

14 May 2012

Issuer: SIGNUM FINANCE III PLC

“MAJOR”

**Multi-Jurisdiction Repackaging Note
Programme**

arranged by

Goldman Sachs International

PROSPECTUS

Series: 2011-01

Tranche 1 of EUR 75,000,000 and Tranche 2 of EUR 8,000,000 consolidated to form a single
Series 2011-01 of EUR 83,000,000 Notes Linked to BTPei 2023 Inflation Linked Bonds due 2023



Goldman Sachs International

Prospectus: *This Prospectus relates to an issue of Notes by the Issuer described in the Additional Conditions set out below pursuant to the “MAJOR” Multi-Jurisdiction Repackaging Note Programme that the Issuer established on the Programme Date. This Prospectus should be read in conjunction with the Base Prospectus referred to in the Issuer’s Programme Deed.*

This Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus 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 Prospectus constitutes a prospectus for the purposes of Article 5 of the Prospectus Directive.

Defined Terms: *Unless otherwise defined, capitalised terms have the same meanings as set out in the Base Conditions.*

Ratings: *Other than where expressly stated otherwise, the credit ratings included or referred to in this Prospectus will be treated for the purposes of Regulation (EC) No 1060/2009 on credit rating agencies (the “CRA Regulation”) as having been issued by Moody’s Investors Service, Inc., Standard & Poor’s Ratings Service, a Division of the McGraw Hill Companies, Inc. and Fitch Ratings Ltd., each of which is established in the European Union and is registered under the CRA Regulation.*

Responsibility: *The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the Issuer’s knowledge and belief, the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import and completeness of such information.*

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

Public Information: *Information relating to the Swap Counterparty, the Swap Guarantor, the Assets and the Asset Issuer has been accurately reproduced from information published by the Swap Counterparty, the Swap Guarantor and the Asset Issuer. So far as the Issuer is aware and is able to ascertain from information published by the Swap Counterparty, the Swap Guarantor and the Asset Issuer, no facts have been omitted that would render the reproduced information inaccurate or misleading. Except where such information relates to itself, neither the Issuer nor any Transaction Counterparty has conducted any due diligence on this information, nor made any enquiries as to its own possession of non-publicly available information.*

Deemed Representation: *Each purchaser, each subsequent transferee and each person directing such purchaser or subsequent transferee to acquire notes, by its purchase or other acquisition of the notes, is deemed to represent and warrant (which representation and warranty will be deemed to be repeated on each date on which the notes are held by such purchaser or subsequent transferee, as the case may be), that the funds the purchaser or subsequent transferee is using to acquire and hold the notes are not the assets of an employee benefit or other plan subject to Part IV of Title I of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), a plan described in Section 4975 of the Internal Revenue Code of 1986, as amended, or an entity whose underlying assets include “plan assets” by reason of Department of Labor regulation section 2510.3-101 (as modified by Section 3(42) of ERISA) or otherwise.*

Transaction Counterparties: *The Transaction Counterparties and their affiliates may have access to non-publicly available information. None of the Transaction Counterparties makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further*

information, notice or other document which may at any time be supplied in connection with the Notes.

Listing: Application has been made to the Irish Stock Exchange for the Notes in Tranche 2 to be admitted to the Official List and trading on its regulated market.

Restriction on Distribution: The distribution of the Prospectus and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act and may be in bearer form and therefore subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Need for Independent Analysis: Prospective Noteholders should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Neither the Arranger nor any Dealer makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Notes and none of them accepts any responsibility or liability therefor. Neither the Arranger nor any Dealer undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of the Arranger or any such Dealer.

No Offer: The Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

Other Information: No-one is authorised to give any information or to make any representation not contained in the Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer. The delivery of this Prospectus at any time does not imply that there has been no change in the affairs of the Issuer since the date hereof or that the information contained in it is correct as at any time subsequent to its date.

Issuer Not Regulated: The Issuer is not, and will not be, regulated by the Central Bank by virtue of issuing the Notes. An investment in the Notes does not have the status of a bank deposit and is not subject to the deposit protection scheme operated by the Central Bank.

Suitability of Investment: The Notes are only suitable for sophisticated investors who are capable of understanding the risks involved. Prospective Noteholders must obtain such advice as they deem necessary from their own advisors as to the risks and merits of purchasing Notes and of any regulatory, accounting and/or tax consequences thereof. Neither the Arranger nor the Dealer is providing investment, regulatory, accounting, or tax advice to any Noteholder or prospective Noteholder.

Governing Law: The Notes and the Swap Agreement are governed by English law and the Swap Guarantee is governed by New York law. Subsequent judicial decisions or changes to English or New York law after the Issue Date may alter Noteholders' rights and obligations.

Performance is Not Guaranteed: Many factors influence the Notes' performance and none of the Transaction Counterparties guarantee that Noteholders will receive any principal or interest amount in respect of the Notes. The Notes' performance may not compare favourably with interest

rates on deposits prevailing between the Issue Date and maturity or redemption. The Notes' market value may be influenced by factors including but not limited to (i) the price and volatility of the Assets; (ii) the Issuer and Swap Guarantor's creditworthiness; (iii) interest rates; (iv) currency exchange rates; (v) time remaining to maturity; (vi) nature and liquidity of any hedge positions; (vii) nature and liquidity of any embedded derivatives; (viii) market perception; (ix) general economic and financial conditions and (x) the occurrence of market disruption, among others factors.

Neither Goldman Sachs & Co. nor any of its affiliates make any representation or warranty, express or implied, to the owners of the Notes or any member of the public regarding the advisability of investing in securities generally or in the Notes.

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Additional Risk Factors

Before making an investment decision, prospective purchasers of Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Base Prospectus. Prospective Noteholders should have regard to the factors described under the section headed "Risk Factors" in the Base Prospectus. In addition, prospective Noteholders should have regard to the Additional Risk Factors set out below.

The Calculation Agent and the Disposal Agent may be replaced following an Agent Replacement Event.

Following an Agent Replacement Event (which can occur following bankruptcy of the Swap Counterparty, the termination of the Par Asset Swap and/or the Cash Flow Swap following certain Swap Counterparty defaults under the Par Asset Swap and/or the Cash Flow Swap or the occurrence of certain events indicating the unsuitability of the Calculation Agent and/or the Disposal Agent to continue to perform such roles), (i) the single 100% Noteholder will have the discretion to request that it or a replacement agent nominated by it be appointed by the Issuer; or (ii) the 100% Holders may nominate that a replacement agent be appointed by the Issuer, in both cases as a replacement Calculation Agent and/or Disposal Agent (as applicable). The Calculation Agent is also the Calculation Agent with respect to the Par Asset Swap and the Cash Flow Swap and the Valuation Agent with respect to the CSA (Par Asset Swap) and the CSA (Cash Flow Swap). Noteholders should be aware that following the date of this Prospectus, Goldman Sachs International may have been replaced as Calculation Agent or Disposal Agent following an Agent Replacement Event.

The replacement Calculation Agent or replacement Disposal Agent may delegate its duties as Calculation Agent or Disposal Agent.

Following its appointment as a replacement Calculation Agent and/or Disposal Agent pursuant to an Agent Replacement, the replacement Calculation Agent and/or Disposal Agent may delegate any of its duties as Calculation Agent or Disposal Agent to another party.

Noteholders may not be consulted prior to any such delegation or appointment.

Amounts payable to Noteholders are subject to prior ranking claims.

Moneys may be deducted from amounts otherwise payable to Noteholders to meet the expenses and other claims of prior ranking creditors of the Issuer, which shall include the Trustee and the Secured Agents.

Exposure to price risk of the Assets

Investors in the Notes are exposed to the price risk of the Assets if the Notes are redeemed early. If the Notes are redeemed early for any reason, the Assets will be sold and the proceeds of sale will be used to calculate the Mandatory Redemption Amount. If the Assets are sold at a price lower than their principal amount for any reason, it is likely that Noteholders will receive less than the outstanding principal amount of their Notes.

The market value of your Notes may be influenced by many factors that are unpredictable, including volatile inflation.

When we refer to the market value of your Notes, we mean the value that you could receive for your Notes if you chose to sell them in the open market before the Maturity Date. The market value of your Notes will be affected by many factors that are beyond our control and are unpredictable. Moreover, these factors interrelate in complex ways, and the effect of one factor on the market value of your Notes may offset or enhance the effect of another factor. The following paragraphs describe the expected impact on the market value of your Notes given a change in a specific factor, assuming all other conditions remain constant.

Changes in interest rates are likely to affect the market value of your Notes.

We expect that the market value of your Notes, like that of a traditional debt security, will be affected by changes in interest rates, although these changes may affect your Notes and a traditional debt security to different degrees. In general, if interest rates increase, we expect that the market value of your Notes will decrease and, conversely, if interest rates decrease, we expect that the market value of your Notes will increase.

The Goldman Sachs Group, Inc. and its affiliates ("**Goldman Sachs**") are acting and/or may act in a variety of capacities in relation to the Notes and may derive revenues and profits for which they will not account to Noteholders and which may be higher than those generated by comparable investments schemes. Goldman Sachs may provide investment banking, commercial banking or financial advisory services to affiliates or to third parties whose interests may be adverse to Noteholders.

Conflicts of Interest; No Reliance

The Swap Counterparty or any of the other Transaction Counterparties may, by virtue of its status as an underwriter, advisor or otherwise, possess or have access to non-publicly available information relating to the Assets and have not undertaken, and do not intend, to disclose, such status or non-public information in connection with the offering of the Notes. Accordingly, this Prospectus may not contain all information that would be material to the evaluation of the merits and risks of an investment in the Notes.

The Swap Counterparty or any of the other Transaction Counterparties may from time be an active participant on both sides of the market and have long or short positions in, or buy and sell, securities, commodities, futures, options or other derivatives identical or related to those mentioned in the Base Prospectus or this Prospectus.

As Calculation Agent, the Swap Counterparty (or, after an Agent Replacement, the Requested Replacement) will have discretion in making various determinations that could affect the market value of your Notes under certain circumstances.

In its capacity as Calculation Agent, the Swap Counterparty (or, after an Agent Replacement with respect to the Calculation Agent, the Requested Replacement) will also determine, among other things, the Interest Amount and various amounts under the Par Asset Swap and the Cash Flow Swap.

The exercise of this discretion by the Calculation Agent could adversely affect the value of your Notes and may (while the Calculation Agent is the Swap Counterparty) present the Swap Counterparty with a conflict of interest of the kind described above under "Conflict of Interest; No Reliance".

The Swap Counterparty will have discretion in making various determinations that could affect the market value of your Notes under certain circumstances.

The exercise of this discretion by the Swap Counterparty could adversely affect the value of your Notes and may present the Swap Counterparty with a conflict of interest of the kind described above under "Conflict of Interest; No Reliance".

Secondary trading in the Notes may be limited

The Notes are a new issue of securities with no established trading market. Your Notes will not be included in any interdealer market quotation system or any electronic communications network, and there may be little or no secondary market for your Notes. Consequently, any purchaser of the Notes must be prepared to hold the Notes for an indefinite period of time or until final maturity. Even if a secondary market for your Notes develops, it may not provide significant liquidity and we expect that transaction costs in any secondary market would be high. As a result, the differences between bid and ask prices for your Notes in any secondary market could be substantial.

The Notes are not principal protected

These Notes are not principal protected. There is a risk that an investor's loss could equal the entire notional amount invested.

Exposure to credit risk of the Swap Counterparty and the Swap Guarantor

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments of principal and interest owed to the Issuer by the Swap Counterparty. Consequently, the Noteholders are exposed not only to the performance of the Assets, but also to the ability of the Swap Guarantor and the Swap Counterparty to perform their obligations to make payments to the Issuer.

The Swap Guarantor is currently assigned an A1 rating by Moody's Investors Service, Inc. and an A- rating by Standard & Poor's Ratings Service, a Division of The McGraw-Hill Companies, Inc. and an A rating by Fitch Ratings Ltd., for its long-term unsecured senior debt. Should the Swap Guarantor become insolvent, the Issuer would rank as an unsecured creditor in relation to amounts due from the Swap Counterparty and the Swap Guarantor.

Volatility of the Notes

The Notes should be considered as highly volatile. Volatility refers to the degree of unpredictable change over time of certain variables such as the price, performance or investment return of a financial asset. Volatility does not imply direction of the price or investment returns. An instrument that is more volatile is likely to increase or decrease in value more often and/or to a greater extent than one that is less volatile.

Physical Settlement of the Notes

A Noteholder may elect, or be deemed to have elected if at least two firm bid quotations are not obtained from dealers in relation to the sale of the Assets to be disposed of, that the Notes will be physically settled by delivery of a portion of the Assets (in accordance with the Mandatory Redemption Settlement Method and the Method of Disposal set out in the Additional Conditions). If delivery of any Assets takes place otherwise than through a recognised clearing system, Irish stamp duty equal to 1 per cent. of the value of such Assets being delivered will apply on any document authorising such transfer.

Combining investment types

The Notes have some or all of the characteristics of debt and derivatives instruments. These elements could interact to produce both an enhanced possibility of total loss of the initial investment or an enhanced return. The warnings contained in the Prospectus regarding the description of the underlying risk of the individual components should be read with attention.

Independent review and advice

Each prospective purchaser of the Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness) of the Issuer, the Swap Counterparty, the Swap Guarantor and the Asset Issuer and after obtaining such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (i) is fully consistent with its financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and (iii) is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Trustee, the Dealer or any of their respective affiliates is acting as an investment adviser, or assumes any fiduciary obligation, to any purchaser of Notes.

Exposure to Credit of the Asset Issuer

The holders of the Notes are exposed to the credit performance of the Asset Issuer.

No Investigation of Asset Issuer

None of the Issuer, the Dealer or the Swap Counterparty has undertaken any due diligence with respect to the Asset Issuer.

Early Redemption Risk

The Issuer will redeem the Notes in whole prior to the Scheduled Maturity Date upon the occurrence of a Mandatory Redemption Event. The Mandatory Redemption Amount may be less than the Redemption Amount.

Notional/Principal Increase

The Issuer may from time to time issue further fungible notes (the "**Fungible Notes**") to form a single series with the Notes without the consent of the holders of the Notes. Following such further Fungible Notes issue, the exercise of any option requiring the consent of 100% of the Noteholders will require the unanimous consent of the holders of all Notes forming a single series (i.e. the unanimous consent of the holders of the Notes issued on the Issue Date and the holders of any Fungible Notes).

Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with:

- (i) the published audited financial statements of the Issuer for the financial period (a) from and including 1 January 2009 to but excluding 31 December 2009 and (b) from and including 1 January 2010 to but excluding 31 December 2010;
- (ii) the base prospectus of the Issuer dated 11 May 2011 relating to the Issuer's "MAJOR" Multi-Jurisdiction Repackaging Note Programme (the "**Base Prospectus**") (except for the base conditions therein); and
- (iii) the base conditions as set out in the base prospectus of the Issuer dated 6 October 2010 relating to the Issuer's "MAJOR" Multi-Jurisdiction Repackaging Note Programme (the "**Base Conditions**"),

and each of the financial statements, the Base Prospectus (except for the base conditions therein) and the Base Conditions, which have been previously published and have been approved by the Competent Authority or filed with it, shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in any of the documents incorporated by reference in, and forming part of, this Prospectus shall be deemed to be modified or superseded for the purpose of this 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 part of this Prospectus. Terms used herein but not otherwise defined shall have the meanings given to them in the Base Conditions. This Prospectus must be read in conjunction with the Base Prospectus (except for the base conditions therein) and the Base Conditions and full information on the Issuer and the Notes is only available on the basis of the combination of the provisions set out within this document, the Base Prospectus (except for the base conditions therein) and the Base Conditions.

Notes in Tranche 1 of EUR 75,000,000 (the "**Original Notes**") were issued in accordance with a prospectus dated 23 May 2011 (the "**Original Prospectus**").

The financial statements, the Base Prospectus, the Base Conditions and the Original Prospectus are available for viewing at the registered offices of the Issuer and the Paying Agents.

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 of the Issuer dated 6 October 2010 (the “**Base Conditions**”) as amended or supplemented below. References in the Base Conditions to Additional Conditions shall be deemed to refer to the terms as set out below. Terms used herein shall be deemed to be defined as such for the purposes of the Base Conditions set forth in the base prospectus of the Issuer dated 6 October 2010.

Additional Conditions

Issuer		
Issuer	SIGNUM FINANCE III PLC	
Transaction Counterparties		
Trustee	BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED (FORMERLY BNY CORPORATE TRUSTEE SERVICES LIMITED)	
Principal Paying Agent and Custodian	THE BANK OF NEW YORK MELLON	
Registrar, Paying Agent and Transfer Agent	THE BANK OF NEW YORK MELLON (LUXEMBOURG) S.A.	
Dealer, Calculation Agent, Disposal Agent, Process Agent and Swap Counterparty	GOLDMAN SACHS INTERNATIONAL	
Agents’ Designations		
Secured Agents	Registrar, Transfer Agent, Principal Paying Agent, Paying Agent and Custodian	
Other Agents	Disposal Agent, Calculation Agent and Process Agent	
1	Format	
(a)	Issuer	Signum Finance III Plc.
(b)	Series	2011-01.
(c)	Tranche	1 and 2. The Notes in Tranche 1 and Tranche 2 are consolidated to form a single series of Notes.
(d)	ISIN	XS0617494389.
(e)	Common Code	061749438.
(f)	Form	Registered.
(g)	Listing	The Issuer has applied to the Irish Stock Exchange for the Notes to be admitted to the Official List of the Irish Stock Exchange.
(h)	Admission to Trading	The Issuer has applied for the Notes to be admitted to Trading on the regulated market of the Irish Stock

		Exchange.
(i)	Estimate of total expenses relating to admission to trading	EUR 3,000
(j)	Rating	None.
(k)	Applicable Product Supplements	None.
(l)	Applicable TEFRA Rules	Not Applicable.

2	Issue
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(a)	Trade Date	Tranche 1: 08 April 2011. Tranche 2: 01 March 2012.
(b)	Issue Date	Tranche 1: 29 April 2011. Tranche 2: 28 March 2012.
(c)	Relevant Currency	Euros (“ EUR ”).
(d)	Principal Amount	EUR 83,000,000 Tranche 1: EUR 75,000,000 (the “ Original Principal Amount ”). Tranche 2: EUR 8,000,000.
(e)	Issue Price	100%.
(f)	Denominations	EUR 100,000 and increments of EUR 1,000 thereafter.
(g)	Business Day Jurisdictions	London and TARGET.
(h)	Business Day Convention	Modified Following Business Day Convention.
(i)	Transaction Agreements	Programme Deed. Drawdown Deed, as amended and restated by (i) the Deed of Modification dated 27 October 2011 and (ii) the Amended and Restated Drawdown Deed dated 28 March 2012 in respect of the Notes. Global Certificate. Par Asset Swap (as defined in the Drawdown Deed). Cash Flow Swap (as defined in the Drawdown Deed). CSA (Par Asset Swap) (as defined in the Drawdown Deed). CSA (Cash Flow Swap) (as defined in the Drawdown Deed). Any further Additional Security Document as described in 6(b) below.
(j)	CSA	Applicable
(k)	Board approval date	28 April 2011 and 27 March 2012.

for issuance of the Notes

- (l) **Initial Assets** Assets held by the Issuer on the Issue Date (including any transferable securities or cash acquired by the Issuer by way of substitution or replacement of any Assets held by it as of the Issue Date).

3 Interest

- (a) **Interest Basis** Zero Coupon.
- (b) **Applicable Provisos** None.

4 Redemption

- (a) **Maturity Date** 15 September 2023, subject to adjustment in accordance with the Business Day Convention (the “**Scheduled Maturity Date**”), *provided* that if the Scheduled Maturity Date is an earlier date than the date on which the final payment of principal is due under the terms of the Assets (taking into account any adjustment of the scheduled payment date in accordance with the applicable business day convention) (the “**Final Asset Payment Date**”) , the Maturity Date of the Notes shall be the Final Asset Payment Date.
- (b) **Final Redemption Amount** In respect of each Note, its Denomination multiplied by 169.201807%, subject to Additional Condition 6(e) (*Application of moneys before enforcement of Security*).
For the avoidance of doubt, the amount (if any) by which the Final Redemption Amount calculated without regard to Additional Condition 6(e) exceeds the Final Redemption Amount calculated pursuant to this Additional Condition 4(b) (after the application of Additional Condition 6(e)) shall not form part of the Final Redemption Amount and the Issuer shall owe no debt in respect thereof.
- (c) **Mandatory Redemption Events** Each Mandatory Redemption Event as set out in the Base Conditions except that:
- (i) “Partial Affected Assets” shall not be applicable.
 - (ii) a MTM Trigger Event shall not be applicable and will not constitute a Mandatory Redemption Event.
 - (iii) a Settlement/Custodial Event shall not be applicable and will not constitute a Mandatory Redemption Event.
 - (iv) the occurrence of an Asset Restructuring Event shall constitute a Mandatory Redemption Event.
 - (v) for the purposes of determining whether a Mandatory Redemption Event has occurred, the Calculation Agent shall monitor each Mandatory Redemption Event and, upon becoming aware of

any such event, promptly notify their occurrence to the Issuer and the Trustee and procure that the Noteholders are notified in writing of their occurrence.

“**Asset Restructuring Event**” means, with respect to any Assets, any one or more of the following events has occurred (whether by operation of law, by agreement with holders of such Assets, or otherwise) in a form that binds all holders of the relevant Asset, as determined by the Calculation Agent:

- (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (B) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (C) a postponement or other deferral of a date or dates for either (1) the payment or accrual of interest, and/or (2) the payment of principal or premium;
- (D) a change in the ranking in priority of payment of the relevant obligation, causing the subordination of such obligation to any other obligation of the Asset issuer, guarantor or other obligor in respect of the relevant Assets; or
- (E) any change in the currency or composition of any payment of interest or principal.

If a Mandatory Redemption Event has occurred prior to the Maturity Date, Condition 5.1 (Final Redemption) of the Notes shall not apply and the Notes shall be redeemed on the Mandatory Redemption Date notwithstanding that the Maturity Date may fall prior to such Mandatory Redemption Date.

(d) **Mandatory Redemption Settlement Method**

Noteholder Settlement Option.

- (i) If a Noteholder has elected (or has been deemed to have elected) for “Cash Settlement”, the Mandatory Cash Redemption Amount will be rounded down to the nearest whole euro cent and subject to Additional Condition 6(e) (*Application of moneys before enforcement of Security*).
- (ii) For the avoidance of doubt, (a) the Swap Termination Payment may be positive or negative and (b) the amount (if any) by which the Mandatory Cash Redemption Amount calculated without regard to Additional Condition 6(e) exceeds the Mandatory Cash Redemption Amount calculated pursuant to this Additional Condition 4(d) (after the application of Additional Condition 6(e)) shall not form part of the Mandatory Cash Redemption Amount and the Issuer

shall owe no debt in respect thereof.

- (iii) Notwithstanding (i) and (ii) above, if a Noteholder has elected (or has been deemed to have elected) for “Cash Settlement” but the Disposal Agent has determined, after failure for at least 30 calendar days to arrange the Sale (in accordance with Clause 40.1 of the Programme Deed and Additional Condition 7(e)) of all of the Affected Assets and the securities forming part of the Credit Support Balance (if any) (as defined in the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap)) held by the Issuer (or the Custodian on the Issuer’s behalf) pursuant to the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap) (as applicable), the relevant Noteholder shall be deemed to have elected to receive the Physical Redemption Amount.
- (iv) The definitions of “Mandatory Cash Redemption Amount”, “Net Portfolio” and “Physical Redemption Amount” as set out in the Conditions shall be replaced by the definitions for such terms set out in Additional Condition 10 (*Additional Definitions*).

(e) **Partial Redemption Method** Pro Rata.

5	Applicable Options
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(a)	MTM Trigger Contracts	Not Applicable.
	<i>MVA Factor:</i>	Not Applicable.
(b)	BIE Option	Applicable.
(c)	Issuer Call Option	Not Applicable.
(d)	Noteholder Put Option	Not Applicable.
(e)	TTA Option	Not Applicable.
(f)	Agent Replacement	Under the terms of the Drawdown Deed, following the occurrence of an Agent Replacement Event (i) the single 100% Noteholder may deliver to the Issuer, the Trustee and the other Transaction Counterparties a Noteholder Agent Replacement Notice (requesting that the single 100% Noteholder be appointed as a replacement for an Affected Agent); or (ii) the single 100% Noteholder or the 100% Holders, as the case may be, may deliver to the Issuer, the Trustee and the other Transaction Counterparties a Third Party Agent Replacement Notice (requesting that an entity nominated by the single 100% Noteholder or the 100% Holders (as applicable) (the “ Nominated Replacement Agent ”) be appointed as a replacement for an Affected

Agent).

Upon receipt of a Noteholder Agent Replacement Notice or a Third Party Agent Replacement Notice, the Trustee shall notify the Noteholders, the Issuer and the Transaction Counterparties that it has received the Noteholder Agent Replacement Notice or a Third Party Agent Replacement Notice and that it is satisfied that at the time of such receipt (i) in the case of a Noteholder Agent Replacement Notice, the notice was executed by an entity which held all of the outstanding Notes; or (ii) in the case of a Third Party Agent Replacement Notice, the notice was delivered on behalf of the 100% Holders (a "**Replacement Confirmation**").

Immediately upon receipt by the Noteholders, the Issuer and the Transaction Counterparties of a Replacement Confirmation, the appointment of the Relevant Affected Agent shall be automatically terminated and the Issuer shall be deemed to appoint the single 100% Noteholder or Nominated Replacement Agent (as applicable) as a replacement Agent (an "**Agent Replacement**").

The Transaction Counterparties shall be entitled to assume that an Agent Replacement Event has occurred upon receipt of a Noteholder Agent Replacement Notice or a Third Party Agent Replacement Notice and none of the Transaction Counterparties shall be liable to any person for any liability which may arise in connection with any action taken or not taken on the basis of such assumption.

"Agent Replacement Event" means:

- (A) an Event of Default under the Par Asset Swap and/or the Cash Flow Swap has occurred in respect of which the Swap Counterparty is the Defaulting Party (as defined in the Par Asset Swap and/or the Cash Flow Swap) and either (i) such Event of Default is pursuant to Section 5(a)(vii) (*Bankruptcy*) of the Par Asset Swap and/or the Cash Flow Swap; or (ii) an Early Termination Date (as defined in the Par Asset Swap and/or the Cash Flow Swap) has been designated with respect to such Event of Default, in which case each of the Calculation Agent and the Disposal Agent shall be deemed to be an "**Affected Agent**"; or
- (B) any of the following events occurs in relation to either the Calculation Agent or the Disposal Agent (the relevant such agent shall be deemed to be the "**Affected Agent**"):
 - A. it becomes incapable of acting and the single 100% Noteholder or the 100% Holders, as the case may be, give it and the Issuer notice that it/they intend to request the Issuer to

appoint a replacement Agent;

- B. it is adjudged bankrupt or insolvent, files a voluntary petition in bankruptcy, makes an assignment for the benefit of its creditors, consents to the appointment of a receiver, examiner, administrator or other similar official of all or a substantial part of its property or admits in writing its inability to pay or meet its debts as they mature or suspends payment thereof;
- C. if a resolution is passed or an order made for its winding-up or dissolution;
- D. a receiver, examiner, administrator or similar official is appointed over all or a substantial part of its property;
- E. a court order is entered approving a petition filed by or against it under applicable bankruptcy or insolvency law, or a public officer takes charge or control of it, its property or its affairs for the purpose of rehabilitation, conservation or liquidation; or
- F. it fails duly to perform any act required to be performed by it under the Trust Deed and the single 100% Noteholder or the 100% Holders, as the case may be, give it and the Issuer notice that it/they intend to request the Issuer to appoint a replacement Agent.

“Noteholder Agent Replacement Notice” means a notice delivered by the single 100% Noteholder to the Issuer, the Trustee and the other Transaction Counterparties following an Agent Replacement Event which contains:

- (A) a confirmation that an Agent Replacement Event has occurred;
- (B) a request that the Issuer appoint the single 100% Noteholder as a replacement for one or more Affected Agents;
- (C) an acknowledgement and undertaking that if appointed as a replacement for an Affected Agent, the single 100% Noteholder shall perform its duties as such Affected Agent in relation to the Notes and/or the Par Asset Swap and the Cash Flow Swap, as the case may be, in good faith and in a commercially reasonable manner and otherwise in accordance with the terms of the Transaction

Agreements;

- (D) a representation from the single 100% Noteholder that it has the requisite regulatory approvals required in order to carry out the duties of a Calculation Agent and/or Disposal Agent (as applicable); and
- (D) evidence satisfactory to the Trustee that the entity which has delivered such notice is the holder of 100% of the outstanding Notes and that such entity has agreed to block its holdings of Notes until the Replacement Confirmation relating to the Noteholder Agent Replacement Notice has been delivered by the Trustee.

“**Third Party Agent Replacement Notice**” means a notice delivered by the single 100% Noteholder or the 100% Holders, as the case may be, to the Issuer, the Trustee and the other Transaction Counterparties following an Agent Replacement Event which:

- (A) contains a confirmation that an Agent Replacement Event has occurred;
- (B) contains a request that the Issuer appoint the Nominated Replacement Agent as the replacement for one or more Affected Agents;
- (C) if delivered by the single 100% Noteholder, is signed by the single 100% Noteholder and contains evidence satisfactory to the Trustee that such entity is the holder of all outstanding Notes and that such entity has agreed to block its holdings of Notes until the Replacement Confirmation relating to the Third Party Agent Replacement Notice has been delivered by the Trustee;
- (D) if delivered on behalf of the 100% Holders, is accompanied by a copy of the Extraordinary Resolution passed by the 100% Holders nominating the Nominated Replacement Agent; and
- (E) contains a signed agreement and acknowledgment by the Nominated Replacement Agent providing that:
 - A.** it accepts such appointment on the same (or substantially the same) terms as those that applied to the Calculation Agent (including its duties as Calculation Agent under the Par Asset Swap and the Cash Flow Swap and as Valuation Agent in respect of the CSA (Par Asset Swap) and the CSA (Cash Flow Swap)) and/or Disposal Agent (as applicable) immediately prior to the occurrence of the

Agent Replacement Event and agrees to such appointment being effected in the manner set out in the Drawdown Deed;

- B.** if appointed as a replacement for an Affected Agent, it shall perform its duties as such Affected Agent in relation to the Notes and/or the Par Asset Swap and the Cash Flow Swap, as the case may be, in good faith and in a commercially reasonable manner and otherwise in accordance with the terms of the Transaction Agreements; and
- C.** it represents that it has the requisite regulatory approvals required in order to carry out the duties of a Calculation Agent and/or Disposal Agent (as applicable).

6 Security	
(a)	<p>Security Interests</p> <p>The Issuer with full title guarantee and as continuing security in favour of the Trustee as trustee for itself, and the Secured Parties:</p> <ul style="list-style-type: none"> (i) Fixed Charge: charges by way of first fixed charge the Assets and all the Transaction Amounts; and (ii) Assignments: assigns by way of security its Series Rights (including, for the avoidance of doubt, its rights under the Par Asset Swap, the Cash Flow Swap, the CSA (Par Asset Swap) and the CSA (Cash Flow Swap)). <p>For the avoidance of doubt, the Transaction Amounts shall include any Credit Support Balance held by the Issuer (or the Custodian on the Issuer’s behalf) from time to time pursuant to the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap).</p>
(b)	<p>Additional Security Documents</p> <p>In the event that Eligible Credit Support is delivered to the Issuer pursuant to the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap), the Issuer will ensure that a perfected security interest in favour of the Trustee (to hold on behalf of the Secured Parties) is created over such Eligible Credit Support. If necessary, the Issuer and the Trustee will execute an additional security document to create such security. Any additional security document executed by the Issuer in respect of the Eligible Credit Support under the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap) shall, once entered into, be an Additional Security Document.</p>
(c)	<p>Secured Parties</p> <p>Trustee, Registrar, Transfer Agent, the Paying Agents, Principal Paying Agent, Custodian, Swap Counterparty and</p>

- Noteholders.
- (d) **Priority of Claims upon enforcement of Security**
- (i) **Trustee:** first, to the Trustee in respect of the Trustee’s Expenses;
 - (ii) **Secured Agents:** secondly, to each Secured Agent *pari passu* and rateably in respect of the Secured Agents’ Expenses;
 - (iii) **Swap Counterparty:** thirdly, to the Swap Counterparty in payment of amounts owed to it under the Swap Agreement (comprising the Par Asset Swap, the Cash Flow Swap, the CSA (Par Asset Swap) and the CSA (Cash Flow Swap));
 - (iv) **Noteholders:** fourthly, to the Noteholders *pari passu* and rateably in payment of any amounts due in respect of the Notes (for the avoidance of doubt the claims of the holders of the Original Notes and the holders of the Further Notes shall be met on a *pari passu* basis); and
 - (v) **Issuer:** fifthly, to the Issuer in payment of any balance.
- (e) **Application of moneys before enforcement of Security**
- Notwithstanding Condition 3.1(b) (Application of Proceeds Before Enforcement), prior to any enforcement of the Security each of the Issuer, the Trustee and the Principal Paying Agent shall apply all moneys received by it in connection with the Notes as follows:
- (i) **Trustee:** first, to the Trustee in respect of the Trustee’s Expenses;
 - (ii) **Secured Agents:** secondly, to each Secured Agent *pari passu* and rateably in respect of the Secured Agents’ Expenses;
 - (iii) **Swap Counterparty:** thirdly, to the Swap Counterparty in payment of amounts owed to it under the Swap Agreement (comprising the Par Asset Swap, the Cash Flow Swap, the CSA (Par Asset Swap) and the CSA (Cash Flow Swap));
 - (iv) **Noteholders:** fourthly, to the Noteholders *pari passu* and rateably in payment of any amounts due in respect of the Notes (for the avoidance of doubt the claims of the holders of the Original Notes and the holders of the Further Notes shall be met on a *pari passu* basis); and
 - (v) **Issuer:** fifthly, to the Issuer in payment of any balance.
- If the moneys received by the Issuer, the Trustee or the Principal Paying Agent are not enough to pay in full all amounts to persons whose claims rank rateably, the Issuer

(or the Issuer and Paying Agent on its behalf) shall apply the moneys pro rata on the basis of the amount due to each party entitled to such payment.

7 Assets	
(a)	<p>Assets</p> <p>(i) On the Issue Date and for as long as they remain credited to such account, the Subscription Funds credited to the Issuer’s Custody Account and (ii) with effect from the date on which they are credited to the Issuer’s Custody Account against payment to the Vendor of the Asset Purchase Funds (which the Issuer will fund using the Subscription Funds) EUR 75,000,000 in aggregate principal amount of the EUR 14,832,710,000 Buoni Poliennali del Tesoro Inflation Linked Bonds issued by the Asset Issuer.</p> <p>The term “Assets” shall also include (i) any further transferable securities or cash acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes; and (ii) any security into which any of the Assets is converted or exchanged or that is issued to a holder of any of the Assets by virtue of its holding thereof.</p> <p><i>Asset Issuer:</i> Republic of Italy.</p> <p><i>Asset Status:</i> Senior and Unsecured.</p> <p><i>Asset ISIN:</i> IT0004243512.</p> <p><i>Asset Maturity Date:</i> 15 September 2023.</p> <p><i>Asset Nominal Amount</i> EUR 75,000,000.</p> <p><i>Asset Purchase Price</i> EUR 75,000,000.</p> <p><i>Interest Rate:</i> 2.60% per annum multiplied by the CPI Ratio (as defined in the Asset terms and conditions).</p> <p><i>Asset Payment Dates:</i> Semi-annually in arrear on 15 March and 15 September in each year.</p> <p><i>Form:</i> Registered.</p> <p><i>Governing Law:</i> Italian law.</p> <p><i>Listing:</i> Milan Stock Exchange.</p> <p><i>Asset Prospectus:</i> None.</p>
(b)	<p>Self-Purchase by Disposal Agent Applicable.</p>
(c)	<p>Adjusted Disposed Method Not Applicable.</p>
(d)	<p>Adjusted Voting Rights Not Applicable.</p>
(e)	<p>Method of Disposal (i) Without prejudice to Clause 40.1 of the Programme</p>

Deed, if a Mandatory Redemption Event occurs and a Noteholder has elected (or has been deemed to have elected) for “Cash Settlement”, the Disposal Agent will as soon as reasonably practicable after the occurrence of such Mandatory Redemption Event, on behalf of the Issuer, attempt to obtain firm bid quotations from at least five dealers. The Disposal Agent will consider any firm bid quotation from a Noteholder, provided that such firm bid quotation is provided by the time and in the manner which the Disposal Agent may specify. If at least two such quotations are available, the Disposal Agent, acting as broker on behalf of the Issuer, will sell any Disposal Assets at the highest quotation obtained and will transfer the proceeds to the Issuer for settlement on or before the date by which the Issuer must have effected settlement of the sale of any Disposal Assets in order to comply with its obligations under the Notes (the “**Disposal Date**”).

If the Disposal Agent is unable to obtain at least two firm bid quotations (as described above), then on the next following Business Day and (to the extent necessary) on each Business Day thereafter until the fifth following Business Day thereafter, the Disposal Agent will attempt to obtain such quotations from at least five dealers. If the Disposal Agent is able to obtain at least two such quotations on the same Business Day, then the Disposal Agent, acting as broker on behalf of the Issuer, will sell any Disposal Assets at the highest quotation obtained and will transfer the proceeds to the Issuer for settlement on or before the Disposal Date.

If the Disposal Agent is unable to obtain at least two such quotations on the same Business Day, then the Disposal Agent, acting as broker on behalf of the Issuer, will sell any Disposal Assets at any quotation obtained and will transfer the proceeds to the Custodian on behalf of the Issuer for settlement on or before the Disposal Date.

Notwithstanding the above and subject to Additional Condition 4(d)(iii), if the Disposal Agent is unable to obtain at least two firm bid quotations for the Disposal Assets on the first day the Disposal Agent has attempted to obtain such bids, the Disposal Agent may instead divide the Disposal Assets into portions and attempt to obtain separate firm bid quotations in respect of each portion of the Disposal Assets, applying the procedure set out in the above two

paragraphs of this Additional Condition 7(e)(i) to each portion (with each reference in the above two paragraphs to “Disposal Assets” being interpreted as a reference to the relevant portion of the Disposal Assets). The Disposal Agent shall not incur any liability in connection with any apportionment of the Disposal Assets for Sale in accordance with this paragraph.

For the avoidance of doubt, the Disposal Agent may be a dealer, but will not be under any obligation to provide a firm bid quotation.

- (ii) Following an Agent Replacement Event in respect of which the Disposal Agent is an Affected Agent, if either (1) a Noteholder Agent Replacement Notice; or (2) a Third Party Agent Replacement Notice is delivered and the Trustee delivers a Replacement Confirmation, the appointment of the Disposal Agent prior to the Agent Replacement (for such purposes, the “**Replaced Disposal Agent**”) will be terminated and the Issuer will appoint the single 100% Noteholder or the Nominated Replacement Agent (as applicable) as a replacement Disposal Agent, on substantially the same terms as the appointment of the Replaced Disposal Agent. The Trustee shall not have any liability or responsibility to any person in respect of losses, liabilities, costs, expenses, claims or demands arising directly or indirectly from any actions or omissions of the single 100% Noteholder or the Nominated Replacement Agent acting as Disposal Agent.

8 Par Asset Swap Terms		
(a)	Swap Agreement	The Par Asset Swap (as defined in the Drawdown Deed).
(b)	Swap Guarantor	The Goldman Sachs Group, Inc.
(c)	Calculation Agent	From time to time, the Calculation Agent appointed in respect of the Notes. Any entity acting as Calculation Agent shall, when required to act, make a determination or exercise judgment in any other way, do so in good faith and in a commercially reasonable manner and in accordance with the applicable terms of the Transaction Agreements (as defined in the Notes).
(d)	Reference Number	LTAA1124797142.
(e)	General Terms	
	<i>Trade Date:</i>	Trade Date of Tranche 1 of the Notes.
	<i>Effective Date:</i>	Issue Date of Tranche 1 of the Notes.

<i>Termination Date:</i>	Maturity Date of the Notes.
<i>Business Days:</i>	In respect of payments to be made by the Issuer: London and TARGET, unless otherwise specified. In respect of payments to be made by the Swap Counterparty: London and TARGET, unless otherwise specified.
<i>Business Day Convention:</i>	In respect of payments to be made by the Issuer: Following Business Day Convention. In respect of payments to be made by the Swap Counterparty: Modified Following Business Day Convention.

(f) **Issuer Floating Payments**

Floating Rate Payer	The Issuer. The Floating Rate Payer will pay the Floating Amount on each Floating Rate Payer Payment Date.
Floating Rate Payer Notional Amount	EUR 75,000,000.
Floating Rate Payer Payment Dates	15 March and 15 September in each year falling in the period commencing on the Issue Date of Tranche 1 of the Notes and ending on and including 15 September 2023.
Floating Rate Payer Period End Dates	15 March and 15 September in each year commencing on 15 September 2012, subject to No Adjustment.
Floating Rate Payer Calculation Period	The initial Floating Rate Payer Calculation Period will commence on, and include, 15 March 2012.
Floating Rate	2.60% x CPI RATIO
CPI RATIO	In respect of a Floating Rate Payer Calculation Period, the Inflation Indexation Coefficient
Inflation Indexation Coefficient	(Index Final/Index Initial)
Index	EUR - Excluding Tobacco-Non-Revised Consumer Price Index
Related Bond	BTPei 2023 Inflation Linked Bonds due 2023
Reference Source	Bloomberg Screen CPTFEMU
Index Initial	102.69806
Index Final	Daily Inflation Rate
Primary Lag for the Index Final	3 months
Secondary Lag for the Index Final	2 months
Floating Rate Day Count Fraction	Actual/Actual (ICMA)

(g)	Swap Counterparty Payments	
	Swap Counterparty Payment Dates	15 September in each year falling in the period commencing on (and including) 15 September 2012 and ending on (and including) the Maturity Date.
	Swap Counterparty Period End Dates	15 September in each year commencing on (and including) 15 September 2012, subject to No Adjustment.
	Swap Counterparty Calculation Period	The initial Swap Counterparty Calculation Period will commence on, and include, 15 September 2011.
	Swap Counterparty Payment Amounts	On each Swap Counterparty Payment Date, an amount equal to the product of the Swap Counterparty Notional Amount on such Swap Counterparty Payment Date, the Swap Counterparty Fixed Rate and the Swap Counterparty Day Count Fraction.
	Swap Counterparty Notional Amount	Original Principal Amount.
	Swap Counterparty Fixed Rate	5.38% per annum.
	Swap Counterparty Day Count Fraction	30/360
(h)	Final Exchange	
	Swap Counterparty Final Exchange Date	The Maturity Date of the Notes.
	Swap Counterparty Final Exchange Amount	On the Swap Counterparty Final Exchange Date, the Swap Counterparty shall pay to the Issuer an amount equal to the Original Principal Amount.
	Issuer Final Exchange Date	15 September 2023, subject to adjustment in accordance with the Following Business Day Convention
	Issuer Final Exchange Amount	On the Issuer Final Exchange Date, the Issuer shall pay to the Swap Counterparty an amount equal to the following: Floating Rate Payer Notional Amount x MAX (CPI Ratio; 1)
	CPI Ratio	In respect of the Issuer Final Exchange Date, means the Inflation Indexation Coefficient
	Inflation Indexation Coefficient	(Index Final/Index Initial)
	Index	EUR - Excluding Tobacco-Non-Revised Consumer Price Index
	Related Bond	BTPei 2023 Inflation Linked Bonds due 2023
	Reference Source	Bloomberg Screen CPTFEMU
	Index Initial	102.69806

Index Final Daily Inflation Rate

Primary Lag for the Index Final 3 months

Secondary Lag for the Index Final 2 months

(i) **Additional Provision**

Acting as principal: Unless otherwise indicated the Swap Counterparty and the Issuer have each acted as principal in respect of this Transaction. The time and venue of execution of this Transaction is available on request.

9	Cash Flow Swap Terms
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(a) **Swap Agreement** The Cash Flow Swap (as defined in the Drawdown Deed).

(b) **Swap Guarantor** The Goldman Sachs Group, Inc.

(c) **Calculation Agent** From time to time, the Calculation Agent appointed in respect of the Notes. Any entity acting as Calculation Agent shall, when required to act, make a determination or exercise judgment in any other way, do so in good faith and in a commercially reasonable manner and in accordance with the applicable terms of the Transaction Agreements (as defined in the Notes).

(d) **Reference Number** LTAA1124797006.

(e) **General Terms**

Trade Date: Trade Date of Tranche 2 of the Notes.

Effective Date: Issue Date of Tranche 2 of the Notes.

Termination Date: Maturity Date of the Notes.

Business Days: In respect of payments to be made by the Issuer: London and TARGET, unless otherwise specified.

In respect of payments to be made by the Swap Counterparty: London and TARGET, unless otherwise specified.

Business Day Convention: In respect of payments to be made by the Issuer: Following Business Day Convention.

In respect of payments to be made by the Swap Counterparty: Modified Following Business Day Convention.

(f) **Issuer Payments**

Issuer Upfront Payment Date Effective Date.

Issuer Upfront Payment Amount EUR 8,000,000.00.

Issuer Interim Payment Dates 15 September in each year falling in the period commencing on 15 September 2012 and ending on and including the

		Maturity Date
	Issuer Interim Payment Amounts	EUR 4,035,000.00.
(g)	Swap Counterparty Payments	
	Swap Counterparty Payment Date	The Maturity Date of the Notes.
	Swap Counterparty Payment Amount	EUR 65,437,500.00.
(h)	Additional Provision	
	Acting as principal:	Unless otherwise indicated the Swap Counterparty and the Issuer have each acted as principal in respect of this Transaction. The time and venue of execution of this Transaction is available on request.

10 CSA (Par Asset Swap) Terms

Paragraph 2 of the Master CSA Terms will not apply and the CSA will be deemed completed by Paragraph 11 in the form set out below. The CSA shall be deemed to be entered into by Party A and Party B on execution of the Drawdown Deed dated 29 April 2011 relating to the Series 2011-01 EUR 83,000,000 Notes Linked to BTPei 2023 Inflation Linked Bonds due 2023 issued by Party B (ISIN: XS0617494389) (the “Notes”).

	between	
GOLDMAN SACHS INTERNATIONAL	and	SIGNUM FINANCE III PLC
(“Party A”)		(“Party B”)

Paragraph 11 Elections and Variables

- (a) **Base Currency and Eligible Currency.**
 - (I) “**Base Currency**” means euros (“EUR”).
 - (II) “**Eligible Currency**” means any of the Base Currency Euro, Canadian Dollar, Japanese Yen, Swedish Krona, Swiss Franc, Sterling or US Dollar.
- (b) **Credit Support Obligations.**
 - (i) **Delivery Amount, Return Amount and Credit Support Amount.**
 - A. “**Delivery Amount**” has the meaning specified in paragraph 2(a), provided, however, that Party A and Party B hereby agree that the demand for transfer to be made by the Transferee on or promptly following a Valuation Date, shall be deemed to have been made by the Transferee and received by the Transferor upon the Transferee’s receipt of the notification made by the Valuation Agent under paragraph 3(b).
 - B. “**Return Amount**” has the meaning specified in paragraph 2(b), provided, however, to the extent that (i) the Credit Support Balance of Party A is comprised of any cash, such cash shall be used to first satisfy any Return

Amount and (ii) the Credit Support Balance of Party B is comprised of any Assets, such Assets shall be used to first satisfy any Return Amount.

Notwithstanding the foregoing:

- (I) Party A shall have the option to collateralise its obligation to transfer such Equivalent Credit Support (the “**Deferred Credit Support**”) with Euro cash collateral. Such cash collateral shall be adjusted on each Valuation Date such that, as at such Valuation Date, the Value of the cash collateral is no less than the Value of the Deferred Credit Support (inclusive of any accrued interest). Each such adjustment shall be effected by the transfer by Party B to Party A or Party A to Party B of such amount of cash as is notified to the parties by the Valuation Agent in respect of the relevant Valuation Date. For the avoidance of doubt: (i) there may from time to time be more than one Return Amount that is deferred pursuant to this paragraph, (ii) the relevant Deferred Credit Support shall be reduced to zero upon delivery of the Equivalent Credit Support that was originally scheduled to be delivered by Party A and the return of the corresponding cash collateral, (iii) the obligations of Party A to deliver the relevant Return Amount shall not be deemed satisfied by the delivery of such cash collateral but shall remain outstanding until delivery of the Equivalent Credit Support that was originally scheduled to be delivered by Party A in respect of such return Amount, (iv) until the obligations of Party A to deliver the relevant Return Amount have been satisfied, Party A shall continue to perform its obligations to transfer Equivalent Distributions under paragraph 5(c) and (v) as long as Party A (a) transfers cash collateral as described above and (b) transfers the Equivalent Distributions under Paragraph 5(c) as described above, the failure by Party A to deliver the Return Amount shall not constitute a Failure to Pay or Deliver or any other Event of Default under Section 5(a) of the Swap Agreement; and
- (II) if Party B fails to deliver Eligible Credit Support having a Value at least equal to the applicable Delivery Amount with respect to a Valuation Date solely as a result of Party B not having sufficient assets which qualify as Eligible Credit Support, such failure shall not constitute a Failure to Pay or Deliver or any other Event of Default under Section 5(a) of the Swap Agreement.

C. “**Credit Support Amount**” has the meaning specified in paragraph 10.

- (ii) **Eligible Credit Support.** The following items will qualify as “**Eligible Credit Support**” for the relevant Party:

		Party A	Party B	Valuation Percentage
(A)	Cash in an Eligible Currency.	X		100%
(B)	Cash in the Base Currency.	X	X	100%
(C)	Assets issued by the Asset		X	95%

		Party A	Party B	Valuation Percentage
	Issuer (as defined in the Notes).			
(D)	Securities complying with the definition of Eligible Assets where the Eligible Country is one of France, Germany, United Kingdom, Japan and United States.	X		99%
(E)	Securities complying with the definition of Eligible Assets where the Eligible Country is one of Belgium, Canada, Italy, Netherlands, Sweden and Switzerland.	X		97%

“**Eligible Assets**” means (i) the Assets issued by the Asset Issuer and (ii) securities issued by a Governmental Authority of an Eligible Country, denominated in the currency of an Eligible Country and with a maturity date that is equal to or shorter than the Maturity Date with respect to the Notes.

“**Eligible Country**” means any of the following countries or political divisions: France, Germany, United Kingdom, United States, Belgium, Italy, Netherlands, Sweden, Switzerland, Canada and Japan.

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

(iii) **Thresholds.**

A. “**Independent Amount**” means with respect to Party A: zero.

“**Independent Amount**” means with respect to Party B: zero.

B. “**Threshold**” means with respect to Party A: EUR 100,000.

“**Threshold**” means, with respect to Party B: EUR 100,000.

C. “**Minimum Transfer Amount**” means with respect to Party A: EUR 100,000.

“**Minimum Transfer Amount**” means with respect to Party B: EUR 100,000.

D. “**Rounding**” The Delivery Amount and the Return Amount, respectively will be rounded up and down to the nearest integral multiple of EUR 1 (half of one euro being rounded up), provided that in the case of Eligible Credit Support comprising Eligible Assets, such Delivery Amount or Return Amount shall be rounded up to the nearest whole denomination.

(c) **Valuation and Timing.**

- (i) “**Valuation Agent**” means, from time to time the Calculation Agent appointed in respect of the Notes. Any entity acting as Valuation Agent shall, when required to act, make a determination or exercise judgment in any other way, do so in good faith and in a commercially reasonable manner and in accordance with the applicable terms of the Transaction Agreements (as defined in the Notes). Any valuation or calculation made by the Valuation Agent under this Annex shall also be communicated to the Custodian and the Trustee no later than the date on which such calculation is to be communicated to the relevant party hereunder.
- (ii) “**Valuation Date**” means the Effective Date and each London Business Day thereafter.
- (iii) “**Valuation Time**” means the close of business on the relevant Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure, as far as practicable, will be made as of approximately the same time on the same date.
- (iv) “**Notification Time**” means 1:00 p.m., London time, on a Local Business Day.

(d) **Exchange Date.** “**Exchange Date**” has the meaning specified in paragraph 3(c)(ii).

(e) **Dispute Resolution.**

The provisions of paragraph 4 will not apply.

(f) **Distributions and Interest Amount.**

- (i) **Interest Rate.** “Interest Rate” for any day means, where the Eligible Credit Support comprises cash, an interest rate per annum or in relation to each Eligible Currency specified below in respect of such day determined by the Valuation Agent in accordance with the following table:

Eligible Currency	Interest Rate	Screen Rate
USD	Screen Rate minus 0.25%	FEDFUNDS1
Euro	Screen Rate minus 0.25%	EONIA
Pound Sterling	Screen Rate minus 0.25%	SONIA
Swedish Krona	Screen Rate minus 0.25%	STIB1D
Canadian Dollar	Screen Rate minus 0.25%	CD000/N
Swiss Franc	Screen Rate minus 0.25%	TOIS
Japanese Yen	Screen Rate minus 0.25%	MUTSCALM

where:

“**Screen Rate**” means, for any day, an interest rate per annum determined by the Valuation Agent equal to: (i) in the case of USD, Euro and Pound Sterling, the rate for deposits in the relevant Eligible Currency for a designated maturity of 1 day that appears on such Reuters Screen in respect of that day and (ii) in the case of Swedish Krona, Canadian Dollar, Swiss Franc and Japanese Yen, the rate for

deposits in the relevant Eligible Currency that appears on such Bloomberg Screen in respect of that day,

provided, that, if Rate Source is unavailable for any reason, then the Screen Rate shall be as published on the Rate Source on the preceding Local Business Day, unless the Valuation Agent selects an alternative source (which it may do in its absolute discretion).

(ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made monthly within the first five Local Business Days of each calendar month.

(iii) **Alternative to Interest Amount.** The provisions of paragraph 5(c)(ii) will apply.

(g) **Addresses for Transfers.**

(i) Party A: To be notified in writing.

(ii) Party B: To be notified in writing.

(h) **Other Provisions.**

(i) **Notices.** Any communication by a party (“X”) to the other party (“Y”) requesting the delivery or return of Eligible Credit Support pursuant to paragraph 3 of this Annex must be made in writing, except as otherwise provided in paragraph 11(b)(i)(A), as set forth below:

(a) in the case of Party A: Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Attention: Legal Department
Fax No: +44 20 7552 0925

(b) in the case of Party B: Signum Finance III Plc
5 Harbourmaster Place
IFSC
Dublin 1
Ireland

Attention: The Directors
Fax No: +353 1 680 6050

and

The Bank of New York Mellon (the
“**Custodian**”)
One Canada Square
London E14 5AL
United Kingdom

Attention: Manager, Corporate Trustee
Administration
Fax No: +44 20 7964 2531

with a copy to: BNY Mellon Corporate Trustee
Services Limited (the "Trustee")
One Canada Square
London E14 5AL
United Kingdom

Attention: Manager, Trustee Administration
Fax: +44 20 7964 2531

Any such communication will be deemed received and effective when it is received by Y.

- (ii) **Local Business Day.** Notwithstanding anything to the contrary contained herein, Local Business Day means any day other than a Saturday or a Sunday on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.
- (iii) **Custodian.** Party A and Party B agree that any payment or delivery obligations which Party A has to Party B pursuant to this Annex may be extinguished by Party A making such payment or delivery to the Custodian (as defined in the Drawdown Deed) who shall take receipt thereof on Party B's behalf.
- (iv) **Transactions.** Notwithstanding anything to the contrary in this Annex references in this Agreement to "all Swap Transactions", "all Transactions" and "all Affected Transactions" means only the Transactions relating to the Notes (as defined in the Drawdown Deed) (the "**Relevant Transactions**"). The credit support arrangements set out in this Annex shall constitute a Transaction relating to the Notes and form part of the Agreement with the Relevant Transaction(s). Neither Party A nor Party B shall be entitled to set off or net its payment obligations in respect of the Transaction for which this Annex constitutes the Confirmation against the payment obligations of the other party under any other Transaction, provided that close-out netting pursuant to Paragraph 5.15 of the Schedule to the ISDA Master Agreement under the Master Swap Terms (as amended by Clause 6.3.2 of the Drawdown Deed) shall not be affected.
- (v) **Modifications.**
 - (a) The definition of "Exposure" in paragraph 10 shall be deleted and replaced with the following:

"Exposure" means, with respect to a party on a Valuation Date and subject to Paragraph 4 in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) of this Agreement if the Par Asset Swap (as defined in the Additional Conditions) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; *provided* that Market Quotations will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

- (b) For the purposes of determining the Credit Support Balance pursuant to paragraph 6, the definition of Value in paragraph 10 shall be amended by deleting the words “multiplied by the applicable Valuation Percentage, if any,” from sub-sections (i)(A) and (B).
- (c) The heading for paragraph 6 shall be deleted and replaced with “Early Termination” and the following shall be added:
 - (A) after the word “Default” in the first line of paragraph 6, “or a Termination Event in relation to all (but not less than all) Transactions”; and
 - (B) after the words “Defaulting Party”, in the fourth line, “or the Affected Party as the case may be”.

11 CSA (Cash Flow Swap) Terms

Paragraph 11 of the Credit Support Annex to the Schedule to the ISDA Master Agreement is deemed to be entered into by Party A and Party B on the Effective Date of the Cash Flow Swap relating to the Series 2011-01 EUR 83,000,000 Notes Linked to BTPei 2023 Inflation Linked Bonds due 2023 issued by Party B (ISIN: XS0514814291) (the “Notes”).

between

GOLDMAN SACHS INTERNATIONAL	and	SIGNUM FINANCE III PLC
(“Party A”)		(“Party B”)

Paragraph 11 Elections and Variables

- (a) **Base Currency and Eligible Currency.**
 - (I) “**Base Currency**” means euros (“EUR”).
 - (II) “**Eligible Currency**” means any of the Base Currency Euro, Canadian Dollar, Japanese Yen, Swedish Krona, Swiss Franc, Sterling or US Dollar.
- (b) **Credit Support Obligations.**
 - (i) **Delivery Amount, Return Amount and Credit Support Amount.**
 - A.** “**Delivery Amount**” has the meaning specified in paragraph 2(a), provided, however, that Party A and Party B hereby agree that the demand for transfer to be made by the Transferee on or promptly following a Valuation Date, shall be deemed to have been made by the Transferee and received by the Transferor upon the Transferee’s receipt of the notification made by the Valuation Agent under paragraph 3(b).
 - B.** “**Return Amount**” has the meaning specified in paragraph 2(b), provided, however, to the extent that (i) the Credit Support Balance of Party A is comprised of any cash, such cash shall be used to first satisfy any Return Amount and (ii) the Credit Support Balance of Party B is comprised of any Assets, such Assets shall be used to first satisfy any Return Amount.

Notwithstanding the foregoing:

- (I) Party A shall have the option to collateralise its obligation to transfer such Equivalent Credit Support (the “**Deferred Credit Support**”) with Euro cash collateral. Such cash collateral shall be adjusted on each Valuation Date such that, as at such Valuation Date, the Value of the cash collateral is no less than the Value of the Deferred Credit Support (inclusive of any accrued interest). Each such adjustment shall be effected by the transfer by Party B to Party A or Party A to Party B of such amount of cash as is notified to the parties by the Valuation Agent in respect of the relevant Valuation Date. For the avoidance of doubt: (i) there may from time to time be more than one Return Amount that is deferred pursuant to this paragraph, (ii) the relevant Deferred Credit Support shall be reduced to zero upon delivery of the Equivalent Credit Support that was originally scheduled to be delivered by Party A and the return of the corresponding cash collateral, (iii) the obligations of Party A to deliver the relevant Return Amount shall not be deemed satisfied by the delivery of such cash collateral but shall remain outstanding until delivery of the Equivalent Credit Support that was originally scheduled to be delivered by Party A in respect of such return Amount, (iv) until the obligations of Party A to deliver the relevant Return Amount have been satisfied, Party A shall continue to perform its obligations to transfer Equivalent Distributions under paragraph 5(c) and (v) as long as Party A (a) transfers cash collateral as described above and (b) transfers the Equivalent Distributions under Paragraph 5(c) as described above, the failure by Party A to deliver the Return Amount shall not constitute a Failure to Pay or Deliver or any other Event of Default under Section 5(a) of the Swap Agreement; and
- (II) if Party B fails to deliver Eligible Credit Support having a Value at least equal to the applicable Delivery Amount with respect to a Valuation Date solely as a result of Party B not having sufficient assets which qualify as Eligible Credit Support, such failure shall not constitute a Failure to Pay or Deliver or any other Event of Default under Section 5(a) of the Swap Agreement.

C. “**Credit Support Amount**” has the meaning specified in paragraph 10.

- (ii) **Eligible Credit Support.** The following items will qualify as “**Eligible Credit Support**” for the relevant Party:

		Party A	Party B	Valuation Percentage
(A)	Cash in an Eligible Currency.	X		100%
(B)	Cash in the Base Currency.	X	X	100%
(C)	Assets issued by the Asset Issuer (as defined in the Notes).		X	95%
(D)	Securities complying with the definition of Eligible Assets	X		99%

	Party A	Party B	Valuation Percentage
where the Eligible Country is one of France, Germany, United Kingdom, Japan and United States.			
(E) Securities complying with the definition of Eligible Assets where the Eligible Country is one of Belgium, Canada, Italy, Netherlands, Sweden and Switzerland.	X		97%

“**Eligible Assets**” means (i) the Assets issued by the Asset Issuer and (ii) securities issued by a Governmental Authority of an Eligible Country, denominated in the currency of an Eligible Country and with a maturity date that is equal to or shorter than the Maturity Date with respect to the Notes.

“**Eligible Country**” means any of the following countries or political divisions: France, Germany, United Kingdom, United States, Belgium, Italy, Netherlands, Sweden, Switzerland, Canada and Japan.

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

(iii) **Thresholds.**

A. “**Independent Amount**” means with respect to Party A: zero.

“**Independent Amount**” means with respect to Party B: zero.

B. “**Threshold**” means with respect to Party A: EUR 100,000.

“**Threshold**” means, with respect to Party B: EUR 100,000.

C. “**Minimum Transfer Amount**” means with respect to Party A: EUR 100,000.

“**Minimum Transfer Amount**” means with respect to Party B: EUR 100,000.

D. “**Rounding**” The Delivery Amount and the Return Amount, respectively will be rounded up and down to the nearest integral multiple of EUR 1 (half of one euro being rounded up), provided that in the case of Eligible Credit Support comprising Eligible Assets, such Delivery Amount or Return Amount shall be rounded up to the nearest whole denomination.

(c) **Valuation and Timing.**

(i) “**Valuation Agent**” means, from time to time the Calculation Agent appointed in respect of the Notes. Any entity acting as Valuation Agent shall, when required to act, make a determination or exercise judgment in any other way, do so in good

faith and in a commercially reasonable manner and in accordance with the applicable terms of the Transaction Agreements (as defined in the Notes). Any valuation or calculation made by the Valuation Agent under this Annex shall also be communicated to the Custodian and the Trustee no later than the date on which such calculation is to be communicated to the relevant party hereunder.

- (ii) “**Valuation Date**” means the Effective Date and each London Business Day thereafter.
- (iii) “**Valuation Time**” means the close of business on the relevant Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure, as far as practicable, will be made as of approximately the same time on the same date.
- (iv) “**Notification Time**” means 1:00 p.m., London time, on a Local Business Day.

(d) **Exchange Date.** “**Exchange Date**” has the meaning specified in paragraph 3(c)(ii).

(e) **Dispute Resolution.**

The provisions of paragraph 4 will not apply.

(f) **Distributions and Interest Amount.**

- (i) **Interest Rate.** “Interest Rate” for any day means, where the Eligible Credit Support comprises cash, an interest rate per annum or in relation to each Eligible Currency specified below in respect of such day determined by the Valuation Agent in accordance with the following table:

Eligible Currency	Interest Rate	Screen Rate
USD	Screen Rate minus 0.25%	FEDFUNDS1
Euro	Screen Rate minus 0.25%	EONIA
Pound Sterling	Screen Rate minus 0.25%	SONIA
Swedish Krona	Screen Rate minus 0.25%	STIB1D
Canadian Dollar	Screen Rate minus 0.25%	CD000/N
Swiss Franc	Screen Rate minus 0.25%	TOIS
Japanese Yen	Screen Rate minus 0.25%	MUTSCALM

where:

“**Screen Rate**” means, for any day, an interest rate per annum determined by the Valuation Agent equal to: (i) in the case of USD, Euro and Pound Sterling, the rate for deposits in the relevant Eligible Currency for a designated maturity of 1 day that appears on such Reuters Screen in respect of that day and (ii) in the case of Swedish Krona, Canadian Dollar, Swiss Franc and Japanese Yen, the rate for deposits in the relevant Eligible Currency that appears on such Bloomberg Screen in respect of that day,

provided, that, if Rate Source is unavailable for any reason, then the Screen Rate shall be as published on the Rate Source on the preceding Local Business Day,

unless the Valuation Agent selects an alternative source (which it may do in its absolute discretion).

(ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made monthly within the first five Local Business Days of each calendar month.

(iii) **Alternative to Interest Amount.** The provisions of paragraph 5(c)(ii) will apply.

(g) **Addresses for Transfers.**

(i) Party A: To be notified in writing.

(ii) Party B: To be notified in writing.

(h) **Other Provisions.**

(i) **Notices.** Any communication by a party (“X”) to the other party (“Y”) requesting the delivery or return of Eligible Credit Support pursuant to paragraph 3 of this Annex must be made in writing, except as otherwise provided in paragraph 11(b)(i)(A), as set forth below:

(a) in the case of Party A: Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

Attention: Legal Department
Fax No: +44 20 7552 0925

(b) in the case of Party B: Signum Finance III Plc
5 Harbourmaster Place
IFSC
Dublin 1
Ireland

Attention: The Directors
Fax No: +353 1 680 6050

and

The Bank of New York Mellon (the
“**Custodian**”)
One Canada Square
London E14 5AL
United Kingdom

Attention: Manager, Corporate Trustee
Administration
Fax No: +44 20 7964 2531

with a copy to: BNY Mellon Corporate Trustee
Services Limited (the “**Trustee**”)
One Canada Square
London E14 5AL

United Kingdom

Attention: Manager, Trustee Administration

Fax: +44 20 7964 2531

Any such communication will be deemed received and effective when it is received by Y.

- (ii) **Local Business Day.** Notwithstanding anything to the contrary contained herein, Local Business Day means any day other than a Saturday or a Sunday on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London.
- (iii) **Custodian.** Party A and Party B agree that any payment or delivery obligations which Party A has to Party B pursuant to this Annex may be extinguished by Party A making such payment or delivery to the Custodian (as defined in the Drawdown Deed) who shall take receipt thereof on Party B's behalf.
- (iv) **Transactions.** Notwithstanding anything to the contrary in this Annex references in this Agreement to “all Swap Transactions”, “all Transactions” and “all Affected Transactions” means only the Transactions relating to the Notes (as defined in the Drawdown Deed) (the “**Relevant Transactions**”). The credit support arrangements set out in this Annex shall constitute a Transaction relating to the Notes and form part of the Agreement with the Relevant Transaction(s). Neither Party A nor Party B shall be entitled to set off or net its payment obligations in respect of the Transaction for which this Annex constitutes the Confirmation against the payment obligations of the other party under any other Transaction, provided that close-out netting pursuant to Paragraph 5.15 of the Schedule to the ISDA Master Agreement under the Master Swap Terms (as amended by Clause 7.3.2 of the Drawdown Deed) shall not be affected.
- (v) **Modifications.**
 - (a) The definition of “Exposure” in paragraph 10 shall be deleted and replaced with the following:

“Exposure” means, with respect to a party on a Valuation Date and subject to Paragraph 4 in the case of a dispute, the amount, if any, that would be payable to that party by the other party (expressed as a positive number) or by that party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(1) of this Agreement if the Cash Flow Swap (as defined in the Additional Conditions) were being terminated as of the relevant Valuation Time, on the basis that (i) that party is not the Affected Party and (ii) the Base Currency is the Termination Currency; *provided* that Market Quotations will be determined by the Valuation Agent on behalf of that party using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of “Market Quotation”).
 - (b) For the purposes of determining the Credit Support Balance pursuant to paragraph 6, the definition of Value in paragraph 10 shall be amended by

deleting the words “multiplied by the applicable Valuation Percentage, if any,” from sub-sections (i)(A) and (B).

- (c) The heading for paragraph 6 shall be deleted and replaced with “Early Termination” and the following shall be added:
 - (A) after the word “Default” in the first line of paragraph 6, “or a Termination Event in relation to all (but not less than all) Transactions”; and
 - (B) after the words “Defaulting Party”, in the fourth line, “or the Affected Party as the case may be”.

12 Additional Definitions

For the purposes of the Notes only:

- (a) “**100% Holders**” means Noteholders acting by an Extraordinary Resolution passed by holders of 100% of the outstanding Notes (including, for the avoidance of doubt, a resolution in writing passed in accordance with Clause 12 of Part VI (*Meetings of Noteholders*) of the Programme Deed) and who have agreed to block their holdings of Notes until, in connection with the delivery of a Third Party Agent Replacement Notice, the delivery of a Replacement Confirmation by the Trustee.
- (b) “**Affiliate**” means in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.
- (c) “**Credit Support Assets**” means any items comprising the Credit Support Balance (if any) (as defined in the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap)) held by the Issuer (or the Custodian on the Issuer’s behalf) pursuant to the CSA (Par Asset Swap) and/or the CSA (Cash Flow Swap).
- (d) “**Disposal Assets**” means any Assets or other securities that are required by the Conditions to be liquidated on the Issuer’s behalf from time to time, including, when applicable, non-cash Credit Support Assets.
- (e) “**Mandatory Cash Redemption Amount**” means, in relation to any Notes falling due for redemption, the greater of (i) the proceeds of redemption or sale of the Assets and the Credit Support Assets realised in accordance with the Programme Deed and the Disposal Method set out in Additional Condition 7(e) and the cash value (to the extent such Assets or Credit Support Assets are cash) less all Expenses incurred by the Issuer, the Trustee and any Secured Agent in connection with such redemption or sale and the mandatory redemption of the Notes plus (if it is payable to the Issuer) or minus (if it is payable by the Issuer) the absolute value of any Aggregate STP and (ii) zero, divided by the number of the Notes falling due for redemption.
- (f) “**Net Portfolio**” means, for the purposes of determining any Physical Redemption Amount, the Assets and the Credit Support Assets remaining following liquidation by the Disposal Agent of sufficient Affected Assets and/or Credit Support Assets to satisfy any Transaction Termination Amount payable by the Issuer.
- (g) “**Physical Redemption Amount**” means, in connection with any Notes subject to a

single Delivery Instruction Certificate, the sum of (i) a portion, determined by the Calculation Agent in its sole discretion, of the Net Portfolio corresponding to the number of Notes subject to that Delivery Instruction Certificate but rounded down to, where the Assets comprise securities, the nearest whole number of Assets and where the Assets comprise other debt obligations, the nearest minimum transfer value of the Assets; (ii) the Net Proceeds of that fraction of the Net Portfolio that was the subject of such rounding down; (iii) where the Aggregate STP is payable to the Issuer, a *pro rata* portion of such Aggregate STP; and (iv) if there is any positive cash balance in the Issuer's accounts established and maintained solely for the purposes of the Notes, a *pro rata* portion of such positive cash balance, subject to the priority of payment set out in Condition 3.1 and Additional Condition 6(e), as modified by the Drawdown Deed.

Use of Proceeds

The net proceeds of the issue of the Notes will be used in or towards the acquisition of the related Assets and in making payments under other contracts entered into in connection with the issue of the Notes.

General Information

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors passed on 28 April 2011 and 27 March 2012.
- (2) Save as disclosed herein, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since 31 December 2010.
- (3) The auditor of the Issuer is Deloitte & Touche of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland, Chartered Accountants (a member of the Institute of Chartered Accountants in Ireland and qualified to act as Auditors in Ireland).
- (4) The Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such procedures which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus that may have, or have had in the recent past, a significant effect, in the context of the issue of Notes on its financial position or profitability.
- (5) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems.
- (6) The estimated total expenses relating to the admission of the Notes to trading is € 3,000.
- (7) For so long as the Notes are outstanding (in respect of 7(a) to (d)) and for so long as the Notes are listed, from the date of the relevant document (in respect of 7(e)), the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of The Bank of New York Mellon (Luxembourg) S.A.:
 - (a) the Programme Deed;
 - (b) the Memorandum and Articles of Association of the Issuer;
 - (c) the Certificate of Incorporation of the Issuer;
 - (d) a copy of this Prospectus together with any document incorporated by reference in this Prospectus; and
 - (e) all audited annual financial statements of the Issuer as and when published.
- (8) The Issuer will not be providing any post-issuance information relating to the Notes nor the performance of the Assets.
- (9) The Swap Guarantor is The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc. is a global investment banking and securities firm specialising in investment banking, trading and principal investments, and asset management and securities services. The company provides services to corporations, financial institutions, governments, and high-net worth individuals. The Goldman Sachs Group, Inc. has securities listed on the Luxembourg Stock Exchange, New York Stock Exchange and Frankfurt Stock Exchange. The Goldman Sachs Group, Inc. is incorporated in Delaware, United States of America. The registered address of Goldman Sachs Group, Inc. is 85 Broad Street, New York, New York 1004, United States of America.

- (10) The Swap Counterparty is Goldman Sachs International. Goldman Sachs International is a subsidiary of Goldman Sachs Group, Inc. and provides the same services as Goldman Sachs Group, Inc. Goldman Sachs International has securities listed on the Luxembourg Stock Exchange, Zurich Stock Exchange, Swiss Stock Exchange and Frankfurt Stock Exchange. Goldman Sachs International is incorporated in the United Kingdom. The registered address of Goldman Sachs International is Peterborough Court, 133 Fleet Street, London EC4A 2BB, United Kingdom.

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AND SWAP COUNTERPARTY**

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