form, in writing. If the Note is in definitive form, the Note must be delivered together with the duly completed Asset Transfer Notice. An Asset Transfer Notice shall be irrevocable and must:
- (1) specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the Delivery of the Early Redemption Entitlements applicable to such Noteholder and any details required for Delivery of the Early Redemption Entitlements applicable to such Noteholder;
  - (2) in the case of Notes represented by a Global Note, specify the principal amount of Notes which are the subject of such notice and the number of the Noteholder's account at the relevant Clearing System, to be debited with such Notes and irrevocably instruct and authorise the relevant Clearing System to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
  - (3) authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by the relevant Clearing System or the Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Terms shall be made, in the case of Notes represented by a Global Note, by the relevant Clearing System after consultation with the Calculation Agent and, in the case of Notes in definitive form, by the Agent after consultation with the Calculation Agent, and (in each case) shall be conclusive and binding on the Issuer and the relevant Noteholder. Delivery of the Early Redemption Entitlement in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice.

If (a) a Noteholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date or (b) the outstanding Bond Collateral is not delivered to the Noteholder on the Delivery Date (the date on which (a) or (b) has occurred, the "**Cash Settlement Determination Date**"), then the Issuer shall pay the applicable aggregate Early Redemption Amounts to such Noteholder.

After Delivery of the Early Redemption Entitlements to a Noteholder and for such period as any person other than the relevant Noteholder shall continue to be the legal owner of any assets comprising the Early Redemption Entitlements (the "**Intervening Period**"), none of the Issuer, the Calculation Agent nor any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Early Redemption Entitlements, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Early Redemption Entitlements or (z) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Early Redemption Entitlements.

(9) **Additional Duties of the Calculation Agent**

On the Business Day immediately following the Cash Settlement Determination Date, the Calculation Agent shall solicit firm and actionable bids from at least three Reference Dealers in relation to the Bond Collateral that is equal to the outstanding notional of the Bond Collateral on such Business Day, and:

- (a) if two or more firm bids are obtained on such Business Day, the Bond Collateral shall be sold by the Selling Agent to the Reference Dealer providing the highest firm bid;
- (b) if only one firm bid is obtained on such Business Day, the Bond Collateral shall be sold by the Selling Agent to the Reference Dealer providing such bid;
- (c) if no firm bids are obtained on such Business Day, the Calculation Agent shall continue to solicit firm actionable bids until the date on which at least one Reference Dealer provides a firm bid (and this process shall continue until a bid is ultimately provided).

(10) **Definitions**

The following terms have the following meanings:

**Cut-Off Date** means 5:00pm (London time) 2 Business Days after the Early Redemption Notification Date.

**Deliver**, for the purposes of the Notes only, means to deliver the applicable Bond Collateral (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title (or, where only equitable title is customarily conveyed, all equitable title) and interest in the relevant Bond Collateral to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (excluding any liens routinely imposed on all securities in a relevant clearance system, but including, without limitation, any counterclaim, defence. **Delivery** and **Delivered** will be construed accordingly.

**Deliverable Bond Redemption Amount** means an amount, calculated by the Calculation Agent in its sole and absolute discretion, equal to (i) the aggregate amount of Bond Collateral held by the Issuer in respect of the Notes less (ii) any Positive MTM Amount (if any).

**Early Redemption Amount** means where the Notes are to be redeemed due to the occurrence of an Early Redemption Event, an amount in JPY, determined by the Calculation Agent in its sole and absolute discretion, subject always to a minimum of zero, equal to each Note's *pro rata* share of (i) the Liquidation Amount converted into JPY at the spot USD/JPY exchange rate at the time the Liquidation Amount is received by the Issuer, as determined by the Calculation Agent in its sole and absolute discretion, less (ii) the sum of (x) the Unwind Costs and the Mark-to-Market of the Asset Swap (which may be positive or negative).

**Early Redemption Date** means:

- (i) where the Notes are to be redeemed due to the occurrence of (1) an Early Redemption Event other than a Swap Event in circumstances where the Swap Counterparty is the sole Defaulting Party (as defined in the Swap Agreement) or (2) a Bond Collateral Prepayment Event, (x) the date falling five Business Days after the last payment is made in full under the Asset Swap; or (y) the Delivery Date, if the Bond Collateral is to be Delivered to a relevant Noteholder pursuant to paragraph 31(8) (*Delivery of the Early Redemption Entitlement*);
- (ii) where the Notes are to be redeemed due to the occurrence of a Swap Event in circumstances where the Swap Counterparty is the sole Defaulting Party (as defined in the Swap Agreement), the date falling five Business Days after the date on which any termination payment under Section 6(e) of the Swap Agreement becomes due and payable.

**Early Redemption Entitlement** means, if the Notes are to be redeemed following delivery of an

Asset Transfer Notice, each Note's *pro rata* share of the Deliverable Bond Redemption Amount.

**Early Redemption Notification Date** means the date on which the Issuer, or the Calculation Agent (acting on the Issuer's behalf), delivers an Early Redemption Date Notice.

**Liquidation Amount** means the USD amount received by the Issuer following the sale of the Bond Collateral in accordance with the Additional Duties of the Calculation Agent pursuant to Paragraph 31(9) (*Additional Duties of the Calculation Agent*).

**Market Credit Event** means the occurrence, as determined by the Calculation Agent in its sole and absolute Discretion, of a Credit Event (as such termed is defined in a Market Standard Credit Default Swap) under the terms of the Market Standard Credit Default Swap (and, in this respect and for the avoidance of doubt, a Market Credit Event (a) will occur if the Calculation Agent determines, in its sole and absolute discretion, that an event has occurred with respect to the Bond Issuer that satisfies the definition of a Credit Event under the Market Standard Credit Default Swap and (b) will not require the exchange of any Credit Event Notice or a DC Credit Event Announcement to be made (as such terms are defined in the Market Standard Credit Default Swap)).

**Market Standard Credit Default Swap** means a credit default swap transaction referencing the Bond Issuer (a) where the effective date is the Issue Date; (b) where the scheduled termination date is the Scheduled Maturity Date; (c) incorporating (i) the 2014 ISDA Credit Derivatives Definitions (the "**Definitions**") as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") and (ii) the terms set forth in the Physical Settlement Matrix published by ISDA for a "Standard European Financial Corporate" Transaction Type that represents the market standard terms used as of the Issue Date (the Credit Events that are applicable to such transaction are Bankruptcy, Failure to Pay, Restructuring and Governmental Intervention); (d) where "Subordinated Level" is elected as the Seniority Level; (e) with a Floating Rate Payer Calculation Amount equal to Principal Amount and (f) a Fixed Rate equal to 1.00%.

**Mark-to-Market of the Asset Swap** means (i) in respect of a Collateral Default Event or Market Credit Event, an amount equal to zero; and (ii) otherwise, an amount in JPY, determined by the Calculation Agent in its sole and absolute discretion, that would be payable (expressed as a positive number if such amount would be payable by the Issuer to the Swap Counterparty and expressed as a negative number if such amount would be payable by the Swap Counterparty to the Issuer) pursuant to Section 6(e)(ii)(1) of the Swap Agreement if the Asset Swap were to be terminated as of the Early Redemption Notification Date, determined on the basis that:

- (i) the Notes would have been redeemed on the Maturity Date, such that paragraph 4.3 of the Asset Swap (but not paragraphs 4.1 or 4.2 of the Asset Swap) would have been applicable; and
- (ii) the Issuer is the sole Affected Party and the Asset Swap is the sole Affected Transaction.

**Negative MTM Amount** means an amount equal to (A) if the Mark-to-Market of the Asset Swap is negative, the absolute value of such negative amount, otherwise (B) zero.

**Positive MTM Amount** means an amount of the principal amount of the Bond Collateral held by the Issuer in respect of the Notes having a market value equal to the sum of (A) the Mark-to-Market of the Asset Swap (where such Mark-to-Market of the Asset Swap is positive) and (B) the Unwind Costs.

**Prepayment Redemption Amount** means an amount in JPY, subject to a minimum of zero, determined by the Calculation Agent in its sole and absolute discretion, equal to (i) the redemption proceeds in USD actually received by the Issuer in connection with the prepayment in full of the Bond Collateral before the maturity date thereof, converted into JPY at the spot USDJPY exchange rate at the time such redemption proceeds are received, as determined by the Calculation Agent in its sole and absolute discretion, less (ii) the sum of (a) the Unwind Costs and (b) the Mark-to-Market of the Asset Swap.

**Reference Dealers**" means leading dealers, banks or banking corporations, which deal in



obligations of the type of the Bond Collateral, as selected by the Calculation Agent in its sole and absolute discretion (and for the avoidance of doubt, one of which may be Deutsche Bank AG, London Branch or an affiliate thereof).

**Tax Event** means the occurrence of an event pursuant to Condition 8.5(A) (as amended by paragraph 31).

**Unwind Costs** means an amount in JPY (which may be positive, negative or zero), as determined by the Calculation Agent in its sole and absolute discretion, equal to the sum (without duplication) of the sum of (without duplication) all costs (including, without limitation, legal costs), expenses (including, without limitation, loss of funding), taxes and duties (including, without limitation, stamp duty and stamp duty reserve tax) incurred by the Issuer and/or the Trustee and/or the Swap Counterparty (without double counting or including the Mark-to-Market of the Asset Swap) as a result of the Notes becoming subject to mandatory redemption following the relevant Early Redemption Event (expressed as a positive number or, as applicable, zero).

- (11) The Calculation Agent shall determine if the Notes have become subject to an Early Redemption Event or a Bond Collateral Prepayment Event, which determination shall, in the absence of manifest error, be conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agent, the Swap Counterparty and all other persons and no liability shall attach to the Calculation Agent in respect thereof.
- (12) The Early Redemption Amount, Prepayment Redemption Amount, the Early Redemption Entitlement and any Negative MTM Amount (as applicable) and (in each case) each part thereof shall be determined by the Calculation Agent, which determination shall, in the absence of manifest error, be conclusive and binding on all parties. The payment by the Issuer of the Early Redemption Amount (or, as applicable, the Delivery of the Early Redemption Entitlement), Prepayment Redemption Amount and/or any portion of a Negative MTM Amount in respect of each Note determined as set forth above shall be in full and final satisfaction of all claims whether of principal, interest or otherwise accruing at any time in respect of such Note, whether before or after such date.

### 32. Payments subject to Law

Condition 9.4 (*Payments subject to law, etc.*) shall be deleted in its entirety and replaced with following the following:

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

### 33. Appointment of Agents

Condition 9.5 (*Appointment of Agents*) shall be amended by deleting the final two sentences of the first paragraph thereof and replacing them with the following wording, "For so long as the Notes are listed on any stock exchange, and the rules of such stock exchange so require the Issuer will maintain such other agents as may be required by the rules of such stock exchange."

### 34. Events of Default

Condition 11 (*Events of Default*) shall be amended by deleting the following from the first paragraph thereof: "together with accrued interest (if any) thereon to the date of payment".

**35. Notice to Noteholders**

For so long as the Notes are represented by a Global Note, any notice may be validly given if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders, and shall be deemed to be given to Noteholders on the day on which it is so delivered to Euroclear and/or Clearstream, Luxembourg. None of the Issuer, the Trustee or the Agent shall have any responsibility in respect of any delay or failure by Euroclear and/or Clearstream, Luxembourg to communicate a notice to the Noteholders or any other persons having a direct or indirect interest in the Notes. Any requirement to have any notice to Noteholders approved in advance by the Trustee under Clause 4.1(G) of the "General Trust Terms for Structured Investments arranged by Deutsche Bank AG London/Deutsche Bank Aktiengesellschaft; Standard & Poor's / Moody's Rated Issuer, October 2010 Edition" or otherwise shall not apply.

**36. All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any tax unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments on account of tax unless so required by law or any relevant taxing authority. Any such withholding or deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*) or otherwise lead to an early redemption of the Notes.**

## ANNEX A –ASSET SWAP CONFIRMATION

### Asset Swap Confirmation

**Deutsche Bank**

**Aktiengesellschaft**

Date: 25 September 2018

To: Eirles Two Designated Activity Company

Attention: The Directors

From: Deutsche Bank AG, London Branch (in its capacity as Swap Counterparty)

**Re: Asset Swap Transaction – Eirles Two Designated Activity Company– Series 376 JPY2,000,000,000 Fixed Rate Notes due 2027 (the Notes) (ISIN: XS1874120642)**

Dear Sirs or Madams:

The purpose of this letter (this **Confirmation**) is to confirm the terms and conditions of the single Transaction entered into between Deutsche Bank AG, London Branch (**Party A**) and Eirles Two Designated Activity Company (**Party B**) on the Trade Date specified below (the **Transaction**). This Confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

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

For the purposes of this Confirmation, all references in the Definitions and the Agreement (as defined below) to a "Swap Transaction" shall be deemed to apply to the Transaction referred to herein.

This Confirmation supplements, forms part of, and is subject to the ISDA Master Agreement dated as of 25 September 2018 (as the same may be amended, modified or supplemented from time to time, the **Agreement**) entered into between Party A and Party B by their execution of the Trust Instrument (as the same may be amended, modified or supplemented from time to time, the **Trust Instrument**) dated 25 September 2018 between, *inter alios*, Party A, Party B and Deutsche Trustee Company Limited. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

Capitalised terms neither defined in this Confirmation nor in the Definitions shall have the meanings given to them in the terms and conditions of the Notes (as the same may be amended, modified or supplemented from time to time, the **Conditions**) and as set out or otherwise incorporated into the Trust Instrument. In the event of any inconsistency between the Definitions and the Trust Instrument, the Trust Instrument shall prevail. References herein to **paragraphs** are to the paragraphs hereof, unless the context requires otherwise.

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

#### 1. General Terms

Trade Date: Issue Date.

Effective Date: Issue Date.

Termination Date:	The Maturity Date (as defined in the Conditions).
Calculation Agent:	Deutsche Bank AG, London Branch.
Business Days:	London, Singapore, New York and Tokyo.
Business Day Convention:	Following.

## 2. Initial Exchange

Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	An amount in USD equal to the purchase price of the Bond Collateral.
Party B Initial Exchange Amount:	JPY2,000,000,000.

## 3. Variable Amounts

Variable Amounts - Party B: Party B shall pay to Party A amounts that are equal to each amount in the nature of interest or other distributions (excluding principal) which are scheduled or due to be received (or are otherwise actually received) by it in respect of the Bond Collateral as of the Trade Date (and, for the avoidance of doubt, without regard to the Bond Collateral where the nature or terms of such Bond Collateral are amended or changed as a result of the occurrence of a Governmental Intervention Credit Event (as such terms are defined in the Market Standard Credit Default Swap) after the Trade Date) from time to time during the Variable Amount Period, in each case on the day on which it is scheduled or due to receive such amount pursuant to the terms and conditions of the Bond Collateral as at the Trade Date.

Variable Amounts - Party A: Party A shall pay to Party B amounts that are equal to the aggregate Interest Amounts payable by Party B under the Notes 2 Business Days prior to each Interest Payment Date in respect of the Notes in accordance with the Conditions.

Variable Amount Period: The period from (and including) the Effective Date to (and including) the Termination Date.

## 4. Payment and delivery obligations in connection with the redemption of the Notes

### 4.1 Early Redemption Events

If (but only if) the Notes become subject to mandatory redemption due to the occurrence of an Early Redemption Event (other than (i) where the Notes are to be redeemed by way of Delivery of Early Redemption Entitlements or (ii) upon the occurrence of a Swap Event in circumstances where Party A is the sole Defaulting Party) then,

Party A payment obligations: Party A shall pay to Party B two Business Days prior to the Early Redemption Date an amount in JPY that is equal to the aggregate Early Redemption Amounts in respect of such Notes, save that if the Notes become subject to mandatory redemption due to the occurrence of a Market Credit Event or a Collateral Default Event then (a) the value of the Mark-to-Market of the Asset Swap for the purposes of calculating the Early Redemption Amount shall be zero.

Party B payment and delivery obligations: On the Business Day immediately following the day on which Party B receives the proceeds of sale of the Bond Collateral sold on its behalf pursuant to paragraph 31(9) (*Additional Duties of the Calculation Agent*) of the Terms, Party B shall pay to Party A an amount equal to the sum of (i) the Liquidation Amount, (ii) the Unwind Costs and (iii) any Mark-to-Market of the Asset Swap that is a positive amount.

If (but only if) the Notes become subject to mandatory redemption due to the occurrence of an Early Redemption Event where the Notes are to be redeemed by way of Delivery of Early Redemption Entitlements (other than upon the occurrence of a Swap Event in circumstances where Party A is the sole Defaulting Party) then (a) Party A shall pay to Party B an amount equal to any Negative MTM Amount 2 Business Days prior to the Delivery Date and (b) Party B shall pay to Party A an amount equal to any Positive MTM Amount on the Delivery Date.

#### **4.2 Bond Collateral Prepayment Event**

If (but only if) the Notes are to be redeemed following a Bond Collateral Prepayment Event the provisions of this paragraph 4.2 shall apply.

Party A payment obligations: Two business days prior to the relevant Early Redemption Date, Party A shall pay to Party B an amount in JPY that is equal to the aggregate Prepayment Redemption Amount in respect of the Notes.

Party B payment and delivery obligations: On relevant Early Redemption Date, Party B shall deliver to Party A all of the proceeds of the redemption of the Bond Collateral actually received by Party A in connection with the prepayment in full on the Bond Collateral.

#### **4.3 Redemption at Maturity**

If (but only if) the Notes are to be redeemed in accordance with sub-paragraph (i) of paragraph 13 (*Redemption*) of the Terms, the provisions of this paragraph 4.3 shall apply.

Party A payment obligations: On the Maturity Date, Party A shall pay to Party B an amount in JPY that is equal to the aggregate Redemption Amounts in respect of the Notes.

Party B payment and delivery obligations: On the Maturity Date, Party B shall deliver to Party A all of the Bond Collateral as of the Trade Date (and, for the avoidance of doubt, without regard to the Bond Collateral where the nature or terms of such Bond Collateral are amended or changed as a result of the occurrence of a Governmental Intervention Credit Event (as such terms are defined in the Market Standard Credit Default Swap) after the Trade Date) (or, to the extent applicable (and without any double counting), shall pay to Party A the proceeds of the redemption thereof).

## 5. Special Provisions

### 5.1 *Early Redemption of the Notes*

In the event that an Early Termination Date has been in respect of a Swap Event, Party A's Loss in respect of the Asset Swap will be determined as if the Notes would have been redeemed on the Maturity Date, such that paragraph 4.3 above (but not paragraph 4.1 (*Early Redemption Events*) or 4.2 (*Bond Collateral Prepayment Events*)) would have been applicable.

Notwithstanding any other provision of the Agreement (except for Clause 3.1 (*Limited Recourse*) in Part 5 of the Schedule to the Agreement, which shall prevail to the extent of any inconsistency), and subject as provided in the paragraph below, any obligation to make a payment or a delivery under paragraph 4.1 or paragraph 4.2 above (to the extent applicable) shall be deemed to comprise a separate and distinct obligation under the Agreement which: (i) does not comprise part of the Transaction confirmed in this Confirmation; (ii) is not affected by Section 6(c)(ii) of the Agreement and instead shall remain outstanding notwithstanding any designation of an Early Termination Date; and (iii) shall not be taken into consideration in calculating any amount payable under Section 6(e) of the Agreement.

To the extent necessary to avoid any double counting, any payment made by Party A (whether or not discharged by way of netting pursuant to Section 2(c) of the Agreement) in respect of paragraph 4.1 or paragraph 4.2 above shall be deemed to also satisfy (in whole or in part, as applicable) Party A's obligation (if any) to make a payment under Section 6(e) of the Agreement (in each case, to the extent that: (i) the amount paid by Party A in respect of paragraph 4.1 or paragraph 4.2 is calculated by reference to the Mark-to-Market of the Asset Swap; and (ii) the aggregate amount payable by Party A under Section 6(e) of the Agreement is determined by reference to Party A's Loss in respect of the Asset Swap).

### 5.2 *Basis Selection*

For the purposes of Condition 15 (*Further Issues*) of the Notes, Party B shall make the Basis Selection (as therein defined) in such manner as Party A may in its sole and absolute discretion specify.

### 5.3 *Purchase of Notes*

Party B shall, at any time upon being so required by Party A, purchase the Notes held by Party A in accordance with Condition 8.7 (*Purchases*). The proportion of the Notes being so purchased will be the "**Purchased Proportion**". On the date of such purchase Party B shall (or the Custodian on its behalf shall) deliver to Party A the Purchased Proportion of any Bond Collateral.

Party B's obligation to purchase the Notes in accordance with this paragraph 5.3 shall be conditional upon (1) Party A agreeing to bear and/or pay, and to indemnify Party B against, all costs, expenses and taxes (if any) payable by Party B in connection with such purchase (for the avoidance of doubt, in addition to the payment of any relevant termination payment that may be due from Party A to Party B in accordance with the terms of the Agreement); and (2) Party A delivering a Ratings Notification to the Trustee and Party B in respect of the portion of the Notes (if any) that will remain outstanding following the Purchase of Notes.

Upon such delivery and payment (if any), the Agreement (or *pro rata* part thereof, as the case may be) will terminate and the obligations of the parties thereunder will terminate (or be reduced *pro rata*, as the case may be). No payment will be payable by either party under Section 6(e) of the Agreement. The Calculation Agent may, without the consent of Party A, Party B or any other parties, adjust the provisions of this Confirmation to reflect such purchase of Notes and to preserve the economic

equivalence of the Transaction documented hereunder after such purchase of Notes.

#### 5.4 Representations

- (a) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.
- (b) Each party hereby represents and warrants to the other party (except for paragraph 5.4(b)(iv) below where only Party B represents to Party A) as of the Trade Date that:
  - (i) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.
  - (ii) *Assessment and Understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice) and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
  - (iii) *Status of Parties.* The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.
  - (iv) *Transactions in the Collateral.* Party B understands that Party A and its successor(s) and its Affiliates may engage in proprietary trading in the Collateral or similar instruments for their own account and that such trading may affect the value of the Collateral.
  - (v) *Concerning the Calculation Agent.* The Calculation Agent is not acting as a fiduciary for or as an advisor to either party in respect of its duties as Calculation Agent in respect of this Transaction and any determination by the Calculation Agent in the course of such duties shall be conclusive and binding on each party (in the absence of manifest error) and no liability shall attach to the Calculation Agent in respect thereof.
- (c) Party B agrees and acknowledges that Party A may hedge its position under this Transaction on a dynamic, static or portfolio basis or in such other manner as it sees fit in its absolute discretion (including by holding a corresponding position in the securities or indices referenced by or underlying this Transaction). Any hedge position established by Party A (or any of its Affiliates) is a position and activity of Party A (or such Affiliate) and neither Party A nor its Affiliates are holding any hedge positions, or engaging in any of its hedging activities, on behalf or for the account of or as agent or fiduciary for Party B, and Party B will not have any direct economic or other interest in, or beneficial ownership of, Party A's hedge positions or hedging activities.

#### 6. Account Details

Account details for Party A:

***USD***

Correspondent Bank: Deutsche Bank Trust Company Americas New York  
Swift Code: BKTRUS33  
Beneficiary: Deutsche Bank AG London (DEUTGB2L)  
Account number:04411739

***JPY***

Correspondent Bank: Deutsche Bank AG, Tokyo  
Swift Code: DEUTJPJT  
Beneficiary: Deutsche Bank AG London (DEUTGB2L)  
Account number:8515900

Account details for Party B:

***USD***

To be provided separately

***JPY***

To be provided separately

and/or such other accounts as shall be advised by one Party to the other as and when necessary.

**7. Offices**

The Office of Party A for this Transaction is London. The Office of Party B for this Transaction is Dublin.

**Branch Transfer**

Section 10 of this Agreement is amended by the addition of the following Section 10(d): “(d) Notwithstanding the provisions of Section 7, the other sub-sections of Section 10, any prior specification in a Confirmation for a Transaction or Transactions or any other provision of this Agreement, Party A may by thirty days’ prior written notice to Party B (which may be provided by email) at any time prior to the termination of a Transaction or Transactions or Master Confirmation intended to document multiple Transactions (howsoever described) designate its Frankfurt head office as the Office: (i) in the case of a Master Confirmation, through which it enters into such Transaction(s), (ii) in which it books such Transaction(s) and/or (iii) through which it makes and receives payments and deliveries with respect to such Transaction(s).”

**8. Calculation Agent**

Party A acting reasonably and in good faith according to its customary practices and procedures, provided, however, that absent manifest error, the Calculation Agent's computations hereunder shall be binding for all purposes.

**9. Governing Law**

This Confirmation (and any non-contractual obligations arising out of or in connection with this Confirmation) shall be governed by and construed in accordance with English law.



**EXECUTION PAGE OF ASSET SWAP CONFIRMATION - EIRLES TWO DESIGNATED ACTIVITY  
COMPANY - SERIES 376**

Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorised officer sign this fax copy and return it by fax to:

Derivatives Documentation

Tel: +44 207 541 6560

Fax: +44 20 7545 1913

Email: derivative.documentation@db.com

Yours sincerely

**Deutsche Bank AG, London Branch**, in its capacity as Swap Counterparty

By:

By:

Name:

Name:

Confirmed as of the date first written above:

**Eirles Two Designated Activity Company**

By: Name:

## OPERATIONAL AND OTHER INFORMATION

The following information applies to the Notes.

### 1. ADMISSION TO TRADING, LISTING AND DEALING ARRANGEMENTS

Listing(s) and admission to trading	Application has been made after the Issue Date to Euronext Dublin for the Notes to be admitted to the official list of Euronext Dublin and to trading on its regulated market. No assurance can be given that the Notes will be listed, and if listed, that such listing will be maintained for the term of the Notes.
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Regulated markets or equivalent markets on which, to the knowledge of the Issuer, Notes of the same class of the Notes to be offered or admitted to trading are already admitted to trading.	None
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### 2. RATINGS

None.

### 3. INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Arranger, so far as the Issuer is aware, no person involved in the issue or offering of the Notes has an interest material to the issue or the offering.

### 4. DISTRIBUTION

Method of distribution	Non-syndicated
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If non-syndicated, name of Purchaser:	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB
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Stabilisation Manager	None
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Consent to use the Prospectus	The Prospectus may not be used for subsequent offers.
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### 5. SECURITIES IDENTIFICATION NUMBERS

Common Code	187412064
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ISIN	XS1874120642
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## **6. EUROSISTEM ELIGIBILITY OF NGN**

Not applicable (Notes are not issued in NGN-format)

## **7. THIRD PARTY INFORMATION**

With respect to any information included herein and specified to be sourced from a third party (i) the Issuer confirms that any such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information available to it from such third party, no facts have been omitted, the omission of which would render the reproduced information inaccurate or misleading and (ii) the Issuer has not independently verified any such information and accepts no responsibility for the accuracy thereof.

## **EXPENSES**

The expenses related to the admission to trading of the Notes on Euronext Dublin are estimated to be EUR5,000.

Any associated costs of issuance and ongoing expenses of an administrative nature will be borne by the Arranger.

## **USE OF PROCEEDS AND REASONS FOR THE OFFER**

The net proceeds of the issue of the Notes (being a sum of JPY2,000,000,000) were used by the Issuer to acquire the Bond Collateral on the issue date of the Notes.

## **TAXATION**

The section entitled "*Taxation*" of the Base Prospectus is incorporated by reference herein as if set out in full in this Prospectus.

## **SUMMARY OF PROVISIONS RELATING TO NOTES WHILE IN GLOBAL FORM**

The section entitled "*Summary of Provisions Relating to Notes while in Global Form*" of the Base Prospectus is incorporated by reference herein as if set out in full in this Prospectus.

## **INFORMATION CONCERNING THE TRUST INSTRUMENT**

The section entitled "*Further Information Concerning the Trust Instrument*" of the Base Prospectus is incorporated by reference herein as if set out in full in this Prospectus.



## INFORMATION CONCERNING THE ISSUER

The descriptions of and information in respect of the Issuer set out in the Base Prospectus (including in the section entitled "*Description of the Issuer*") are incorporated by reference herein as if set out in full in this Prospectus.

The issue of the Notes has been authorised by a resolution of the board of directors of the Issuer passed on or around 14 September 2018.

As at the date of this Prospectus, save for issuances of any notes pursuant to the Programme, 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.

Save as for issuances of notes, there has been no significant change in the financial or trading position of the Issuer since 31 December 2017 and there has been no material adverse change in the financial position or the prospects of the Issuer since 31 December 2017.

The Issuer is not involved (whether as defendant or otherwise) in, nor does it have knowledge of, any pending or threatened legal, arbitration, administrative or other proceedings that may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer. Furthermore, there have been no legal, arbitration, administrative or other proceedings within the 12 months preceding the date of this Prospectus, and no such proceedings have been concluded during such period, which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer.

## **INFORMATION CONCERNING THE SWAP COUNTERPARTY AND THE SWAP AGREEMENT**

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

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

### **DEUTSCHE BANK AKTIENGESELLSCHAFT Incorporation, Registered Office and Objectives**

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

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

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

### **Deutsche Bank AG, London Branch**

"**Deutsche Bank AG London**" is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank AG London is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

### **Share Capital, Capitalisation and Indebtedness**

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

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

## SWAP AGREEMENT

Upon any early termination of the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination) or such termination payment may be used in the calculation of the amount that is payable to Noteholders on an early redemption.

Any termination payment will be based on the total losses, gains and costs of the determining party in connection with the Swap Agreement.

In all cases of early termination occurring other than by reason of a default by the Swap Counterparty (in which case the determination will be made by the Issuer), the termination payment will be determined by the Swap Counterparty on the basis of the Swap Counterparty's determination of its total losses and costs in connection with the Swap Agreement. There is no assurance that any termination payment payable under the Swap Agreement by the Swap Counterparty (if any) to the Issuer will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.

The above summary is qualified in its entirety by the terms of the Swap Agreement.

## INFORMATION CONCERNING THE BOND COLLATERAL

*The information in this section has been extracted from the prospectus of the Bond Collateral (which can be accessed at [https://invest.bnpparibas.com/sites/default/files/dettes/documents\\_isin/bnp\\_march\\_2017\\_-\\_us\\_mtn\\_-\\_tier\\_2\\_-\\_final\\_pricing\\_supplement.pdf](https://invest.bnpparibas.com/sites/default/files/dettes/documents_isin/bnp_march_2017_-_us_mtn_-_tier_2_-_final_pricing_supplement.pdf)). Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

*Purchasers of Notes should conduct their own independent investigation and analysis regarding the Bond Collateral.*

***The attention of investors is drawn to the section headed "Risk Factors" on page 7 of this Prospectus.***

Details of the Bond Collateral are as follows:

<b>Issuer:</b>	BNP Paribas
<b>Address of Issuer:</b>	16 Blvd. des Italiens, Paris, 75009
<b>Maturity date:</b>	13 March 2027
<b>Interest basis:</b>	4.625% per annum
<b>ISIN:</b>	US05581LAC37
<b>Legislation pursuant to which the Collateral is issued:</b>	New York law.
<b>Regulated or Equivalent Market on which the Issuer of the Collateral has securities admitted to trading:</b>	Securities issued by BNP Paribas have been admitted to trading on the Paris and London stock exchanges.

## INFORMATION CONCERNING THE CALCULATION AGENT

The Calculation Agent is Deutsche Bank AG, London Branch (the "**Calculation Agent**") which is the London branch of Deutsche Bank Aktiengesellschaft ("**DB AG**"). The Calculation Agent's address is Winchester House, 1 Great Winchester Street, London, EC2N 2DB. DB AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies.

### *Business Activities*

The objects of DB AG, as laid down in its articles of association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. DB AG may realise these objectives itself or through subsidiaries and affiliated companies.

### *Calculation Agent's Responsibilities*

The Calculation Agent is responsible for making any determination or calculation required pursuant to the Terms and Conditions of the Notes. Once a determination or calculation is made, the Calculation Agent is responsible for notifying the Issuer, the Trustee, the Agent, the Noteholders, the Arranger and such other persons as may be required by the Terms and Conditions of the Notes.

### *Termination and Appointment of Calculation Agent*

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

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

## SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

The Issuer has entered into a purchase agreement with the Arranger in respect of the issue of the Notes (the "**Purchase Agreement**"), pursuant to which the Arranger has agreed, amongst other things, to procure one or more purchasers of the Notes.

### 1. General

No action has been or will be taken in any jurisdiction by the Arranger or the Issuer that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus, or any part thereof, or this Prospectus, as the case may be, or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The Arranger will, to the best of its knowledge, comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells, or delivers Notes or has in its possession or distributes the Base Prospectus, or any part thereof, or this Prospectus, as the case may be, or any such other offering material, in all cases at its own expense, unless otherwise agreed. The Arranger will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions (except to the extent that such actions are the actions of the Issuer) (but not the Arranger acting as the agent of the Issuer). The Issuer will not have any responsibility for, and the Arranger will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it may make any acquisition, offer, sale or delivery.

### 2. United States of America

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

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations.

Notes may not be offered, sold, pledged or otherwise transferred except (i) in an "Offshore Transaction" (as such term is defined under Regulation S) and (ii) to or for the account or benefit of a Permitted Transferee.

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

"**Permitted Transferee**" means any person who is not:

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

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

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

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

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

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

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



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

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

Each prospective purchaser of the Notes, by accepting delivery of the Base Prospectus the Prospectus, any issue documentation relating to the Notes, and each transferee of the Notes by accepting the transfer of the Notes, will be deemed to have represented and agreed as follows:

- (a) it understands that the Notes have not been and will not be registered under the Securities Act and agrees that it will not, at any time during the term of the Notes, offer, sell, pledge or otherwise transfer the Notes, except in an "Offshore Transaction" (as such term is defined under Regulation S) to or for the account of a Permitted Transferee;
- (b) it understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CEA Rules;
- (c) (i) it is a Permitted Transferee and (ii) if it is acting for the account or benefit of another person, such other person is also a Permitted Transferee;
- (d) it understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Notes to certify periodically that such legal or beneficial owner is a Permitted Transferee;
- (e) it understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Notes in violation of the transfer restrictions applicable to the Notes;
- (f) it understands and acknowledges that the Issuer has the right at any time after becoming aware that any legal or beneficial ownership interest in a Note is held by a Non-Permitted Transferee to require such Non-Permitted Transferee to sell such interest to (i) an affiliate of the Issuer (to the extent permitted by applicable law) or (ii) a person who is not a Non-Permitted Transferee, in each case in accordance with Condition 8.3 (*Forced transfer at option of the Issuer on void transfer or other disposition*);
- (g) it agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the

Notes;

- (h) it understands that Notes will bear a legend regarding the restrictions set forth herein; and
- (i) it understands that any purported transfer in violation of the transfer restrictions applicable to the Notes will be void *ab initio* and will not operate to transfer any rights to the Non-Permitted Transferee.

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

### 3. United Kingdom

The Arranger has represented, warranted and agreed in the Purchase Agreement that:

- (i) it has only communicated or caused to be communicated, and it will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) in relation to any Notes which must be redeemed before the first anniversary of the date of their issue, (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 Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### 4. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Arranger has represented and warranted in the Purchase Agreement that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Prospectus in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes 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, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or the Arranger 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 addition, Notes will not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.
- the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.
- the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive.

## 5. Taiwan

The Notes have not been and will not be sold, issued or offered directly or indirectly within Taiwan, the Republic of China ("**ROC**"). The Notes may only be made available to ROC investors for purchase outside the ROC. No person or entity has been authorised to offer, sell or give advice regarding or otherwise intermediate the offering and sale of the Notes in the ROC.

## 6. Hong Kong

In relation to the Notes, the Arranger has represented and agreed in the Purchase Agreement that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) 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 SFO and any rules made under the SFO; and
- (c) the Notes have not been authorised by the Hong Kong Securities and Futures Commission.

## 7. Ireland

The Arranger has represented, warranted and agreed in the Purchase Agreement that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any Central Bank rules issued and / or in force pursuant to Section 1363 of the Companies Act 2014;
- (ii) the Companies Act 2014;
- (iii) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (iv) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and / or in force pursuant to Section 1370 of the Companies Act;
- (v) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and
- (vi) the Central Bank Acts 1942 to 2015 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

## 8. Singapore

Neither this Prospectus nor the Base Prospectus has been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Arranger has represented and agreed in the Purchase Agreement that neither this Prospectus nor the Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may 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 any person 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) of the SFA, or any person pursuant to section 275(1A) of the SFA, 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:

- (i) 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
- (ii) 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,

then 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 transferable within 6 months after that corporation or that trust has acquired the Notes pursuant to an offer made under section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in section 275(2) of the SFA, or to any person pursuant to an offer referred to in section 275(1A) or section 276(4)(i)(B) of the SFA; or
- (b) where no consideration is or will be given for the transfer; or
- (c) where the transfer is by operation of law; or
- (d) pursuant to section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations.

## 9. Japan

The Arranger has represented and agreed in the Purchase Agreement and agrees that 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) (the “**Financial Instruments and Exchange Law**”). Accordingly, the Arranger represents, warrants and agrees that in connection with Notes denominated in yen or in respect of which amounts may be payable in yen it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## GENERAL INFORMATION

### Clearing Systems

The Notes will initially be represented by interests in a temporary global note in bearer form, without interest coupons, which will be deposited with a common depository on behalf of for Euroclear Bank S.A./N.V., as operator of the Euroclear System or any successor entity thereto ("**Euroclear**") and Clearstream Banking, société anonyme or any successor entity thereto ("**Clearstream, Luxembourg**"). The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B -1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-2967, Luxembourg.

### Post-issuance information

The Issuer will not provide any post-issuance information regarding the Notes or the Collateral, except if required by any applicable laws and regulations.

### Documents available for inspection

Copies of the following documents will be available for inspection and collection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and the specified office of the Agent in London (in each case, as set out in the section entitled "*Names and Address*" below), free of charge, for so long as the Notes shall remain outstanding and, for so long as the Notes remain listed on Euronext Dublin, at the office of the Listing Agent specified on the back page of this Prospectus:

1. this Prospectus, the Base Prospectus and any future supplements to the Base Prospectus (and any other documents incorporated herein or therein by reference);
2. the Trust Instrument and any supplemental trust instrument;
3. each document incorporated by reference into the Trust Instrument (including, without limitation, the documents setting out the terms of the Agency Agreement, the Purchase Agreement and the Swap Agreement);
4. the audited annual financial statements of the Issuer in respect of the financial years ended 31 December 2017 and 31 December 2016;
5. the unaudited interim financial statements of the Issuer in respect of the period ending on 30 June 2017 and 30 June 2016;
6. the annual financial statements and the quarterly interim financial statements of Deutsche Bank Aktiengesellschaft; and
7. the Issuer's memorandum and articles of association.

**NAMES AND ADDRESSES**

**REGISTERED OFFICE OF THE ISSUER**

**Eirles Two Designated Activity Company**

Block A, George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

**TRUSTEE**

**Deutsche Trustee Company Limited**

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

**ARRANGER, PURCHASER, SELLING AGENT,  
SWAP COUNTERPARTY, CUSTODIAN,  
CALCULATION AGENT AND ISSUING AND  
PAYING AGENT**

**Deutsche Bank AG, London Branch**

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

**LEGAL ADVISERS**

*to the Arranger and Trustee as to  
English law:*

**Simmons & Simmons JWS Pte  
Ltd**  
168 Robinson Road  
#11-01 Capital Tower  
Singapore 068912

*to the Issuer as to Irish law:*

**Matheson**  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**LISTING AGENT**

**Deutsche Bank AG,  
London Branch**

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