

Dated 25 November 2013

LIBRETTO CAPITAL P.L.C.

Secured Note Issuance Programme arranged by
CITIGROUP GLOBAL MARKETS LIMITED

PROSPECTUS

Libretto Capital P.L.C.
SERIES 2013-08
USD 10,000,000 Floating Rate Credit Linked Secured Notes due 2020

Citi

This Series Prospectus, under which the Series 2013-08 USD 10,000,000 Floating Rate Credit Linked Secured Notes due 2020 (the “**Notes**”) were issued, incorporates by reference, and should be read in conjunction with, pages 1 to 121 of the Base Prospectus dated 10 July 2013 relating to the Secured Note Issuance Programme (the “**Programme**”) and the Issuer Disclosure Annex to the Base Prospectus dated 11 July 2013 (together, the “**Base Prospectus**”) relating to the issuance by Libretto Capital P.L.C. (the “**Issuer**”) of secured notes under the Programme. Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. The Series Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC (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 Series Prospectus constitutes a Prospectus for the purposes of Regulation 13 of the Prospectus (Directive 2003/71/EC) Regulations 2005 and Article 5 of the Prospectus Directive and for the purpose of giving information with regards to the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the official list (the “**Official List**”) and trading on its regulated market. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The Notes are physically-settled credit linked notes. In connection with the Notes, the Issuer has entered into a swap confirmation (the “**Credit Default Swap Confirmation**”) documenting a credit default swap transaction referencing a Reference Entity (the “**Credit Default Swap**”) and a swap confirmation (the “**Interest Rate Swap Confirmation**”) and together with the Credit Default Swap Confirmation, the “**Swap Confirmations**”) documenting an interest rate swap transaction (the “**Interest Rate Swap**”) under the ISDA Master Agreement (the ISDA Master Agreement and the Swap Confirmations together, the “**Swap Agreement**”), with Citigroup Global Markets Limited (“**CGML**”). All of CGML’s interest and obligations under the Swap Agreement have been transferred to Citibank, N.A., London Branch (“**CBNA London**”) on 25 November 2013. CGML or CBNA London, as the case may be, in its capacity as a party to the Swap Agreement at the relevant time, shall be referred to herein as the “**Swap Counterparty**”.

The form of Credit Default Swap Confirmation and Interest Rate Swap Confirmation are as set out in Annex 4 and Annex 5 hereto.

The Scheduled Maturity Date of the Notes is the second Business Day after 24 August 2020. However, the actual maturity date of the Notes may be extended beyond the Scheduled Maturity Date in certain circumstances where the Swap Counterparty determines that a Credit Event or related events have occurred or may occur on or prior to the Scheduled Maturity Date and delivers a Potential Credit Event Notice or where the Termination Date of the Credit Default Swap falls after the Scheduled Termination Date of the Credit Default Swap. Noteholders will not receive any additional amounts in respect of any such postponement. See paragraph 39 of the Terms and Conditions of the Notes below.

Capitalised terms used but not otherwise defined herein or in the Base Prospectus have the meaning given to them in Annex 1 and, if not defined in Annex 1, such terms shall have the meaning given to them in the Swap Agreement. The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

Investors are advised to refer to the forms of the Credit Default Swap Confirmation and Interest Rate Swap Confirmation attached as Annexes 4 and 5 respectively.

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

The Issuer accepts responsibility for the information contained in this Series 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 Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or CGML (in such capacity, the **"Dealer"**).

The net proceeds of this issue were USD 10,000,000 and together with the initial payment by the Swap Counterparty to the Issuer under the Interest Rate Swap, were applied by the Issuer to purchase the Collateral on the Issue Date.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the **"Securities Act"**), the operator of the Issuer is not registered as a commodity pool operator under the U.S. Commodity Exchange Act (as amended) and the rules of the Commodity Futures Trading Commission thereunder (the **"CFTC Rules"**), and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, (i) U.S. persons (as such term is defined under Rule 902(k)(1) of Regulation S under the Securities Act) or (ii) persons who are not Non-United States persons (as such term is defined under CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception for qualified eligible persons who are not Non-United States persons). For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see "Subscription and Sale and Transfer Restrictions" in the Base Prospectus.

This Series Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone 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 Series Prospectus in any jurisdiction where such action is required.

The credit ratings included or referred to in the Series Prospectus have been either issued or endorsed by Moody's Investors Service Limited (**"Moody's"**), Standard & Poor's Credit Market Services Europe Limited (**"S&P"**) and Fitch Ratings Limited (**"Fitch"**) unless otherwise stated. Moody's, S&P and Fitch are established in the European Union and registered under Regulation (EC) 1060/2009 on credit rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

In this Series Prospectus, references to "EUR" are to euros, the lawful currency of the participating member states of the European Union adopted in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

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Risk Factors

THE CONSIDERATIONS SET OUT BELOW 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 Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Series Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

General

The Notes

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

Investors

The Base Prospectus, read together with this Series Prospectus, identify in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should, without any reliance on Citigroup or its affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes.

This Series Prospectus is not, and does not purport to be, investment advice, and neither the Issuer nor Citigroup makes any recommendation as to the suitability of the Notes. The provision of

this Series Prospectus to prospective investors is not based on any prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the Notes. Even if the Issuer or Citigroup possesses limited information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the Notes. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgement and/or that of its advisers and not in reliance on the Issuer, Citigroup or any of their respective affiliates.

In particular, each prospective investor in the 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 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.

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

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) if relevant, the Notes can be used as underlying securities for various types of borrowing, and (iii) other restrictions apply to its purchase or, if relevant, pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

No fiduciary role

None of the Issuer, the Arranger, the Dealer, the Custodian, the Trustee, the Agents or the Swap Counterparty (excluding the Issuer, the **"Transaction Parties"**) or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer, the Transaction Parties, or any of their respective affiliates assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer of any Collateral or the terms thereof or (except in the case of the Swap Counterparty) the Swap Counterparty.

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

No reliance

A prospective purchaser may not rely on the Issuer or the Transaction Parties or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

No representations

None of the Issuer or the Transaction Parties or any of their respective affiliates in respect of the Notes makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap Agreement with any exchange, governmental, supervisory or self regulatory authority or any other person.

Risk Factors relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing notes or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to, as long as any of the Notes (if any) remain outstanding, without the consent of the Trustee have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, declare any dividends or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Notes.

Preferred creditors under Irish law

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security that 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 (that may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) that 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 (that 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 that the holder received in payment of debts due to it by the company.

Where notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, 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 that 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 chargor does not have liberty to deal with the assets that 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 Deed 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 moneys 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 purported to be created by the Trust Deed 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;
- (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.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended to facilitate the survival of Irish companies in financial difficulties.

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 his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is

exercised, he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of 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 Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High 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 the 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 (which would be likely given the restrictions agreed to by the Issuer in the Conditions), 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 Irish High 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 include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

- (a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (b) 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
- (c) 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 Irish High Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the Notes or under any other secured obligations.

Anti-money laundering

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

Risk Factors relating to the Notes

Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security received by the Trustee for the benefit of the Noteholders prove

insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, none of the Noteholders nor any other secured party will be entitled at any time to proceed against the Issuer unless the Trustee having become bound to proceed fails or neglects to do so.

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

Trustee indemnity

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

Priority of claims

During the term of the Notes and on an enforcement of the security granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will (subject to the provisions set out in the Supplemental Trust Deed) be subordinated to (i) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the security and the Trustee's remuneration, (ii) amounts owing to the Custodian and amounts owing to the Issuing and Paying Agents, (iii) amounts owing to any Swap Counterparty under the relevant Swap Agreement and (iv) the other claims (if any) as specified in the Supplemental Trust Deed that rank in priority to the Notes.

No gross-up on payments under Notes

In the event that any withholding tax or deduction for tax is imposed on payments on the Notes or payments by the Swap Counterparty to the Issuer under the Swap Agreement (except in the latter case where the tax is an "Indemnifiable Tax" pursuant to the Swap Agreement), the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default shall occur as a result of any such withholding or deduction (but see "Early redemption for tax or legal reasons" below).

Early redemption for tax or legal reasons

Upon giving notice to the Trustee, the Issuer may redeem Notes earlier than the Maturity Date for specified tax or legal reasons, including as a result of actual or potential withholding on account of FATCA (as defined below), as detailed in Condition 7.3 of the Terms and Conditions of the Notes (but see "Risk Factors relating to the Swap Counterparty and the Swap Agreement" below for a description of how such redemption is effected where it results from termination of the Swap Agreement). If the Issuer redeems the Notes early, the Issuer will, if and to the extent permitted by applicable law, redeem the Notes at their Collateral Entitlement as specified in the Final Terms. Such Collateral Entitlement is not principally protected and will be equal to the amount of those Collateral (if any) remaining following the sale by the Disposal Agent of sufficient Collateral to satisfy any Transaction Termination Amount payable by the Issuer, as detailed in the Final Terms.

Swap Counterparty exercise of discretion

In exercising its discretion or deciding upon a course of action, the relevant Swap Counterparty shall attempt to maximise the beneficial outcome for itself (that is maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates that may result directly or indirectly from any such selection.

No protection under any deposit protection scheme

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

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the Notes, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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

Risk Factors relating to Credit Linked Notes

Limited information about the Reference Entity

Investors in the Notes will be exposed to the credit risk of the Reference Entity (as defined herein) as obligations of the Reference Entity may be delivered to the Noteholders upon redemption of the Notes or the valuation of the obligations of the Reference Entity affects the amount that the Issuer will pay the Swap Counterparty under the Credit Default Swap. None of the Issuer, CGML, the Trustee or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity. CGML may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entity and is not required to disclose this information to the Issuer or any other party.

Risk Factors relating to the Credit Default Swap

The Reference Entity (as defined herein) is, as at the Issue Date, set out in Annex 4 (*Form of the Credit Default Swap Confirmation*). As at the Issue Date, the Reference Entity is Industrial and Commercial Bank of China Ltd..

General

The amount of principal and/or interest payable is dependent upon whether certain default events ("**Credit Events**") have occurred in respect of the Reference Entity and on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets.

Prospective investors in the Notes should be aware that depending on the terms thereof (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery

of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of the Notes may be volatile and will be affected by, amongst other things, the time remaining to the maturity date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

The Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Issuer has not received under the terms of any transaction entered into by the Issuer to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption.

The Issuer's obligations in respect of the Notes are irrespective of the existence or amount of the Issuer's credit exposure to the Reference Entity, and the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Credit Risk of Reference Entities

The holders of the Notes will be exposed to the credit of the Reference Entity, the exposure shall be to the full extent of their investment in the Notes. Upon the occurrence of any specified Credit Event with respect to the Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of the Reference Entity. However, the holding of a Note may not reflect the impact of investing in an obligation of the Reference Entity, and losses in relation to the Notes could be considerably greater than would be suffered by a direct investor in the obligations of the Reference Entity and/or could arise for reasons unrelated to the Reference Entity. Noteholders should also note that a Credit Event may occur even if the obligations of the Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

Where cash settlement applies, the occurrence of a Credit Event in relation to the Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero and cessation of interest. Where physical settlement applies, the occurrence of a Credit Event may result in the redemption of the Notes based on the delivery of certain direct or indirect obligations of the Reference Entity which may have a market value which is substantially less than their nominal amount.

Exposure to Credit Events may occur prior to the Trade Date

The Notes may be exposed to the occurrence of Credit Events prior to the Trade Date. Noteholders should conduct their own review of any recent developments with respect to the Reference Entity by consulting publicly available information. If a request to convene an ISDA Credit Derivatives Determinations Committee to determine whether a Credit Event has occurred with respect to the Reference Entity has been delivered prior to the Trade Date, details of such request may be found on the website of the International Swaps and Derivatives Association, Inc. ("**ISDA**"). If an ISDA Credit Derivatives Determinations Committee has not been convened to determine such matter as of the Trade Date, one may still be convened after the Trade Date

in respect of an event that has occurred before the date of a request to convene such ISDA Credit Derivatives Determinations Committee.

Swap Counterparty and/or Calculation Agent will act in their own interests

The Swap Counterparty and/or Calculation Agent will exercise its rights under the terms of the Notes, including in particular the right to designate a Credit Event and the right to select obligations of the Reference Entity for valuation or delivery, in its own interests, and not in the interests of Noteholders. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation or delivery, as applicable, may result in an increased credit loss for Noteholders.

The determination by the Swap Counterparty and/or the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Swap Counterparty and/or the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the Notes and making any determinations expressed to be made by it, the Swap Counterparty and/or the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations. The Swap Counterparty and/or the Calculation Agent is not bound to follow, or act in accordance with, any determination of any Credit Derivatives Determinations Committee.

Corporate Actions of the Reference Entity may affect the value of the Notes

Corporate Actions of the Reference Entity may adversely affect the value of the Notes. Noteholders should also be aware that the Reference Entity to which the value of the Notes is exposed, and the terms of such exposure, may change over the term of the Notes.

Succession Event

Investors should note that, from time to time, the Reference Entity may be subject to change following an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) (the “**Successor**”) to the Reference Entity. The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant succession event the sovereign and/or entity, if any, that qualifies as the Successor. Investors should note that a Successor may be riskier than the Reference Entity it replaces, and consequently a succession event may be detrimental to the Noteholders.

Payments in the Notes may be deferred or suspended

In certain circumstances, for example where (i) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, (ii) where a potential Credit Event exists as at the scheduled maturity of the Notes, or (iii) pending a resolution of an ISDA Credit Derivatives Determinations Committee, payment or delivery of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to Noteholders.

ISDA Credit Derivatives Determinations Committees

ISDA Credit Derivatives Determinations Committees

ISDA Credit Derivatives Determinations Committees were established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Further information about the ISDA Credit Derivatives Determinations Committees may be found at www.isda.org/credit.

In making any determination with respect to a Credit Event or a succession event, the Calculation Agent may have regard to announcements, determinations and resolutions made by ISDA and/or the ISDA Credit Derivatives Determinations Committees. In certain circumstances (including, without limitation, the determination of the occurrence of an “Event Determination Date”), the Notes will be subject to the announcements, determinations and resolutions made by ISDA and/or the ISDA Credit Derivatives Determinations Committees. Such announcements, determinations and resolutions could affect the quantum and timing of payments of interest and principal and deliveries on the Notes. For the avoidance of doubt, none of the Issuer, the Swap Counterparty or the Calculation Agent will be liable to any person for any determination, redemption, calculation and/or delay or suspension of payments and/or redemption of the Notes resulting from or relating to any announcements, publications, determinations and resolutions made by ISDA and/or any ISDA Credit Derivatives Determinations Committee.

Potential conflicts of interest

The Calculation Agent (or, as the case may be, one of its affiliates) may be a voting member on one or more of the ISDA Credit Derivatives Determinations Committees and is a party to transactions that incorporate, or are deemed to incorporate, the July 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA (the “**July 2009 Supplement**”) and may take certain actions that may influence the process and outcome of decisions of the ISDA Credit Derivatives Determinations Committees. Such actions may be adverse to the interests of the Noteholders and may result in an economic benefit accruing to the Calculation Agent or its affiliates. In taking any action relating to the ISDA Credit Derivatives Determinations Committees or performing any duty under the rules that govern the ISDA Credit Derivatives Determinations Committees, the Calculation Agent (or, as the case may be, one of its affiliates) shall have no obligation to consider the interests of the Noteholders and may ignore any conflict of interest arising in respect of the Notes.

Noteholders will not be able to refer questions to the ISDA Credit Derivatives Determinations Committees

Noteholders, in their capacity as such, will not have the ability to refer questions to an ISDA Credit Derivatives Determinations Committee since the Notes are not a credit default swap transaction and the Notes do not incorporate, and are not deemed to have incorporated, the July 2009 Supplement. As a result, Noteholders will be dependent on other market participants to refer specific questions to the ISDA Credit Derivatives Determinations Committees that may be relevant to the Noteholders. The Calculation Agent has no duty to the Noteholders to refer specific questions to the ISDA Credit Derivatives Determinations Committees.

Noteholders will have no role in the composition of the ISDA Credit Derivatives Determinations Committees

Separate criteria will apply to the selection of dealer and non-dealer institutions to serve on the ISDA Credit Derivatives Determinations Committees, and Noteholders will have no role in establishing such criteria. In addition, the composition of the ISDA Credit Derivatives Determinations Committees will change from time to time as the term of a member institution may expire or a member institution may be required to be replaced. Noteholders will

have no control over the process for selecting institutions to participate on the ISDA Credit Derivatives Determinations Committees and, to the extent provided for in the Notes, will be subject to the determinations made by such selected institutions.

Noteholders will have no recourse against either the institutions serving on the ISDA Credit Derivatives Determinations Committees or the external reviewers

Institutions serving on the ISDA Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the member institutions of the ISDA Credit Derivatives Determinations Committees from time to time will not owe any duty to the Noteholders, and the Noteholders will be prevented from pursuing legal claims with respect to actions taken by such member institutions. Noteholders should also be aware that member institutions of the ISDA Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the ISDA Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Noteholders will be responsible for obtaining information relating to deliberations of the ISDA Credit Derivatives Determinations Committees

Notices of questions referred to the ISDA Credit Derivatives Determinations Committees, meetings convened to deliberate such questions and the results of binding votes of the ISDA Credit Derivatives Determinations Committees will be published on the website of ISDA and none of the Issuer, the Swap Counterparty, or the Calculation Agent or any of their respective affiliates shall be obliged to inform Noteholders of such information. Any failure by Noteholders to be aware of information relating to determinations of an ISDA Credit Derivatives Determinations Committee will have no effect under the Notes and Noteholders are solely responsible for obtaining any such information.

Cash Settlement may adversely affect returns to Noteholders

If an Event Determination Date occurs but Physical Settlement does not apply, the Notes will be cash settled and the Calculation Agent will be required to seek quotations in respect of selected obligations of the Reference Entity. Quotations obtained will be “bid-side” — that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the Reference Entity (for example, liquidity constraints affecting market dealers). Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations will be deemed to be zero in the event that no such quotations are available.

“Cheapest-to-Deliver” risk

Since the Swap Counterparty, as the buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of the Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest anticipated market value that are permitted to be selected pursuant to the terms of the Notes. This could result in a lower recovery value and hence greater losses for Noteholders.

Sale of collateral and termination of swaps

Following the occurrence of a Credit Event, unless Alternative Cash Settlement applies, (a) the Collateral will be sold and, if denominated in a different currency to the currency of the Notes, will be converted into the currency of the Notes at the then prevailing exchange rates; (b) under the credit default swap between the Issuer and the Swap Counterparty, the Issuer will pay the Swap Counterparty the net realised proceeds of the sale of the Collateral; (c) the interest rate swap between the Issuer and the Swap Counterparty will be terminated and a termination payment based on its mark-to-market value will be determined; and (d) under the credit default swap between the Issuer and the Swap Counterparty, the Swap Counterparty will deliver to the Issuer such number of certain specified assets of the Reference Entity, the nominal amount of which will be equal to the principal amount of the Notes, subject to the deduction of a number of specified assets of the Reference Entity with a market value equal to (i) any costs incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes, (ii) any termination payment payable by the Issuer to the Swap Counterparty under the interest rate swap and (iii) any difference between the net realised proceeds of the sale of the Collateral and the principal amount of the Notes.

If Alternative Cash Settlement applies, (a) the Collateral will be sold and, if denominated in a different currency to the currency of the Notes, will be converted into the currency of the Notes at the then prevailing exchange rates; (b) under the credit default swap between the Issuer and the Swap Counterparty, the Issuer will pay the Swap Counterparty a cash settlement amount; and (c) the interest rate swap between the Issuer and the Swap Counterparty will be terminated and a termination payment based on their mark-to-market values may be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer.

Because (a) the sale proceeds of the Collateral may be less than the principal amount thereof, or of the Notes, as the case maybe, (b) the exchange rate for converting the sale proceeds of the Collateral into the currency of the Notes may be less favourable than the exchange rate on issue of the Notes, (c) payments may be due from the Issuer to the Swap Counterparty under the interest rate swap and/or (d) the deduction of any costs incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes, the specified assets of the Reference Entity or Redemption Amount, as the case may be, received by the Noteholders in respect of a Note may be worth less than the principal amount of the Note multiplied by the final price of the Reference Entity.

The Swap Counterparty and/or the Calculation Agent may have dealings with the Reference Entity

The Swap Counterparty and/or the Calculation Agent and/or their respective affiliates may (i) deal in obligations of the Reference Entity, (ii) accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with the Reference Entity, or its affiliates or any other person or entity having obligations relating to the Reference Entity and (iii) act with respect to such business freely and without accountability to Noteholders in the same manner as if the Notes did not exist, regardless of whether any such action might have an adverse effect on Noteholders (including, without limitation, any action that might give rise to a Credit Event).

The Swap Counterparty and/or the Calculation Agent and/or their respective affiliates may be, whether by virtue of the types of relationships described above or otherwise, at any time, in possession of information in relation to the Reference Entity (or any obligations thereof) which is or may be material in the context of the Notes and which is or may not be known to the general public or Noteholders. The Notes do not create any obligation to disclose to Noteholders

any such relationship or information (whether or not confidential) and no person shall be liable to Noteholders by reason of such non-disclosure.

The Swap Counterparty is not obliged to suffer any loss as a result of a Credit Event

Credit losses on Notes will be calculated irrespective of whether the Swap Counterparty has suffered an actual loss in relation to the Reference Entity or any obligations thereof. The Swap Counterparty is not obliged to account for any recovery which it may subsequently make in relation to the Reference Entity or its obligations.

The Notes do not represent an interest in obligations of the Reference Entity

The Notes do not represent or convey any interest in any obligations of the Reference Entity or any direct or indirect obligation of any Relevant Entity to the Noteholders. The Issuer is not an agent of Noteholders for any purpose and Noteholders will not have any voting or other rights in relation to such obligations. The Issuer does not grant any security interest over any such obligations.

Historical performance may not predict future performance

The Reference Entity may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of the Reference Entity. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Notes.

Limited provision of information about the Reference Entity

Investors should conduct their own investigation and analysis with respect to the creditworthiness of the Reference Entity and the likelihood of the occurrence of Credit Events.

The Reference Entity may not be subject to regular reporting requirements and may report information in accordance with disclosure and accounting standards with which Noteholders are not familiar. None of the Issuer or the Calculation Agent or any of their respective affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entity.

None of the Issuer, the Arranger, the Dealers, the Swap Counterparty or the Calculation Agent will have any obligation to keep investors informed as to any matters with respect to the Reference Entity or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event.

Cash settlement may be less advantageous than physical delivery of assets

Payments on the Notes following the occurrence of a Credit Event may be in cash and will reflect the value of relevant obligations of the Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following an insolvency or otherwise.

Market value of Notes

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Collateral and the creditworthiness of the issuers and obligors of the Collateral, (ii) the value and volatility of obligations issued by the Reference Entity, and the creditworthiness of the Reference Entity, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the maturity date and (v) the nature and liquidity of the Swap Agreement. Any price at which Notes may be sold prior to the maturity date may be at

a discount, which could be substantial, to the value at which the Notes were acquired on the Issue Date.

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

Change of law

The Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

Provision of information

None of the Issuer, the Transaction Parties or any affiliate of such persons makes any representation as to the credit quality of any obligor of the Collateral. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Collateral. None of such persons is under any obligation to make such information directly available to Noteholders. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the obligors of the Collateral or conduct any investigation or due diligence into the obligors of the Collateral.

Non-registration under the Securities Act and restrictions on transfer

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Notes will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Notes are subject to certain transfer restrictions as described under "Subscription and Sale and Transfer Restrictions" in the Base Prospectus, which may further limit the liquidity of the Notes.

United States Hiring Incentives to Restore Employment Act

On 18 March, 2010, the Hiring Incentives to Restore Employment Act was enacted containing provisions ("FATCA") similar to a prior congressional bill, the Foreign Account Tax Compliance Act of 2009. FATCA imposes a withholding tax of 30 per cent. on certain U.S. source payments and proceeds from the sale of certain assets that give rise to U.S. source payments, as well as a portion of certain payments by non-U.S. entities, to persons that fail to meet requirements under FATCA. This withholding tax may be imposed on (i) payments to the Issuer if it does not enter into and comply with an agreement with the Internal Revenue Service (the "IRS") (an "IRS

Agreement") to obtain and report information about the holders of Notes, or (ii) if the Issuer does enter into an IRS Agreement, a portion of payments to (a) holders or beneficial owners of Notes that fail to provide certain information requested by the Issuer (or any intermediary), and (b) any recipient of a payment that is a non-participating foreign financial institution as the term is used in FATCA. Withholding would be imposed from (x) 1 January 2014 in respect of certain U.S. source payments made on or after that date, (y) 1 January 2017 in respect of proceeds from the sale of certain assets that give rise to U.S. source payments and (z) 1 January 2017, at the earliest, in respect of "foreign passthru payments". Withholding should not be required with respect to payments on the Notes before 1 January, 2017 and then only on Notes issued or materially modified on or after the later of (a) the date that is six months after the date on which the final regulations applicable to "foreign passthru payments" are filed in the Federal Register and (b) 1 January, 2014.

The application of FATCA to the Issuer and the holders of Notes is uncertain, and it is not clear at this time what actions, if any, will be required to minimise any adverse impact of FATCA on the Issuer and the holders of Notes. The Issuer has not decided whether it will enter into an IRS Agreement. If the Issuer does not enter into the IRS Agreement or fails to comply with the IRS Agreement, and is therefore subject to the 30 per cent. withholding tax, the Issuer may have less cash to make interest and principal payments on the Notes. In addition, the imposition of withholding tax on the Issuer will generally result in a redemption of the Notes.

If the Issuer or other relevant intermediary enters into the IRS Agreement, then to the extent payments are not otherwise excluded from the FATCA regime, an investor that is not a financial institution may be required to provide certain information or be subject to U.S. withholding tax on a portion of interest and principal on the Notes and the proceeds from their sale. Investors that (a) are financial institutions, or receive payments through a financial institution and (b) have not (or the relevant financial institution has not) entered an agreement with the IRS regarding compliance with (or otherwise established an exemption from) FATCA would also be subject to this U.S. withholding tax. Neither a holder nor a beneficial owner of Notes will be entitled to any additional amounts in the event such withholding tax is imposed. In addition, in certain circumstances, the Issuer may be entitled to redeem, in whole or in part, a holder or beneficial owner's interest in a Note if that person is subject to withholding on account of FATCA.

Additionally, Ireland has entered into an intergovernmental agreement with the United States to help implement FATCA for certain Irish entities. The full impact of such an agreement on the Issuer and the Issuer's reporting and withholding responsibilities under FATCA is unclear. The Issuer may be required to report certain information on its U.S. account holders to the government of Ireland in order (i) to obtain an exemption from FATCA withholding on payments it receives and/or (ii) to comply with any applicable Irish law. It is not yet certain how the United States and Ireland will address withholding on "foreign passthru payments" (which may include payments on the Notes) or if such withholding will be required at all.

FATCA is particularly complex and its application to the Issuer is uncertain at this time. Each Noteholder should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

Legality of purchase

None of the Issuer, the Trustee, Citigroup Global Markets Limited or any affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it

operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Risk Factors relating to the Swap Counterparty and the Swap Agreement

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap Agreement. Consequently, the Issuer is exposed not only to the occurrence of a payment default on the Collateral and to the occurrence of Credit Events in relation to the Reference Entity, but also to the ability of the Swap Counterparty to perform its obligations under the Swap Agreement. Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

The receipt by the Issuer of payments under the Swap Agreement is also dependent on the timely payment by the Issuer of its obligations under the Swap Agreement. The ability of the Issuer to make timely payment of its obligations under the Interest Rate Swap depends on receipt by it of the scheduled payments under the Collateral. Consequently, the Issuer is also exposed to the ability of the Collateral Issuer to perform its obligations under the Collateral.

U.S. Regulatory considerations

U.S. Dodd-Frank Act

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 ("**Dodd-Frank**"), establishes a comprehensive new U.S. regulatory regime for a broad range of derivatives contracts (collectively referred to in this risk factor as "covered swaps"). Among other things, Title VII provides the Commodity Futures Trading Commission (the "**CFTC**") and the Securities and Exchange Commission (the "**SEC**") with jurisdiction and regulatory authority over many different types of derivatives that were previously traded over the counter, requires the establishment of a comprehensive registration and regulatory framework applicable to covered swap dealers and other major market participants, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities ("**SEFs**") and centrally cleared, and contemplates the imposition of capital requirements and margin requirements for even uncleared transactions in covered swaps.

While Title VII provided that it was to go into effect on 16 July 2011, the SEC and CFTC have repeatedly delayed compliance with many of Title VII's requirements through no-action letters or other forms of relief. Because the SEC and the CFTC must still adopt a number of regulations to implement Title VII, a complete assessment of the exact nature and effects of Title VII and the rules to be adopted thereunder cannot be made at this time. Nevertheless, it is clear that covered swap counterparties, dealers and other major market participants, as well as commercial users of covered swaps, will experience new and/or additional regulatory requirements, compliance burdens and associated costs.

In particular, the Programme may include agreements that are regulated as covered swaps under Title VII. The Issuer cannot be certain as to how these regulatory developments will impact the treatment of the Notes. The Swap Agreement contemplated under the Programme will very likely be deemed to be covered swaps under Title VII, and as such the Issuer may be required to comply with additional regulation under the Commodity Exchange Act, as amended by Dodd-Frank. Moreover, the Issuer could be required to register as a commodity pool operator and to register the Notes as a commodity pool with the CFTC through the National Futures Association (see "U.S. Regulatory considerations – Commodity pool regulation" below). Such additional regulations and such registrations may result in increased reporting obligations and also in extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting

a transaction's value. Any such additional registration requirements could result in one or more service providers or counterparties to the Issuer resigning, seeking to withdraw or renegotiating their relationship with the Issuer. To the extent any service providers resign, it may be difficult or impracticable to replace such service providers.

Under Dodd-Frank, the Swap Agreement entered into between the Issuer and the Swap Counterparty may be subject to mandatory execution, clearing, margin and documentation requirements, and even those Swap Agreements not required to be cleared may be subject to mandatory margin and documentation requirements that may require amendments or modifications to comply with such requirements. Although the extraterritorial scope of Dodd-Frank remains uncertain, any of the foregoing requirements and/or other requirements or obligations could materially increase costs associated with the Programme and could materially decrease the value of the Notes.

Given that the full scope and consequences of the enactment of Dodd-Frank and the rules still to be enacted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Notes.

Commodity pool regulation

The CFTC has rescinded the rule which formerly provided an exemption from registration as a "commodity pool operator" (a "**CPO**") and a "commodity trading advisor" ("**CTA**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"), in respect of certain transactions. In addition, Dodd-Frank expanded the definition of a "commodity pool" to include any form of enterprise operated for the purpose of trading in commodity interests, including swaps. Similarly, the term "commodity pool operator" has been expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an expansive interpretation of these definitions, and has expressed the view that entering into a single swap (apparently without distinguishing between trading and holding a swap position) could make an entity a "commodity pool" subject to regulation under the CEA. It should also be noted that the definition of "swaps" under Dodd-Frank is itself broad and expressly includes interest rate swaps, currency swaps and total return swaps. In addition, no assurance can be made that the United States federal government or any U.S. regulatory body (or other authority or regulatory body) will not continue to take further legislative or regulatory action, and the effect of such actions, if any, cannot be known or predicted.

If the Issuer were deemed to be a "commodity pool", then both the CPO and the CTA of the Issuer would be required to register as such with the CFTC and the National Futures Association (the "**NFA**") by the initial offering date of the Notes. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as those contemplated in relation to the Programme, it is unclear whether and to what extent any of these exemptions would be available to avoid registration with respect to the Issuer. In addition, if the Issuer were deemed to be a "commodity pool", it would have to comply with a number of reporting requirements that are geared to traded commodity pools. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would involve material ongoing costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could materially and adversely affect the value of the Notes.

Risk Factors relating to the Custodian

Collateral in the form of transferable securities will be held in an account of, and in the name of, the Custodian. Where the Collateral consists of assets other than transferable securities, it may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee.

The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Collateral is so held). Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement for such Notes.

If there is an overpayment in respect of the Collateral held in the Custodian's account with a clearing system that leads to a subsequent clawback of such overpayment via the relevant clearing system, the Custodian may seek to recover the corresponding payments made in respect of the Notes or may retain amounts payable in respect of the Notes in order to recover the amount of such clawback.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee and will be a bank deposit. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

Sub-Custodians. Depositaries and Clearing Systems

Credit risk

Under the Custody Agreement, the Issuer authorises the Custodian to hold the Collateral in their account or accounts with any other sub-custodian, any securities depositary or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise the Collateral.

Therefore, where the Collateral is held with a sub-custodian, securities depositary or clearing system, the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Collateral is so held) and, in turn, the Custodian will be dependant (in whole or in part) upon receipt of payments from such sub-custodian, securities depositary or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral and the Custodian in respect of the performance of its obligations under the Custody Agreement for such Notes, but also on the creditworthiness of any duly appointed sub-custodian, securities depositary or other account keeper or clearing system holding the Collateral.

Lien/Right of set-off

Pursuant to their terms of engagement, such sub-custodians, security depositaries or clearing systems may have liens or rights of set-off with respect to the Collateral held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depositary or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Collateral, adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes.

Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the

Custody Agreement for the Notes (if the Collateral is so held) but also dependant on any sub-custodian, security depositary or clearing system not exercising any lien or right of set-off in respect of any Collateral that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depositary or clearing system.

Risks Relating to the Paying Agent

Any payments made to Noteholders in accordance with the terms and conditions of the Notes will be made by the Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Paying Agent such amount as may be due under the Notes, on or before each date on which such payment in respect of the Notes becomes due.

If the Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Paying Agent. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Securities, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make payments to Noteholders.

Conflicts of Interest

The Trustee

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of Notes of any Series, assume any duty or responsibility to any Swap Counterparty (other than to pay to any Swap Counterparty any moneys received and payable to it and to act in accordance with the Conditions) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the relevant Swap Counterparty if this would in the Trustee's opinion be contrary to the interests of the Noteholders.

The Swap Counterparty

Prospective investors should be aware that, where any Swap Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of the Swap Agreement (including any right to terminate the Swap Agreement), in respect of the terms and conditions or otherwise in respect of the Notes, unless specified to the contrary therein, the relevant Swap Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising its discretion or deciding upon a course of action, the relevant Swap Counterparty shall attempt to maximise the beneficial outcome for itself (that is, maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates that may result directly or indirectly from any such selection.

Risk Factors relating to the Collateral

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Transaction Parties in respect of the Collateral. No representations or warranties, express or implied, have been given by the Issuer, the Transaction Parties or any other person on their behalf in respect of the Collateral.

Collateral

Noteholders may be exposed to the market value of the Collateral. The Issuer may have to fund its payments by the sale of some or all of the Collateral at its market value. The market value of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant issuer of the Collateral.

For example, the occurrence of certain events, including, *inter alia*, the Collateral becoming repayable prior to its stated maturity as a result of a payment default, imposition of withholding tax on the Issuer, imposition of withholding tax on payments due in respect of the Collateral, may result in the Notes redeeming early. In such circumstances, the Issuer will sell sufficient Collateral to satisfy any Transaction Termination Amount payable by the Issuer and Noteholders will then receive a pro rata share of the amount of those Collateral (if any) remaining following such sale.

Depending on the market value of the Collateral, any of these events may cause significant losses to the Noteholders and may result in the Notes redeeming at zero.

The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information or the nature of any transaction to any Noteholder or the Issuer.

Risk Factors relating to business relationships and capacity of Citigroup Global Markets Limited and its affiliates

The Issuer, CGML and any of its affiliates may have existing or future business relationships with the issuer of the Collateral (including, but not limited to, lending, depository, risk management, advisory, sponsorship and banking relationships), and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. In addition, the Issuer, CGML and any of its affiliates may make a market or hold positions in respect of the Collateral relating to any particular transaction. From time to time, CGML and its affiliates may own significant amounts of Notes.

CGML and its affiliates may act in a number of capacities in respect of the Notes including, without limitation, Dealer, Calculation Agent and Swap Counterparty. CGML and its affiliates acting in such capacities in connection with the Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. CGML and its affiliates in their various capacities in connection with the Notes may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

Risk Factors relating to the market

Current market conditions

The current liquidity shortage and volatility in the credit markets has introduced a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets which, among other things, may render it unable to dispose of the Collateral and satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Noteholders.

Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List of the Irish Stock Exchange and admit them to trading on the regulated market of the Irish Stock Exchange, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If the Arranger or any Dealer begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Risks relating to global events

General

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

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

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

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

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

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

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

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

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

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

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

Impact on liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for

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

Concerns about the creditworthiness of the Custodian and the Issuing and Paying Agent may also impact the value of the Notes.

Impact on credit

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

Impact on valuations and calculations

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

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

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

Impact of increased regulation and nationalisation

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

Systemic risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as the Arranger, the Dealer(s), the Trustee, the Swap Counterparty, the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds, and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and, as such, have a material adverse impact on other entities.

Incorporation by Reference

The provisions of the Base Prospectus, which constitutes a Base Prospectus for the purposes of the Prospectus Directive, shall be deemed to be incorporated into and form part of this Series Prospectus in its entirety, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a 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 Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The audited financial statements in respect of its financial year ending 31 December 2011 and 31 December 2010 filed by the Issuer with the Irish Stock Exchange are also deemed to be incorporated into and form part of this Series Prospectus.

Pages 76 to 201 only of the Libretto Capital P.L.C. Series 2013-02 Series Prospectus, containing the audited financial statements of the Swap Counterparty for the years ending 31 December 2012 and 31 December 2011, are also deemed to be incorporated into and form part of this Series Prospectus.

The parts of the Base Prospectus or the Libretto Capital P.L.C. Series 2013-02 Series Prospectus which have not been incorporated are either not relevant for the Noteholders or are covered elsewhere in this Series Prospectus.

As at the Issue Date:

- (a) the Base Prospectus, the Issuer Disclosure Annex and the Issuer's audited financial statements in respect of its financial year ending 31 December 2011 and 31 December 2010 are also available for viewing on the website of the Irish Stock Exchange using the following links:

http://www.ise.ie/debt_documents/Base%20Prospectus_7bb03771-534a-43b9-8558-ae6d83849914.PDF

http://www.ise.ie/debt_documents/Base%20Prospectus_df1a6ac6-bf3e-4e09-8cf8-df7270402ccf.PDF

- (b) the Libretto Capital P.L.C. Series 2013-02 Series Prospectus is also available for viewing on the website of the Irish Stock Exchange using the following link:

http://www.ise.ie/debt_documents/Prospectus%20-%20Series_8306349c-b68c-4007-8300-dee6d76d62b7.PDF

Terms and Conditions of the Notes

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus as amended or supplemented below. References in the Base Prospectus to Final Terms shall be deemed to refer to the terms set out below.

Provisions appearing on the face of the Notes

- | | | |
|-----------|--|--|
| 1 | Issuer: | Libretto Capital P.L.C. |
| 2 | Relevant Dealer/Lead Manager (including, if Syndicated Issue, Managers): | Citigroup Global Markets Limited (" CGML ") |
| 3 | Series: | 2013-08 |
| 4 | Tranche No: | 1 |
| 5 | ISIN: | XS0987040861 |
| 6 | Common Code: | 098704086 |
| 7 | Currency (or Currencies in the case of Dual Currency Notes): | U.S. Dollars (" USD ") |
| 8 | Principal Amount: | <p>USD 10,000,000.</p> <p>Following any purchase and cancellation of the Notes pursuant to Condition 7.4 (<i>Purchases</i>), the Principal Amount shall be reduced accordingly to the product of the Denomination and the Number of Notes outstanding.</p> <p>As soon as practicable following receipt by the Issuer of a Credit Event Notice and (if applicable) a Notice of Publicly Available Information from the Swap Counterparty under the Credit Default Swap, notice of the same shall be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16 (<i>Notices</i>).</p> |
| 9 | (i) Issue Date: | 12 November 2013 |
| | (ii) Date Board approval for issuance of Notes obtained: | 4 November 2013 |
| 10 | Issue Price: | 100 per cent. |

Provisions appearing on the back of the Notes

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|-----------|--------------------|--|
| 11 | Form of the Notes: | Registered |
| 12 | Denomination(s): | USD 1,000,000. The Notes shall not be sub-divided into smaller amounts. |
| 13 | Status: | Secured and limited recourse obligations of the Issuer, secured as provided below. |

14	Interest Commencement Date (if different from Issue Date):	Issue Date
15	Interest Basis:	Floating Rate, as described in paragraphs 16 and 35.
16	Interest Rate:	(a) In respect of each Interest Accrual Period falling within period from, and including, the Issue Date to, and excluding, 24 August 2014, 7.50 per cent. per annum; and (b) in respect of each Interest Accrual Period thereafter, the Benchmark for the Specified Duration plus the Margin per annum.
17	Interest Payment Date(s):	Two Business Days after each Interest Period Date.
18	Relevant Time (Floating Rate Notes):	11.00am London time
19	Determination Date(s) (if applicable):	Not applicable
20	Interest Determination Date (Floating Rate Notes):	The date that is two Relevant Business Days in London prior to the first day of each Interest Accrual Period.
21	Primary Source for Floating Rate (Floating Rate Notes):	Reuters Screen LIBOR01 Page
22	Reference Banks (Floating Rate Notes):	As set out in the Conditions
23	Relevant Financial Centre (Floating Rate Notes):	Not applicable
24	Benchmark (Floating Rate Notes):	USD LIBOR
25	Broken Amount (Fixed Rate Notes):	Not applicable
26	Representative Amount (Floating Rate Notes):	Not applicable
27	Relevant Currency (Floating Rate Notes):	Not applicable
28	Effective Date (Floating Rate Notes):	Not applicable
29	Specified Duration (Floating Rate Notes):	3 months
30	Margin (Floating Rate Notes):	Plus 2.00 per cent. per annum
31	Rate Multiplier (if applicable):	Not applicable
32	Maximum/Minimum Interest Rate (if applicable):	Minimum Interest Rate: Zero per cent. per annum Maximum Interest Rate: 5.50 per cent. per annum

33	Maximum/Minimum Instalment Amount (if applicable):	Not applicable
34	Maximum/Minimum Redemption Amount (if applicable):	Not applicable
35	Interest Amount:	<p>The Interest Amount payable in respect of each Note shall be an amount in USD calculated by the Calculation Agent as being equal to the product of (a) the Denomination; (b) the Interest Rate; and (c) the Day Count Fraction.</p> <p>Interest will be payable in arrear on the Interest Payment Dates.</p> <p>The Interest Amount will cease to accrue from and including the Interest Period Date immediately preceding the Event Determination Date (or if none, the Interest Commencement Date). If the Swap Counterparty notifies the Issuer that a Credit Event may have occurred prior to an Interest Period Date but no Event Determination Date has yet been determined (for example, if a request has been made to ISDA to convene a Credit Derivatives Determinations Committee to consider whether a Credit Event has occurred but no Credit Event Resolution has yet been made on that request), payment of the Interest Amount on the Interest Payment Date relating to such Interest Period Date shall be postponed until the Swap Counterparty confirms whether or not a Credit Event has occurred. If no Credit Event has occurred, the Issuer will pay the Noteholders the postponed Interest Amount two Business Days after the Swap Counterparty makes such confirmation without any additional interest in respect of such postponement.</p>
36	Day Count Fraction:	Actual/360
37	Interest Period Date(s) (if applicable):	24 February, 24 May, 24 August and 24 November in each year, commencing on 24 November 2013 (a short first coupon) up to and including 24 August 2020, each such date as adjusted in accordance with the Modified Following Business Day Convention for which the Business Days are London, New York and Hong Kong.
38	Redemption Amount:	
	(a) Redemption Amount payable on final maturity pursuant to Condition 7.1:	<p>An amount per Note in USD equal to (a) the Principal Amount divided by (b) the Number of Notes.</p> <p>No additional amounts shall be payable by the Issuer or the Swap Counterparty as a result of the redemption of the Notes falling on a date after the Scheduled Maturity Date.</p>
	(b) Redemption Amount	Delivery of Collateral

payable on
mandatory
redemption pursuant
to Condition 7.2:

The Notes will, subject as provided below, be redeemed by delivery of the relevant Collateral Entitlement on the Early Redemption Date. In addition, where the Transaction Termination Amount is a negative amount, the Issuer shall pay the pro rata share of the absolute value of the Transaction Termination Amount, as determined by the Calculation Agent in its absolute discretion, to the Noteholders on the Early Redemption Date.

In order for Notes to be redeemed by delivery of the relevant Collateral Entitlement, Noteholders must present to the Issuing and Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of the Issuing and Paying Agent) (the **"Delivery Instruction Certificate"**) and must make presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Early Redemption Date. If such Notes and Delivery Instruction Certificate are presented to the Issuing and Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Issuing and Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Issuing and Paying Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Issuer and the Swap Counterparty a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be *prima facie* evidence of entitlement of the person named therein to the Collateral Entitlement in respect of the Notes specified therein. However, the records of the Issuing and Paying Agent shall be conclusive evidence of such entitlement.

Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes

and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, “Clearance System Business Day” means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Partial Cash Settlement due to impossibility/illegality

If the Calculation Agent determines, in its absolute discretion, that, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to deliver to, or to the order of, any Noteholder or it is impossible or illegal for such Noteholder to receive delivery of, any Collateral Entitlement on the Early Redemption Date, the Issuer shall on the Business Day following the Early Redemption Date deliver or cause to be delivered to such Noteholder such Noteholder’s Collateral Entitlement as may be delivered and in respect of each Note pay an amount in USD equal to a pro rata share (converted into USD if necessary by the Calculation Agent acting in its sole discretion, at the then prevailing spot rate and rounded to the nearest cent., half of a cent. being rounded downwards) of the net realised proceeds of the sale of such Collateral Entitlement which were not delivered.

For the avoidance of doubt, failure by a Noteholder to present a Delivery Instruction Certificate to any Issuing and Paying Agent on or before 5.00 p.m. London time, on the third London Business Day prior to the Early Redemption Date shall be deemed to render delivery of the relevant Collateral Entitlement to such Noteholder impossible for the purposes of this paragraph 38(b).

The Issuer reserves all rights as to the manner of delivery of any Collateral Entitlement and the Issuer shall have no responsibility for the capacity of Noteholders to take delivery of such Collateral Entitlement or for any other matter which may affect the ability of the Noteholders to take delivery of such Collateral Entitlement.

Notes held by a Noteholder shall be aggregated for the purpose of determining the aggregate Collateral Entitlement of that Noteholder.

- (c) Redemption Amount payable on mandatory redemption pursuant

The provisions in paragraph 38(b) shall apply as if references therein to “paragraph 38(b)” are to “paragraph 38(c)”.

to Condition 7.3:

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| (d) | Redemption Amount payable on exercise of Issuer's option pursuant to Condition 7.6: | An amount per Note in USD equal to the sum of:
(a) the Principal Amount divided by the Number of Notes; and
(b) the interest accrued on such Note from, and including, the Interest Period Date immediately preceding the Issuer's Optional Redemption Date to and excluding the date which is Two Business Days prior to the Issuer's Optional Redemption Date. |
| (e) | Redemption Amount payable on exercise of Noteholder's option pursuant to Condition 7.7: | The provisions in paragraph 38(b) shall apply as if references therein to "paragraph 38(b)" are to "paragraph 38(e)". |
| (f) | Redemption Amount payable on exercise of Issuer's option pursuant to Condition 7.13: | The provisions in paragraph 38(b) shall apply as if references therein to "paragraph 38(b)" are to "paragraph 38(f)". |
| (g) | Redemption Amount payable where the Conditions to Settlement are satisfied in accordance with the Credit Default Swap: | <p>If a Credit Event occurs at any time from and including the Credit Linkage Start Date (as defined in Annex 1) to and including the later of (a) the Credit Linkage End Date (as defined in Annex 1), (b) if Grace Period Extension is specified as applicable for the purposes of the Credit Default Swap and a Potential Failure to Pay exists on the Credit Linkage End Date, the Grace Period Extension Date and (c) if Repudiation/Moratorium is specified as a Credit Event for the purposes of the Credit Default Swap and a Potential Repudiation/Moratorium exists on the Credit Linkage End Date, the Repudiation/Moratorium Evaluation Date and the Conditions to Settlement are satisfied in accordance with the terms of the Credit Default Swap, subject to the paragraph below with regard to Multiple Successors, each Note will, subject as provided below, be redeemed by delivery of the relevant Physical Settlement Entitlement on the Physical Settlement Date. In addition, where the Unwind Amount is a negative amount, the Issuer shall pay the pro rata portion of the absolute value of the Unwind Amount, as determined by the Calculation Agent in its absolute discretion, to the Issuer on the Physical Settlement Date.</p> <p>In order for Notes to be redeemed by delivery of the relevant Physical Settlement Entitlement, Noteholders must present to the Issuing and Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of the Issuing and Paying Agent) (the "Delivery Instruction Certificate") and must make</p> |

presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Physical Settlement Date. If such Notes and Delivery Instruction Certificate are presented to the Issuing and Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Issuing and Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Issuing and Paying Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Issuer and the Swap Counterparty a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be *prima facie* evidence of entitlement of the person named therein to the Physical Settlement Entitlement in respect of the Notes specified therein. However, the records of the Issuing and Paying Agent shall be conclusive evidence of such entitlement.

Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, "Clearance System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Each of the Issuer and the Swap Counterparty reserves all rights as to the manner of delivery of any Deliverable Obligations to which Noteholders are entitled and each of the Issuer and the Swap Counterparty shall have no responsibility for the capacity of Noteholders to take delivery of such Deliverable Obligations or for any other matter which may affect the ability of the Noteholders to

take delivery of such Deliverable Obligations.

Alternative Cash Settlement

If Alternative Cash Settlement applies under the Credit Default Swap, each Note will redeem at the Cash Settlement Entitlement on the on the date falling two Business Days after the Settlement Date.

Notes held by a Noteholder shall be aggregated for the purpose of determining the aggregate Physical Settlement Entitlement or Cash Settlement Entitlement, as the case may be, of that Noteholder.

Where the Conditions to Settlement are satisfied and more than one Successor (each a "**Multiple Successor**") has been identified and the relevant Event Determination Date relates to a Multiple Successor, the principal amount of each Note deemed allocated to each Multiple Successor shall be equal to the principal amount of such Note allocated to the relevant Reference Entity immediately prior to such Succession Event divided by the number of Multiple Successors (the "**Allocated Principal Amount**"); and each Note shall be redeemed in part, not in whole (except where the Credit Event relates to the only Multiple Successor that has not already suffered a Credit Event):

- (I) *Principal Amount to be redeemed*: the aggregate principal amount of the Notes redeemed shall be equal to the Allocated Principal Amount multiplied by the Number of Notes;
- (II) *Cessation of Interest*: interest shall cease to accrue on the Allocated Principal Amount of the Notes from and including the Interest Period Date immediately preceding the relevant Event Determination Date;
- (III) *Sale of Collateral*: the Disposal Agent on behalf of the Issuer shall dispose of a portion of the Collateral bearing the same proportion to the Collateral as the Allocated Principal Amount bears to the Principal Amount outstanding;
- (IV) *Partial Physical Settlement Entitlement deliverable or Cash Settlement Entitlement payable*: in such circumstances each Note will be redeemed by delivery of the Physical Settlement Entitlement or payment of the Cash Settlement Entitlement, as the case may be, determined with respect to such Allocated Principal Amount on the day falling two Business Days after the relevant Physical Settlement Date or Settlement Date, as the case may be. More than one Physical Settlement Entitlement or Cash Settlement Entitlement, as the case may be, may be payable on the same day in

respect of different Multiple Successors but, subject to the provisions of paragraphs 38(g)(I) and (II) above, not more than one Event Determination Date resulting in a Credit Event may occur (or deemed to occur) in relation to a single Multiple Successor or particular principal amount of Notes.

Following a partial redemption pursuant to this paragraph 38(g), the Calculation Agent may make such modifications to the Conditions as it considers necessary in its sole discretion to preserve the economic effects of the continuing notes.

Noteholders should note that in the event that the Notes are redeemed pursuant to this paragraph 38(g), the market value of any Physical Settlement Entitlement or Cash Settlement Entitlement may be less than the outstanding principal amount of the Notes and may be zero.

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| (h) | Redemption Amount payable upon the acceleration of the Notes following the occurrence of an Event of Default pursuant to Condition 11: | Early Redemption Amount |
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Noteholders may receive different distributions and/or payments as a result of roundings effected by the Calculation Agent. In the event that the Notes are redeemed prior to the Maturity Date, the amount deliverable or payable by the Issuer may be worth more or less than the principal amount of the Notes and may be zero.

39 Maturity Date:

Two Business Days following the Interest Period Date falling on or about 24 August 2020 (which is, for the avoidance of doubt, as at the date of this Series Prospectus, scheduled to fall on 26 August 2020) (such date being the “**Scheduled Maturity Date**”) or, if applicable, the later of each of the dates as determined below (each event causing an extension to the Maturity Date of the Notes, a “**Maturity Date Extension Event**”):

- (a) two Business Days following the Termination Date of the Credit Default Swap (or, if later, two Business Days following the date on which the Calculation Agent has determined that the Termination Date of the Credit Default Swap has occurred);
- (b) if Grace Period Extension is specified as applicable for the purposes of the Credit Default Swap and a

Potential Failure to Pay exists on the Credit Linkage End Date, the Maturity Date shall be postponed (but for the avoidance of doubt shall not be accelerated) until the date falling two Business Days following the last day in the Notice Delivery Period;

- (c) if Repudiation/Moratorium is specified as a Credit Event for the purposes of the Credit Default Swap and a Potential Repudiation/Moratorium (each as defined in the Credit Default Swap) exists on the Credit Linkage End Date, the Maturity Date shall be postponed until the date falling two Business Days following the last day in the Notice Delivery Period;
- (d) if the Swap Counterparty notifies the Issuer pursuant to the Credit Default Swap (such notice, a **“Potential Credit Event Notice”**) at any time on or prior to the Scheduled Maturity Date of its determination (which shall be exercisable in its sole and absolute discretion) that a Credit Event may have occurred in the period from and including the Credit Linkage Start Date to and including the Credit Linkage End Date in respect of which the Conditions to Settlement have not been, or will not be, satisfied in accordance with the terms of the Credit Default Swap on or before the Scheduled Maturity Date, the Maturity Date shall be postponed until the date falling two Business Days following the last day in the Notice Delivery Period with respect to the relevant Reference Entity; and
- (e) if, with respect to a Reference Entity, an Event Determination Date occurs and the Physical Settlement Date in respect of the relevant Credit Event has not occurred by the Scheduled Maturity Date or the Cash Settlement Amount, if applicable, in respect of the relevant Credit Event has not been determined as of the Scheduled Maturity Date, then the Maturity Date shall be postponed until the Physical Settlement Date or the date falling two Business Days following the relevant Settlement Date, as the case may be.

For the avoidance of doubt, the Termination Date of the Credit Default Swap may be postponed following a public announcement by ISDA that a DC Resolution (as defined in the Credit Default Swap) will be passed by the relevant Credit Derivatives Determinations Committee. See “Payments in the Notes may be deferred or suspended” risk factor in “Risk Factors” above.

Notice of any Potential Credit Event Notice will be given to the Noteholders in accordance with Condition 16 (*Notices*)

by the Issuer promptly after receipt by the Issuer thereof from the Swap Counterparty. In addition, notice of the postponed Maturity Date will be given to the Noteholders in accordance with Condition 16 (*Notices*) by the Issuer promptly after the postponed Maturity Date is determined.

The Swap Counterparty may send more than one Potential Credit Event Notice during the term of the Notes and in the event of the occurrence of more than one Maturity Date Extension Event the Maturity Date shall be postponed until the latest of the dates determined pursuant to each Maturity Date Extension Event described above.

No additional amounts of interest or otherwise will be payable by the Issuer or the Swap Counterparty as a result of any postponement of the Maturity Date.

Capitalised terms used but not otherwise defined in this paragraph 39 shall have the meanings given to such terms in the Credit Default Swap.

40	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	Yes
41	Index/Formula (Indexed Notes):	Not applicable
42	Calculation Agent:	<p>For the purposes of the calculations described in paragraphs 38(b) to (h), CGML, and otherwise, Citibank, N.A., London Branch.</p> <p>The Calculation Agent may in good faith make such amendment to, or supplement, the Conditions following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, the Credit Default Swap or any hedge transaction related to the Notes or the Swap Agreement entered into by the Issuer, the Swap Counterparty or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.</p>
43	Dual Currency Notes:	Not applicable
44	Partly-Paid Notes:	Not applicable
45	Amortisation Yield (Zero Coupon Notes):	Not applicable
46	Terms of redemption at the option of the Issuer or other Issuer's option (if applicable):	Issuer's Optional Redemption Date: As specified in the Issuer's notice to the Noteholders for exercising the Issuer's option in accordance with Condition 7.6; provided that the Issuer may only specify any Interest Payment Date in

respect of an Interest Period Date which is either 24 February or 24 August during the period from, and including, 24 August 2014 to, and including, 26 August 2020 as an Issuer's Optional Redemption Date in the notice. To exercise the option to redeem any of the Notes in accordance with Condition 7.6, the Issuer shall give irrevocable notice to the Noteholders (a) at least 5 Business Days prior to the Issuer's Optional Redemption Date specified in the notice and (b) within the Issuer's Option Period.

The Issuer's option may be exercised in respect of all or some only of the Notes.

47	Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable):	<p>Optional Redemption Date: Subject to the provisions below, any Business Day during the period from, and including, the fifth Business Day after the Issue Date to, and excluding, the Scheduled Maturity Date, as specified in the Noteholder's notice for exercising the Noteholder's option in accordance with Condition 7.7.</p> <p>Without prejudice to Condition 7.7, subject to paragraph 38(e) above, the notice for exercising the option to redeem any of the Notes in accordance with Condition 7.7 shall be given at least 5 Business Days prior to the Optional Redemption Date specified in the notice.</p> <p>Notwithstanding any provision to the contrary in the Conditions, if the Swap Counterparty determines, in its sole and absolute discretion, that a Credit Event, a Credit Event Resolution Request Date and/or an Event Determination Date has occurred and/or that a Potential Failure to Pay exists, in each case, on or before the Optional Redemption Date:</p> <p>(a) the Swap Counterparty shall immediately notify the Issuer, the Trustee, the Registrar and the Transfer Agent of such determination;</p> <p>(b) the Issuer shall not redeem the Notes in respect of which the Noteholder's option to redeem under Condition 7.7 has been exercised (the "Relevant Notes"); and</p> <p>(c) the Issuer shall notify the holder of the Relevant Notes that the Relevant Notes will not be early redeemed on the Optional Redemption Date. Physical Optional Early Redemption: Not Applicable (see paragraph 38(e) above)</p>
48	Issuer's Option Period:	The period from, and including, the Issue Date to, and excluding, the fifth Business Day prior to the Maturity Date.
49	Noteholders' Option Period:	The period from, and including, the Issue Date to, and excluding, the fifth Business Day prior to the Maturity Date.
50	Instalment Date(s) (if applicable):	Not applicable

51	Instalment Amount(s) (if applicable):	Not applicable
52	Unmatured Coupons to become void upon early redemption in full:	Not applicable
53	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
54	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	London, New York and Hong Kong
55	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 13.1 (if applicable):	None
56	Details of any other additions or variations to the Conditions:	<p>Redemption at the Option of Noteholders and Exercise of Noteholders' Options</p> <p>In Condition 7.7, the reference to "Schedule 7 to the Agency Agreement" shall be replaced with "Schedule 4 to the Agency Agreement"</p> <p>Redemption for illegality</p> <p>The following shall be deemed to be added to Condition 7 as a new Condition 7.13 for the purposes of the Notes only:</p> <p>"7.13 Redemption for illegality</p> <p>If the Issuer determines that the performance of its obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part for any reason, the Issuer may give notice to the Trustee, the Noteholders, the Swap Counterparty and/or the Option Counterparty and upon the giving of such notice all but not some only of the Notes shall become due for redemption on the date specified in such notice at their outstanding Early Redemption Amount."</p>
57	The Agents appointed in respect of the Notes are:	<p>Citibank, N.A., London Branch Citigroup Centre Canada Square Canary Wharf London E14 5LB</p>

as Issuing and Paying Agent, Calculation Agent and Custodian

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

as Calculation Agent and Disposal Agent
Citigroup Global Markets Deutschland AG
Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

as Registrar
Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2
as Irish Listing Agent

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| 58 | Purchase by the Issuer of Notes: | The Issuer may purchase Notes |
| 59 | Settlement method: | Delivery free of payment |

Provisions applicable to Global Notes and Certificates

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| 60 | How Notes will be represented on issue: | Global Certificate |
| 61 | Applicable TEFRA exemption: | Not applicable |
| 62 | Whether Temporary/ Permanent Global Note/ Global Certificate is exchangeable for Definitive Notes/Individual Certificates at the request of the holder: | Yes, in limited circumstances, for Individual Certificates. |
| 63 | New Global Note: | No |
| 64 | Intended to be held in a manner which would allow Eurosystem eligibility: | No |

Provisions relating only to the sale and listing of the Notes

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| 65 | Details of any additions or variations to the Dealer Agreement: | Not applicable |
| 66 | (i) Listing and admission to trading: | The Series Prospectus has been approved by the Central Bank of Ireland (the " Central Bank "), as competent |

authority under Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.

(ii) Estimate of total expenses related to admission to trading: All such expenses are being paid by the Dealer.

- 67** Dealers’ commission (if applicable): None. However, the re-offer price of the Notes will be lower than the Issue Price and can be provided to Noteholders on request.
- 68** Method of Issue: Individual Dealer
- 69** The following Dealers are subscribing to the Notes: CGML
- 70** Rating (if applicable): Not applicable

The Security Arrangements

- 71** Mortgaged Property:
- (a) Collateral: See Annex 2.
- (b) Security (order of priorities): See Annex 2. The Trustee shall apply all moneys received by it under the Trust Deed in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Deed in accordance with Counterparty Priority A.
- (c) Option Agreement (if applicable): Not applicable
- Option Counterparty(ies): Not applicable
- Option Guarantor (if applicable): Not applicable
- (d) Swap Agreement (if applicable): See Annexes 3 and 4.
- Swap Counterparty(ies): Initially, Citigroup Global Markets Limited, whose registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
- With effect from 25 November 2013, Citibank, N.A., London Branch, whose registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
- Swap Guarantor (if applicable): Not applicable
- Swap Guarantee: Not applicable

	(e) Details of Credit Support Document (if applicable):	Not applicable
	Credit Support Provider:	Not applicable
	(f) Details of Securities Lending Agreement:	Not applicable
	(g) Details of Other Security Document(s) (if applicable):	Not applicable
72	Mandatory Redemption:	Mandatory Redemption A
73	Rating Agency Trigger Threshold:	Not applicable

Annex 1

Defined Terms

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Hong Kong.

“Credit Linkage End Date” means the Termination Date (as defined in the Credit Default Swap).

“Credit Linkage Start Date” means the earlier to occur of the Credit Event Backstop Date and the Trade Date (each as defined in the Credit Default Swap).

“Cash Settlement Entitlement” means, in respect of each Note and subject to a minimum Cash Settlement Entitlement of zero, a *pro rata* share of (i) the net realised proceeds of the sale of the Collateral (converted, where necessary, into the currency in which the Notes are denominated at the then prevailing exchange rate) or, to the extent the Collateral has been redeemed in full, the proceeds of redemption of the Collateral, minus (ii) the Cash Settlement Amount, plus (where the same is due from the Swap Counterparty to the Issuer) or, as the case may be, minus (where the same is due from the Issuer to the Swap Counterparty) (iii) the early termination payment due from or payable to the Swap Counterparty under the Interest Rate Swap calculated in accordance with Section 6(e) of the ISDA Master Agreement, minus (iv) the Unwind Costs, calculated by reference to the aggregate number of Notes held by the relevant Noteholder divided by the number of Notes outstanding, rounded down to the nearest USD 0.01. Notes held by a Noteholder shall be aggregated for the purposes of determining the aggregate Cash Settlement Entitlement of that Noteholder.

“Collateral Entitlement” means, in respect of each Note, a *pro rata* share of the amount of the Net Collateral Portfolio, to which a Noteholder may be entitled, calculated by reference to the aggregate number of Notes then outstanding. If the aggregate Collateral Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Collateral, the Issuer shall deliver an amount of Collateral equal to such Collateral Entitlement rounded down to the nearest whole Collateral and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the net realised proceeds of the sale of the remainder of the Collateral Entitlement (converted, where necessary, into the currency in which the Notes are denominated at the then prevailing exchange rate) and references to the “Collateral Entitlement” shall include any such cash amount.

“Net Collateral Portfolio” means those Collateral (if any) remaining following the sale by the Disposal Agent of sufficient Collateral to satisfy any positive Transaction Termination Amount payable by the Issuer.

“Number of Notes” means, as at the Issue Date, 10 and, following any purchase and cancellation of any Notes by the Issuer pursuant to Condition 7.4 (*Purchases*), such lesser number of Notes outstanding.

“Physical Settlement Date” means the date on which the Portfolio (as defined in the Credit Default Swap) is delivered by Buyer to Seller under the Credit Default Swap.

“Physical Settlement Entitlement” means, in respect of each Note, a *pro rata* share of the amount of the Deliverable Obligations deliverable to, or to the order of, the Issuer pursuant to the Credit Default Swap. If the aggregate Physical Settlement Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Deliverable Obligations, the Issuer shall deliver an amount of Deliverable Obligations equal to such Physical Settlement Entitlement rounded down

to the nearest whole Deliverable Obligation and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the market value of the remainder of the Physical Settlement Entitlement, as determined by the Swap Counterparty in its absolute discretion and references to the “Physical Settlement Entitlement” shall include any such cash amount.

“**Settlement Date**” means the date on which a Cash Settlement Amount is paid by Seller to Buyer under the Credit Default Swap.

“**Swap Termination Value**” means the aggregate of the early termination payments due from or payable to the Swap Counterparty under the Swap Agreement, the calculation of which is described under “Consequences of Early Termination” in Annex 3 to the Series Prospectus. For the avoidance of doubt, the termination payment under the Credit Default Swap and the Interest Rate Swap shall be calculated in accordance with Section 6(e) of the ISDA Master Agreement. For the avoidance of doubt, the Swap Termination Value will be calculated in the currency in which the Notes are denominated and may be zero.

“**Transaction Termination Amount**” means the (i) Unwind Costs and (ii) plus (where the payment is due from the Issuer to the Swap Counterparty) or, as the case may be, minus (where the payment is due from the Swap Counterparty to the Issuer) the Swap Termination Value.

“**Unwind Costs**” means the value of the fees, costs, charges, expenses and liabilities incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes in the circumstances described in paragraphs 38(b) to (h) of the terms and conditions of the Notes above.

Annex 2

Security and Collateral

Description of the Collateral

On the Issue Date, the Issuer will purchase USD 10,000,000 in principal amount of the 5.625 per cent. USD 1,500,000,000 senior notes issued by The Royal Bank of Scotland plc and fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc due 2020 and having the ISIN number US78010XAE13 (the “**Securities**”).

The Securities will constitute the “**Collateral**” as at the Issue Date and, at any time thereafter, the “**Collateral**” shall be such Securities as are held by the Custodian for the account of the Issuer at such time.

The following summary of the Securities is qualified by reference to the detailed terms and conditions of the Securities (the “**Collateral Prospectus**”) (the “**Collateral Terms**”).

This information has been accurately reproduced from the published Collateral Prospectus and, in the case of the long-term unsecured senior debt ratings of the Collateral Issuer, the websites of Moody’s, S&P and Fitch and, so far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Collateral Prospectus does not form part of this Series Prospectus.

Title:	USD 1,500,000,000 5.625 per cent. senior notes issued by The Royal Bank of Scotland plc fully and unconditionally guaranteed by The Royal Bank of Scotland Group plc due 2020
Collateral Issuer:	The Royal Bank of Scotland plc
Country of Incorporation of Collateral Issuer:	Scotland
Principal Address of Collateral Issuer:	36 St Andrew Square, Edinburgh EH2 2YB, Scotland
Principal Business of Collateral Issuer:	Banking and financial services
Collateral Guarantor:	The Royal Bank of Scotland Group plc
Country of Incorporation of Collateral Issuer:	Scotland
Principal Address of Collateral Issuer:	36 St Andrew Square, Edinburgh EH2 2YB, Scotland
Principal Business of Collateral Issuer:	Banking and financial services
Principal Amount:	USD 1,500,000,000
Denomination:	USD 1,000
Issue Date:	24 August 2010

Final Maturity Date:	24 August 2020
Interest Rate:	5.625 per cent. per annum
Interest Payment Date:	24 February and 24 August in each year, commencing on 24 February 2011. Following business day convention
Listing:	New York Stock Exchange and Frankfurt Stock Exchange
Governing law:	New York
ISIN:	US78010XAE13
Ratings:	As at the Issue Date of the Notes, the Collateral Guarantor has been assigned long-term unsecured senior debt ratings of "Baa1" by Moody's, "A-" by S&P and "A" by Fitch.
Ranking:	The Collateral and any related coupons constitute senior unsecured obligations of the Collateral Issuer. The Collateral and any related coupons are fully and unconditionally guaranteed by the Collateral Guarantor. The guarantee constitute senior unsecured obligations of the Collateral Guarantor.

Security Arrangements

Subject as set out below, the obligations of the Issuer under the Notes are secured pursuant to the Trust Deed by:

- (i) a first fixed charge over the Collateral in favour of the Trustee;
- (ii) an assignment by way of security in favour of the Trustee of all the Issuer's rights, title and interest attaching to or relating to the Collateral and all sums derived therefrom including, without limitation, any right to delivery thereof or, in the case of Collateral in the form of Securities, to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest against the Custodian and the Disposal Agent, to the extent that they relate to the Collateral;
- (iv) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Agency Agreement, to the extent that they relate to the Notes;
- (v) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Custody Agreement, to the extent that they relate to the Notes;
- (vi) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Swap Agreement and in respect of any sums and securities received thereunder; and
- (vii) a first fixed charge in favour of the Trustee of (a) all sums held by the Issuing and Paying Agent and the Custodian to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Swap Agreement, the Agency Agreement, the

Custody Agreement and the Notes, (b) all sums held by the Disposal Agent under the Agency Agreement, and (c) any sums received by the Issuing and Paying Agent under the Swap Agreement,

(the rights and assets of the Issuer referred to in this paragraph being the “**Mortgaged Property**”).

In circumstances where the Collateral is held by or through the Custodian in a clearing system, the security will take the form of an assignment of the Issuer’s contractual rights against the Custodian rather than a charge over the Collateral.

A charge, although expressed in words which would suffice to create a fixed charge, may be treated as a floating charge, particularly if it appears that it was intended that the chargor should have licence to dispose of the assets charged in the course of its business without the consent of the chargee.

The Custodian, acting on behalf of the Issuer, may procure the realisation of the equivalent proportion of the Collateral in connection with any purchase and cancellation of the Notes by the Issuer in accordance with Condition 7.4.

In the event that the Mortgaged Property described above is realised by the Trustee on behalf of the Noteholders, there can be no assurance that the proceeds of realisation thereof will be sufficient to repay the principal amount and any other amount that is due under the Notes.

The Custodian

A description of the Custodian is set out in the section entitled “Description of Citibank, N.A. London Branch” in the Base Prospectus.

Annex 3

The Swap Agreement

The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement and is qualified by reference to the detailed provisions of the Swap Agreement.

Payments under the Swap Agreement

Under a 2002 ISDA Master Agreement deemed entered into between the Issuer and the Swap Counterparty and dated as of 11 November 2013 (including the Schedule (as defined in the ISDA Master Agreement) in the form of the ISDA Schedule Terms 10 July 2013 Version relating to the Programme (as such Schedule may have been amended by the relevant transaction confirmation)) as amended and restated from time to time (the **"ISDA Master Agreement"**), the Issuer and the Swap Counterparty have entered into a swap confirmation (the **"Credit Default Swap Confirmation"**) which constitutes a credit default swap transaction with an effective date of the Issue Date of the Notes (the **"Credit Default Swap"**) (into which the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2005 Matrix Supplement and the July 2009 Supplement are incorporated by reference) a swap confirmation (the **"Interest Rate Swap Confirmation"** and together with the Credit Default Swap Confirmation, the **"Swap Confirmations"**) which constitutes an interest rate swap transaction with an effective date of the Issue Date of the Notes (the **"Interest Rate Swap"**) (into which the 2006 ISDA Definitions are incorporated by reference) (the ISDA Master Agreement together with the Swap Confirmation, the **"Swap Agreement"**).

Pursuant to the Credit Default Swap, the Swap Counterparty has the right to exercise the credit default provisions under the Credit Default Swap immediately upon (and, subject as set out below, at any time subsequent to) the occurrence of a Credit Event during the period from and including the Credit Linkage Start Date to and including the Credit Linkage End Date (or, in certain circumstances, after the Credit Linkage End Date if Grace Period Extension is specified as applicable for the purposes of the Credit Default Swap and a Potential Failure to Pay exists on the Credit Linkage End Date, or if Repudiation/Moratorium is specified as a Credit Event for the purposes of the Credit Default Swap and a Potential Repudiation/Moratorium exists on the Credit Linkage End Date). When serving notice of the occurrence of a Credit Event, the Swap Counterparty may provide the Issuer with the Notice of Publicly Available Information (it will not need to do so if a Credit Derivatives Determinations Committee resolves that a Credit Event has occurred). Subject to Alternative Cash Settlement, on the Physical Settlement Date, the Issuer will pay the Swap Counterparty the Physical Settlement Amount and the Swap Counterparty will deliver to the Issuer the Portfolio.

Under the Interest Rate Swap, the Swap Counterparty paid to the Issuer an initial exchange amount equal to USD 1,317,225, the Issuer will pay to the Swap Counterparty periodic amounts equal to the interest receivable on the Collateral and all fixed amounts received from the Swap Counterparty under the Credit Default Swap and the Swap Counterparty will pay to the Issuer periodic amounts equal to the amount due on each Interest Payment Date under the Notes.

In addition, the Issuer will pay to the Swap Counterparty (or the Swap Counterparty will pay to the Issuer, as the case may be) the termination amounts in connection with the termination of the Swap Agreement whether in whole or in part (as further described in "Consequences of Early Termination" below).

Termination of the Swap Agreement

Except as stated in the following paragraphs, the Credit Default Swap is scheduled to terminate on 24 August 2020 and the Interest Rate Swap shall terminate on the Maturity Date of the Notes.

The Swap Agreement may be terminated (either in whole or in part only), among other circumstances:

- (i) if at any time any of the Notes becomes payable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation, under any Swap Agreement;
- (iii) if withholding taxes are imposed on any of the payments made either by the Issuer or by the Swap Counterparty under any Swap Agreement or it becomes illegal for either party to perform its obligations in respect of any Transaction under any Swap Agreement (see “Transfer to avoid Termination Event” below);
- (iv) upon the occurrence of certain other events with respect to either party to any Swap Agreement, including a breach of a representation, insolvency or, in respect of the Swap Counterparty, a merger without an assumption of the obligations in respect of that Swap Agreement; or
- (v) if any Swap Agreement is terminated early for whatever reason, the other Swap Agreement shall automatically terminate.

Consequences of Early Termination

Upon any early termination of any Swap Agreement in the circumstances set out in sub-paragraphs (i) to (v) above, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of the parties may have caused such termination).

Unless otherwise provided in the Swap Confirmations, such termination payments will be based on the replacement cost or gain for a swap agreement that would have the effect of preserving for the party making the determination the economic equivalent of that Swap Agreement. Such termination amounts shall also include amounts that are either unpaid as at the Early Termination Date (as defined in the Swap Agreement) or represent the fair market value of any obligation that was required to have been performed under a Swap Agreement had it not been terminated on the relevant Early Termination Date (as defined in the Swap Agreement).

In all cases of early termination, the termination payment will be determined by the Swap Counterparty.

General

Except as stated under “Transfer to avoid Termination Event” and “Transfer by the Swap Counterparty to its Affiliates” below, neither the Issuer nor the Swap Counterparty are, save for the assignment by way of security in favour of the Trustee under the Trust Deed and certain limited circumstances set out in Section 7 (*Transfer*) of the ISDA Master Agreement, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement.

Taxation

The Issuer is not obliged under the Swap Agreement to gross up if withholding taxes or other deductions for taxes are imposed on payments made by it under the Swap Agreement. The Swap

Counterparty is not obliged under the Swap Agreement to gross up if withholding taxes or other deductions for taxes are imposed on payment made by it under the Swap Agreement, unless the relevant tax is an “Indemnifiable Tax”.

Transfer to avoid Termination Event

If withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreement, then the Swap Counterparty shall, at its sole option, have the right to require the Issuer:

- (a) to transfer all of its interest and obligations under the Swap Agreement together with its interests and obligations under the Notes, the Trust Deed, the Dealer Agreement and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, which would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such withholding or deduction) or to which the Swap Counterparty would be entitled to make payments free from the relevant withholding or deduction and/or not to be subject to any gross-up obligations (if the Swap Counterparty is or would otherwise be required to make such withholding or deduction), subject to obtaining the prior written consent of the Trustee; or
- (b) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee.

If the Issuer is unable to transfer its interests to another party or to transfer its tax residence in accordance with the preceding provisions prior to the 30th calendar day following the date of imposition of such withholding taxes or, if earlier, the 10th calendar day prior to the first date on which it or the Swap Counterparty would otherwise be required to make a payment net of withholding taxes or subject to gross-up, the Swap Counterparty may terminate the swap transaction under the Swap Agreement.

Transfer by the Swap Counterparty to its Affiliates

The Swap Counterparty may, at any time, transfer to any of its Affiliates all or part of its interests and obligations under the Swap Agreement together with its interests and obligations under the Notes, the Trust Deed, the Dealer Agreement and the Agency Agreement to any of its Affiliates upon providing at least five Business Days prior written notice to the Issuer and the Trustee provided that:

- (a) as of the date of such transfer the transferee will not, as a result of such transfer, be required to withhold or deduct on account of any tax under the Swap Agreement;
- (b) a Termination Event or an Event of Default will not occur under the Swap Agreement as a result of such transfer; and
- (c) no additional amount will be payable by the Issuer to the Swap Counterparty or the transferee on the next succeeding scheduled payment date under the Swap Agreement as a result of such transfer.

For the avoidance of doubt, provided that the criteria set out in (a) to (c) above are satisfied, no consent shall be required from the Issuer or the Trustee to such transfer and the Issuer and Trustee shall promptly take such action and execute all documentation as the Swap Counterparty may reasonably require to effect such transfer.

The Swap Counterparty

A description of the Swap Counterparty is set out in the section entitled “Description of Citigroup Global Markets Limited” or “Description of Citibank, N.A., London Branch”, as the case may be, in the Base Prospectus.

Description of the Reference Entity

Bank of China Ltd. is a company incorporated in the People's Republic of China with its registered office at No. 1 Fuxingmen Nei Dajie, Beijing, 100818, China and it has securities admitted to trading on The Stock Exchange of Hong Kong Limited.

Bank of China Ltd. provides a complete range of banking and other financial services to individual and corporation customers worldwide. The bank's services include retail banking, Great Wall credit card and debit card services, consumer credit, foreign currency transaction, corporate banking, settlement and clearing, investment banking, and fund management businesses. The Reference Obligation specified is a senior unsecured fixed rate bond issued by Bank of China with an original principal amount USD 100,000,000 paying 8.25% per annum on 15 March and 15 September each year maturing on 15 March 2014 (ISIN: US061194AB21). As at the date of this Series Prospectus, Bank of China's long-term, senior unsecured obligations are rated “A1” by Moody's, “A” by S&P and “A” by Fitch. Information about the past and future credit spread and its volatility of Bank of China can be obtained from Bloomberg.

Annex 4

Form of the Credit Default Swap Confirmation

Set out below is the form of the Credit Default Swap Confirmation

Date: 11 November 2013

To: Libretto Capital P.L.C.

From: Citibank, N.A., London Branch

Re: Credit derivative transaction relating to Libretto Capital P.L.C. Series: 2013-08 USD 10,000,000 Floating Rate Credit Linked Secured Notes due 2020 (the “**Notes**”).

Dear Sirs,

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the credit derivative transaction entered into between us on the first day on which this Confirmation has been signed by both Party A and Party B (the “**Transaction**” and such date the “**Signing Date**”). This Confirmation constitutes a “Confirmation” as referred to in the 2002 ISDA Master Agreement specified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions (the “**2003 Definitions**”) as supplemented by (i) the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 7 March 2005) (the “**2005 Matrix Supplement**”) incorporating the version of the Credit Derivatives Physical Settlement Matrix most recently published as of the Trade Date (the “**ISDA Matrix**”) and (ii) the July 2009 Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 14 July 2009) (the “**July 2009 Supplement**” and, together with the 2003 Definitions and the 2005 Matrix Supplement, the “**Credit Derivatives Definitions**”), each as published by the International Swaps and Derivatives Association, Inc., as amended herein, are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated the Issue Date (the “**Agreement**”) deemed entered into between Citibank, N.A., London Branch (“**Party A**”) and Libretto Capital P.L.C. (“**Party B**”) in respect of which the Schedule to such 2002 ISDA Master Agreement (the “**Schedule**”) is in the form of the ISDA Schedule Terms 10 July 2013 Version (a copy of which Party A has provided to Party B and Party B acknowledges it has receipt of), modified as set out herein and in the Supplemental Trust Deed. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A and Party B have entered into a related interest rate swap by means of a confirmation under the Agreement on the Effective Date (the “**Interest Rate Swap**” and, together with this Transaction, the “**Swap Agreement**”).

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not defined herein will have the meanings given to them in (or incorporated by reference into) the Series Prospectus dated 11 November 2013, as amended and supplemented from time to time, relating to the issue of the Notes (the “**Series Prospectus**”).

In this Confirmation, references to the “**Conditions**” are to the terms and conditions of the Notes as set out in or incorporated by reference into the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Conditions, the terms as defined in the Conditions shall govern. In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Interest Rate Swap, the terms as defined in this Confirmation shall govern.

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

1 General Terms

Trade Date:	22 October 2013.
	Notwithstanding Section 1.5 of the Credit Derivatives Definitions, the Parties agree that they have entered into the Transaction to which this Confirmation relates on the Signing Date.
Effective Date:	12 November 2013
Scheduled Termination Date:	24 August 2020
Floating Rate Payer:	Libretto Capital P.L.C. (the “ Seller ”)
Fixed Rate Payer:	Citibank, N.A., London Branch (the “ Buyer ”)
Calculation Agent:	Citigroup Global Markets Limited
Calculation Agent City:	Hong Kong
Business Days:	London and New York and Hong Kong (unless otherwise specified)
Business Day Convention:	Modified Following (which subject to Section 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in the Confirmation that falls on a day that is not a Business Day).
Reference Entity:	Bank of China Ltd. and any Successor
Transaction Type:	Asia Corporate
Reference Obligation(s):	Primary obligor: Bank of China Ltd.
	Maturity: 15 March 2014
	Coupon: 8.25%
	ISIN: US061194AB21
All Guarantees:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Reference Price:	100 per cent.

2 Fixed Amounts

Fixed Rate Payer Calculation Amount:	Initially USD 10,000,000 and thereafter the Principal Amount of the Notes from time to time.
Fixed Rate Payer Payment Dates:	24 February, 24 May, 24 August and 24 November in each year, from and including 24 November 2013 to and including 24 August 2020, in each case as adjusted in

accordance with the Business Day Convention.

Fixed Rate Payer Period End Dates:	24 February, 24 May, 24 August and 24 November in each year, from and including 24 November 2013 to and including 24 August 2020, such dates subject to adjustment in accordance with the Business Day Convention.
Initial Fixed Rate Payer Calculation Period:	From and including the Effective Date to but excluding 24 November 2013.
Fixed Rate:	1.21 per cent. per annum
Fixed Rate Day Count Fraction:	Actual/360

3 Floating Amounts

Floating Rate Payer Calculation Amount: Initially USD 10,000,000 and thereafter the Principal Amount of the Notes from time to time.

Conditions to Settlement:	(1)	Credit Event Notice:	Applicable, except to the extent that it is deemed delivered pursuant to the July 2009 Supplement.
		Notifying Party:	Buyer or Seller
	(2)	Notice of Publicly Available Information:	Applicable, except to the extent that it is deemed delivered pursuant to the July 2009 Supplement.
		Public Sources:	As set out in Section 3.7 of the Credit Derivatives Definitions.

Specified Number: Two

The parties agree that the Conditions to Settlement may be satisfied on one occasion only with respect to each Reference Entity except in certain circumstances following a succession event.

“Credit Event Notice” means an irrevocable notice (which each of Party A and Party B has the right but not the obligation to deliver) from Party A or Party B (which may be oral including by telephone to be confirmed in writing) to the other party (with a copy to the Issuing and Paying Agent) during the Notice Delivery Period (or any other period permissible pursuant to the terms of the Credit Default Swap) that describes a Credit Event that occurred on or after the Credit Linkage Start Date to and including the Extension Date or (if applicable and earlier) the Early Redemption Date, each as determined

by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time).

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

If a Credit Event Notice contains the information required in the Notice of Publicly Available Information, such Credit Event Notice shall be deemed to be both a Credit Event Notice and a Notice of Publicly Available Information.

Credit Events:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Obligations Category:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Obligation Characteristics:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Excluded Obligations:	None

4 Settlement Terms

Settlement Method:	Physical Settlement, provided that if the Calculation Agent determines, in its absolute discretion, that any Deliverable Obligation is not capable of being delivered to, or to the order of, Seller (including, without limitation, delivery to, or to the order of, the Noteholders) within the Physical Settlement Period due to reasons beyond the control of Buyer and the Calculation Agent gives a written notice of such determination to Seller during the Physical Settlement Period (the date of such notice, the "Settlement Change Date"), Alternative Cash Settlement shall apply.
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Sections 9.3, 9.9 and 9.10 of the Credit Derivatives Definitions shall not apply to this Transaction.

Terms Relating to Physical Settlement:

Payment of Physical Settlement Amount:	Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, but subject as provided below, Seller shall pay the Physical Settlement Amount to Buyer on the Physical Settlement Date.
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Physical Settlement Amount:	Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, an amount equal to the Collateral Proceeds.
Delivery of Deliverable Obligations:	<p>Buyer shall Deliver to Seller on the Physical Settlement Date the whole of the Portfolio.</p> <p>Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, the portfolio of obligations to be Delivered by Buyer (the “Portfolio”) shall be such number of Deliverable Obligations, the nominal amount of which, as determined by Buyer in its absolute discretion, shall be equal to the Floating Rate Payer Calculation Amount (if necessary, converted into the currency of the Deliverable Obligations by Buyer at the then prevailing spot rate) subject, where the Unwind Amount is a positive amount, to the deduction of a number of Deliverable Obligations with a market value, as determined by Buyer in its absolute discretion, equal to the Unwind Amount.</p> <p>To the extent that the amount of Deliverable Obligations deliverable by Buyer to, or to the order of, Seller is not an entire multiple of the Deliverable Obligations, Buyer shall deliver such amount of Deliverable Obligations as correspond to the nearest whole Deliverable Obligation and shall pay an amount in cash equal to the market value of the remaining amount of Deliverable Obligations (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) as determined by Buyer in its absolute discretion.</p>
Unwind Amount:	<p>The (i) Unwind Costs, (ii) plus (where the payment is due from the Issuer to the Swap Counterparty) or, as the case may be, minus (where the payment is due from the Swap Counterparty to the Issuer) the termination payment in respect of the Interest Rate Swap and (iii) plus (where the amount is positive) or, as the case may be, minus (where the amount is negative) the Collateral MTM.</p> <p>Where the Unwind Amount is a negative amount, Buyer shall pay an amount equal to the absolute value of the Unwind Amount to Seller on the Physical Settlement Date.</p>
Collateral Proceeds:	The net realised proceeds of the sale or redemption of the Collateral.
Collateral MTM:	The Floating Rate Payer Calculation Amount minus the Collateral Proceeds.
Physical Settlement Period:	30 Business Days

Deliverable Obligations:	Deliverable Obligation Category: As set out in the ISDA Matrix corresponding to the relevant Transaction Type. Deliverable Obligation Characteristics: As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Escrow:	Not applicable
Fallback Settlement Method:	Not applicable
Alternative Cash Settlement:	If Alternative Cash Settlement applies, Seller shall pay to Buyer the Cash Settlement Amount on the Cash Settlement Date.
Terms relating to Alternative Cash Settlement (if applicable)	
Valuation Obligation:	Any obligation of the Reference Entity chosen by the Calculation Agent in its sole discretion pursuant to Section 2.15 of the Credit Derivatives Definitions, for which purpose the Deliverable Obligation Category and Deliverable Obligation Characteristics are as set out in the ISDA Matrix corresponding to the relevant Transaction Types and there are no Excluded Deliverable Obligation. References in Article VII of the Credit Derivatives Definitions to "Reference Obligation" shall be construed as references to "Valuation Obligation". For the avoidance of doubt, the Deliverable Obligation Characteristics "Assignable Loan" and "Consent Required Loan" shall apply only to Valuation Obligations that are Loans and Valuation Obligations must satisfy either (but not both) of the Deliverable Obligation Characteristics "Assignable Loan" and "Consent Required Loan" and the Deliverable Obligation Characteristics "Transferable" and "Not Bearer" shall apply only to Valuation Obligations that are Bonds.
Valuation Date:	Single Valuation Date: the fifth Business Day following the Settlement Change Date.
Valuation Time:	Any time (as selected by the Calculation Agent in its sole discretion) on the applicable Valuation Date during the hours that the Dealers customarily quote prices for the relevant Valuation Obligation.
Quotation Method:	Bid
Quotation Amount:	An amount selected by the Calculation Agent greater than or equal to USD 1,000,000 (the " Minimum Quotation Amount ") subject to a maximum of 100 per cent. of the Floating Rate Payer Calculation Amount, or the equivalent in the applicable currency selected by the

	Calculation Agent in its sole discretion.
Valuation Method:	Highest
Settlement Currency:	USD
Quotations	<p>Each Full Quotation or other quotation, excluding accrued interest, expressed as a percentage with respect to a Valuation Date. The Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers on the Scheduled Valuation Date. If fewer than five Full Quotations are available, but at least two Full Quotations are available, the Calculation Agent shall determine the Final Price on the basis of the available Full Quotations.</p> <p>If at least two Full Quotations are not available on the Scheduled Valuation Date, but a Weighted Average Quotation is available then such Weighted Average Quotation will be used, on the Scheduled Valuation Date, to determine the Final Price. If both two Full Quotations and a Weighted Average Quotation are not available, but a single Full Quotation is available, such single Full Quotation will be used, on the Scheduled Valuation Date, to determine the Final Price.</p> <p>If a single Full Quotation is also not available, but one or more firm quotations for an amount equal to or less than the Minimum Quotation Amount is available, then the weighted average of such firm quotations will be used on the Scheduled Valuation Date to determine the Final Price. If one or more firm quotations for an amount equal to or less than the Minimum Quotation Amount are not available, the Quotation will be zero.</p> <p>Where a Quotation is sought in respect of a Valuation Obligation which is a Consent Required Loan, the Calculation Agent shall, to the extent practicable in connection with any requests for quotations in respect of such Valuation Obligation, inform the Dealers of the identity of the debtor, the governing law and jurisdiction of the relevant loan documentation, details of any guarantee and/or security, the main covenants contained within the relevant loan documentation, the maturity date of the loan and any amortisation, the interest rate of the loan, whether the loan is a revolving loan or a term loan, the amounts if any drawn down under the loan, any conditions to transfer and the date of the relevant loan agreement subject to not thereby breaching any duty of confidentiality the Calculation Agent or any Affiliate thereof may owe in respect of such Consent Required Loan. Any firm bid quotations received from Dealers in respect of such Valuation</p>

Obligation shall be treated as firm bid quotations notwithstanding that the Dealers express such firm bid quotations as being subject to the loan documentation.

For the purposes of this Transaction, the last sentence of Section 7.4 of the Credit Derivatives Definitions shall not apply.

Dealer:

A dealer in obligations of the type of the Valuation Obligation(s) for which Quotations are to be obtained as selected by the Calculation Agent in its sole and absolute discretion, which may include the Calculation Agent or any one Affiliate of the Calculation Agent (including the Swap Counterparty).

Cash Settlement Date:

The fifth Business Day following the Valuation Date.

Cash Settlement Amount:

The greater of:

- (a) an amount in USD payable equal to the product of (i) the Floating Rate Payer Calculation Amount and (ii) the Reference Price minus the Final Price; and
- (b) zero.

5 Amendments to the Credit Derivatives Definitions and Additional Definitions

Section 1.8 (*Event Determination Date*) of the Credit Derivatives Definitions:

Section 1.8(c) shall be amended by the insertion of the words “the Notifying Party has the option, in its sole discretion, to retract a Credit Event Notice and” after the words “Subject to Section 9.1(c)(iii)(B)(III),” in the first line thereto.

Fixed Payments:

Section 2.9(b) of the Credit Derivatives Definitions shall be deleted and substituted with the following:

- “(b) the final Fixed Rate Payer Calculation Period will end on, but exclude, the earlier to occur of the Scheduled Termination Date and the Fixed Rate Payer Period End Date immediately preceding the Event Determination Date.”

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, no further Fixed Amounts shall be payable by the Buyer pursuant to this Transaction following the occurrence of an Event Determination Date, to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, Valuation Date or Termination Date.

Section 2.31 of the Credit Derivatives Definitions:

For the avoidance of doubt Section 2.31 of the Credit Derivatives Definitions shall not apply to this Transaction.

Potential Credit Event Notice:	If the Buyer determines in its sole and absolute discretion that a Credit Event may have occurred in the period from and including the Credit Linkage Start Date (as defined in the Conditions) to and including the Scheduled Termination Date in respect of which the Conditions to Settlement have not been, or will not be, satisfied on or before the Scheduled Maturity Date of the Notes, the Buyer undertakes to forthwith notify the Issuer, the Trustee and the Issuing and Paying Agent of the same.
Valuation Notice:	If the Calculation Agent determines that a Cash Settlement Amount greater than zero may be payable under this Transaction, then as soon as reasonably practicable following the determination of the Final Price, the Calculation Agent shall send a notice to the Swap Counterparty and the Issuer that contains the Quotations received, the Final Price and the calculation of the Cash Settlement Amount. Failure to send such a Valuation Notice shall not affect the Issuer's obligation to pay a Cash Settlement Amount under this Transaction.
General:	All references in the Credit Derivatives Definitions to consultation between the parties shall be deemed to be deleted and any determinations to be made under the Credit Derivatives Definitions by either party in connection with the other shall be made in the sole and absolute discretion of the Calculation Agent.

6 Additional Termination Event

The occurrence or designation of an Early Termination Date pursuant to the Interest Rate Swap Transaction (such date, the "**Interest Rate Swap Termination Date**") shall be an Additional Termination Event in respect of this Credit Default Swap Transaction (for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the sole Affected Party in relation to the termination of the Interest Rate Swap Transaction, in which case the Affected Party hereunder shall be Party A) unless such occurrence or designation is due to the satisfaction of the Conditions to Settlement. In such circumstances, the Interest Rate Swap Termination Date shall be deemed to have been designated as an Early Termination Date hereunder. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

7 Notification of Right To Segregate Independent Amounts

With respect to funds or other property provided to margin, guarantee or secure obligations under uncleared CFTC-regulated "swaps" (as defined in Commodity Exchange Act section 1a(47)) entered into on or after December 31, 2012, to the extent mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Party B has the right to require

segregation of such funds (other than variation margin) at an independent third party custodian. This notification is deemed repeated at the time of entry into each uncleared swap transaction with Party A.

8 Other Provisions

- (a) Notwithstanding any other provision of the Agreement, if an Additional Termination Event with respect to this Transaction occurs as a result of the exercise by the Issuer of its option to redeem any of the Notes under Condition 7.6 (the Notes that are subject to such redemption, the “**Issuer Optional Early Redemption Notes**”), no Early Termination Amount shall be payable by either party on the Early Termination Date and (a) Party B shall pay Party A an amount equal to net realised proceeds of the sale or redemption of a portion of the principal amount of the Collateral as the principal amount of the Issuer Optional Early Redemption Notes bears to the principal amount of all Notes outstanding immediately prior to the redemption and (b) Party A shall pay Party B an amount equal to the Early Redemption Amount in respect of the Issuer Optional Early Redemption Notes, in each case, on the second Business Day prior to the Issuer’s Optional Redemption Date.
- (b) For the purpose of determining any amounts payable pursuant to Section 6 (*Early Termination; Close-Out Netting*) of the Agreement in connection with an early termination of this Transaction, notwithstanding any other provision of the Agreement, all calculations and determinations that, under the Agreement, would otherwise be made by Party B shall be made by Party A.
- (c) Party A and Party B acknowledge and agree that this Transaction is not intended to constitute insurance business and is not a contract of insurance, assurance, suretyship or guarantee and payments may be made under this Transaction by each party independently and without proof of the economic loss (if any) of the other party.
- (d) For the purposes of any calculations, determinations and valuations referred to in this Confirmation, (a) all percentages resulting from such calculations, determinations or valuations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (b) all amounts used in or resulting from such calculations, determinations or valuations will be rounded to the nearest USD 0.01 (with USD 0.005 being rounded upwards).
- (e) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule, the Termination Currency for this Transaction shall be the currency in which the Notes are denominated.
- (f) The “Breach of Agreement” provisions of Section 5(a)(ii) of the Agreement shall not apply to Party A or Party B.
- (g) The “Misrepresentation” provisions of Section 5(a)(iv) of the Agreement shall not apply to Party A or Party B.
- (h) The Calculation Agent may in good faith make such amendment to, or supplement, the terms of this Transaction following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any

provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, this Transaction or any hedge transaction related to the Notes or the Swap Agreement entered into by Party B, Party A or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.

9 Third party rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

10 Relationship between parties

Each party represents to the other party that:

- (a) **Non-Reliance:** It is acting for its own account and 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 has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
- (b) **Acceptance:** It accepts the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the financial and other risks of this Transaction;
- (c) **Status of Parties:** The other party is not acting as a fiduciary or an advisor for it in respect of this Transaction; and
- (d) **Risk Management:** It has entered into this Transaction for the purpose of (i) managing its borrowings or investments, (ii) hedging its underlying assets or liabilities or (iii) in connection with its line of business.

11 Account Details

USD Account details of Party A:	Citibank N.A., NY Swift: CITIUS33 A/C of: Citibank NA, London Swift: CITIGB2L Account No: 10990765
USD Account details of Party B:	Citibank, N.A., New York Branch Swift: CITIUS33 A/C of: Citibank, N.A., London Branch Swift: CITIGB2L A/C No: 10990765 Ref: GATS Libretto Capital P.L.C. Series 2013-08 ISIN: XS0987040861

This Confirmation and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Your counterparty to the Transaction is Citibank, N.A., London Branch, which is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA. In the event that you have dealt with employees of an affiliate of Citibank, N.A., London Branch in placing the order for or otherwise arranging the Transaction (which is likely if you are not a UK person), then the Transaction has been introduced to you, and arranged, by such affiliate. Such affiliate does not act as agent for Citibank, N.A., London Branch, which is the principal to the Transaction with you. In the European Union, such affiliate may be Citigroup Global Markets Limited or Citibank International plc (each of which is authorised by the PRA and regulated by the FCA and the PRA) or Citibank Ireland Financial Services plc (authorised and regulated by the Central Bank of Ireland).

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIBANK, N.A., LONDON BRANCH (AS PARTY A)

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C. (AS PARTY B)

By:

Name:

CITIGROUP GLOBAL MARKETS LIMITED (AS CALCULATION AGENT)

By:

Name:

Title:

Annex 5

Form of the Interest Rate Swap Confirmation

Set out below is the form of the Interest Rate Swap Confirmation

Date: 11 November 2013

To: Libretto Capital P.L.C.

From: Citibank, N.A., London Branch

Re: Interest rate swap transaction relating to Libretto Capital P.L.C. Series: 2013-08 USD 10,000,000 Floating Rate Credit Linked Secured Notes due 2020 (the "**Notes**").

Dear Sirs,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the interest rate swap transaction entered into between us on the first day on which this Confirmation has been signed by both Party A and Party B (the "**Transaction**" and such date the "**Signing Date**"). This Confirmation constitutes a "Confirmation" as referred to in the 2002 ISDA Master Agreement specified below.

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

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated the Issue Date (the "**Agreement**") deemed entered into between Citibank, N.A., London Branch ("**Party A**") and Libretto Capital P.L.C. ("**Party B**") in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of the ISDA Schedule Terms 10 July 2013 Version (a copy of which Party A has provided to Party B and Party B acknowledges it has receipt of), modified as set out herein and in the Supplemental Trust Deed. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A and Party B have entered into a related credit default swap transaction by means of a confirmation under the Agreement on the Effective Date (the "**Credit Default Swap**").

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not defined herein will have the meanings given to such terms in the Credit Default Swap relating to the Notes or in (or incorporated by reference into) the Series Prospectus dated 11 November 2013, as amended and supplemented from time to time, relating to the issue of the Notes (the "**Series Prospectus**").

In this Confirmation, references to the "**Conditions**" are to the terms and conditions of the Notes as set out in or incorporated by reference into the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Credit Default Swap or the Conditions, the terms as defined in the Credit Default Swap or the Conditions, as the case may be, shall govern.

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

1 General Terms

Trade Date:	22 October 2013. Notwithstanding Section 3.7 of the 2006 Definitions, the Parties agree that they have entered into the Transaction to which this Confirmation relates on the Signing Date.
Effective Date:	12 November 2013
Termination Date:	The Maturity Date of the Notes
Calculation Agent:	Citigroup Global Markets Limited
Business Days:	London and New York and Hong Kong (unless otherwise specified)
Business Day Convention:	Modified Following (unless otherwise specified)

2 Initial Exchange

Initial Exchange Payer:	Party A
Initial Exchange Date:	The Effective Date
Initial Exchange Amount:	USD 1,317,225

3 Floating Amounts

Floating Amount Payer:	Party A
Floating Amount:	An amount equal to the aggregate coupon amount that is payable by Party B in respect of the Notes then outstanding.
Floating Amount Payer Payment Date(s):	The date on which the corresponding payment of interest is due and payable in respect of the Notes.

4 Fixed Amounts 1

Fixed Amount 1 Payer:	Party B
Fixed Amount 1:	Any interest due in respect of the Collateral (in accordance with the terms of the Collateral as at the Trade Date) held by or on behalf of the Issuer from time to time under the terms of the Notes.
Fixed Amount 1 Payment Date(s):	Each date on which payment of interest is due on the Collateral in the period from and including the Effective Date to but excluding the Termination Date. For the avoidance of doubt, the initial Fixed Amount 1 shall be the interest due in respect of the Collateral held by or on behalf of Party B under the terms of the Notes on 24 November 2013, subject to adjustment in accordance with the Following Business Day

Convention for the purpose of which "Business Day" means New York City.

5 Fixed Amounts 2

Fixed Amount 2 Payer:	Party B
Fixed Amount 2:	Any "Fixed Amount" (as defined under the Credit Default Swap) received by or on behalf of Party B under the Credit Default Swap.
Fixed Amount 2 Payment Date(s):	Each date on which a "Fixed Amount" (as defined under the Credit Default Swap) is paid by Party A to Party B under the Credit Default Swap.

6 Termination Amounts

Where a termination amount is to be calculated in respect of this Transaction in accordance with Section 6 of the Agreement, notwithstanding any other provision of the Agreement, such calculation shall:

- (a) not take into account the related early redemption of the Notes or the satisfaction of the Conditions to Settlement (as applicable) in calculating the Floating Amounts, the Fixed Amount 1 or the Fixed Amounts 2;
- (b) assume that interest will be payable in respect of the Notes until (and including) the Scheduled Maturity Date of the Notes;
- (c) not take into account any sale by or on behalf of Party B of any Collateral in connection with such related early redemption of the Notes or satisfaction of the Conditions to Settlement in calculating the Fixed Amounts 1;
- (d) assume that interest will be payable on the Collateral until the scheduled redemption date of the Collateral; and
- (e) assume that "Fixed Amounts" under the Credit Default Swap will continue to be payable to and including 24 August 2020.

For the avoidance of doubt, in case Physical Settlement applies under the Credit Default Swap, where the termination amount in respect of this Transaction is already accounted for under the provisions relating to Physical Settlement under Credit Default Swap, no separate payment in respect of such termination amount (in duplication) shall be made by either Party A or Party B.

7 Additional Termination Event

The termination of the Credit Default Swap (including following a Credit Event) shall be an Additional Termination Event in respect of this Interest Rate Swap Transaction, for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the sole Affected Party in relation to the termination of the Credit Default Swap Transaction, in which case the Affected Party hereunder shall be Party A. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or

Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

If the Credit Default Swap has been deemed to have been divided into multiple credit default swap transactions following a Successor Event (as defined in the Credit Default Swap) for which multiple Successors have been identified, the Additional Termination Event described in the above paragraph shall be deemed to apply in respect of a portion of this Transaction only (the **"Terminated Portion"**), bearing the same proportion to the whole Transaction as the Allocated Principal Amount (as defined in the Conditions) bears to the Principal Amount outstanding, and the termination amount determined in accordance with Section 6(e) of the Agreement shall be determined only in respect of the Terminated Portion. The portion of this Transaction other than the Terminated Portion shall be deemed to continue as reduced by the Terminated Portion. The Calculation Agent may make such modifications to the terms of this Transaction as it considers necessary in its sole discretion to preserve the economic effects of this Transaction after any multiple Successor event under the Credit Default Swap.

Terms used in this paragraph 7 and not defined herein shall have the meanings given to such terms in the Credit Default Swap.

8 Notification of Right To Segregate Independent Amounts

With respect to funds or other property provided to margin, guarantee or secure obligations under uncleared CFTC-regulated "swaps" (as defined in Commodity Exchange Act section 1a(47)) entered into on or after December 31, 2012, to the extent mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act, Party B has the right to require segregation of such funds (other than variation margin) at an independent third party custodian. This notification is deemed repeated at the time of entry into each uncleared swap transaction with Party A.

9 Other Provisions

- (a) For the purpose of determining any amounts payable pursuant to Section 6 (*Early Termination; Close-Out Netting*) of the Agreement in connection with an early termination of this Transaction, notwithstanding any other provision of the Agreement:
 - (i) all calculations and determinations that, under the Agreement, would otherwise be made by Party B shall be made by Party A; and
 - (ii) the Party B Fixed Amounts shall be calculated without taking into account any sale by or on behalf of Party B of any Collateral in connection with such early termination or any related early redemption of the Notes.
- (b) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be the currency in which the Notes are denominated.
- (c) The "Breach of Agreement" provisions of Section 5(a)(ii) of the Agreement shall not apply to Party A or Party B.
- (d) The "Misrepresentation" provisions of Section 5(a)(iv) of the Agreement shall not apply to Party A or Party B.

- (e) The Calculation Agent may in good faith make such amendment to, or supplement, the terms of this Transaction following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, the Credit Default Swap or any hedge transaction related to the Notes or the Swap Agreement entered into by Party B, Party A or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.
- (f) For the avoidance of doubt, notwithstanding any other provision of the Agreement, if an Additional Termination Event with respect to this Transaction occurs as a result of the exercise by the Issuer of its option to redeem any of the Notes under Condition 7.6, paragraph 8(a) of the Credit Default Swap shall apply to the Agreement (including all transactions entered into thereunder).

11 Third party rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

12 Relationship between parties

Each party represents to the other party that:

- (a) **Non-Reliance:** It is acting for its own account and 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 has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
- (b) **Acceptance:** It accepts the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the financial and other risks of this Transaction;
- (c) **Status of Parties:** The other party is not acting as a fiduciary or an advisor for it in respect of this Transaction; and
- (d) **Risk Management:** It has entered into this Transaction for the purpose of (i) managing its borrowings or investments, (ii) hedging its underlying assets or liabilities or (iii) in connection with its line of business.

13 Account Details

USD Account details of Party A:	<p>Citibank N.A., NY Swift: CITIUS33 A/C of: Citibank NA, London Swift: CITIGB2L Account No: 10990765</p>
USD Account details of Party B:	<p>Citibank, N.A., New York Branch Swift: CITIUS33 A/C of: Citibank, N.A., London Branch</p>

Swift: CITIGB2L
A/C No: 10990765
Ref: GATS Libretto Capital P.L.C. Series 2013-08
ISIN: XS0987040861

This Confirmation and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Your counterparty to the Transaction is Citibank, N.A., London Branch, which is authorised by the PRA and subject to regulation by the FCA and limited regulation by the PRA. In the event that you have dealt with employees of an affiliate of Citibank, N.A., London Branch in placing the order for or otherwise arranging the Transaction (which is likely if you are not a UK person), then the Transaction has been introduced to you, and arranged, by such affiliate. Such affiliate does not act as agent for Citibank, N.A., London Branch, which is the principal to the Transaction with you. In the European Union, such affiliate may be Citigroup Global Markets Limited or Citibank International plc (each of which is authorised by the PRA and regulated by the FCA and the PRA) or Citibank Ireland Financial Services plc (authorised and regulated by the Central Bank of Ireland).

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIBANK, N.A., LONDON BRANCH (AS PARTY A)

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C. (AS PARTY B)

By:

Name:

CITIGROUP GLOBAL MARKETS LIMITED (AS CALCULATION AGENT)

By:

Name:

Title:

General Information

1. From the date of this Series Prospectus and for so long as the Notes remain outstanding, the following documents will be available for inspection in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Issuing and Paying Agent:
 - (a) this Series Prospectus;
 - (b) the Supplemental Trust Deed in relation to the Notes;
 - (c) the audited financial statements of the Issuer in respect of its financial years ending 31 December 2010 and 31 December 2011;
 - (d) the audited consolidated financial statements of the Swap Counterparty in respect of the years ending 31 December 2011 and 31 December 2012; and
 - (e) the memorandum and articles of association of the Swap Counterparty.
2. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 4 November 2013. The amendment of the Notes for the purpose of reflecting a transfer of the Swap Agreement from CGML to CNBA London was authorised by a resolution of the Board of Directors of the Issuer passed on 21 November 2013.
3. Save as set out herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011 (such date being the date of the Issuer's latest audited financial statements) which is material or significant.
4. The Issuer has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of the Series Prospectus) which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
5. The Issuer does not intend to provide any post issuance transactional information on the Notes or the Collateral (as described in the Terms and Conditions above).
6. Arthur Cox Listing Services Limited has been appointed by the Issuer to act as its listing agent and as such is not seeking admission to listing of the Notes on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive on its own behalf, but as an agent on behalf of the Issuer.
7. References to any web or internet addresses in this document do not form part of the prospectus for the purpose of its approval or the listing of the Notes.

REGISTERED OFFICE OF THE ISSUER

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Ireland

TRUSTEE

Citicorp Trustee Company Limited

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London E14 5LB

REGISTRAR

Citigroup Global Markets Deutschland AG

Agency and Trust Department
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60323 Frankfurt
Germany

**ISSUING AND PAYING AGENT, CALCULATION
AGENT, SWAP COUNTERPARTY AND CUSTODIAN**

Citibank, N.A., London Branch

Citigroup Centre
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London E14 5LB

**DEALER, CALCULATION AGENT, SWAP
COUNTERPARTY AND DISPOSAL AGENT**

Citigroup Global Markets Limited

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LEGAL ADVISERS

*to the Issuer
as to Irish law*

A & L Goodbody

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North Wall Quay
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*to the Dealer
as to English law*

Linklaters

10th Floor
Alexandra House
18 Charter Road
Central
Hong Kong

IRISH LISTING AGENT

Arthur Cox Listing Services Limited

Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

This Series Prospectus is hereby executed by or on behalf of the Issuer.

LIBRETTO CAPITAL P.L.C.

By:

Name: