

The date of this Series Prospectus is 12 May 2011

**EMERALD CAPITAL LIMITED**  
*(incorporated with limited liability in Ireland)*

**SERIES PROSPECTUS**

**Series 2011-001 USD32,000,000 Non-Principal Protected Asia Pacific Credit Dynamic  
Leverage Secured Limited Recourse Notes due 2016**

**issued pursuant to its**

**Emerging Markets Secured Note Issuance Programme**

The attention of investors is drawn to the section headed "Risk Factors" on page 6 of this Series Prospectus

**Arranger and Dealer**  
**CITIGROUP GLOBAL MARKETS LIMITED**

## TABLE OF CONTENTS

	Page
INCORPORATION BY REFERENCE .....	5
RISK FACTORS .....	6
ANNEX 1 STRATEGY.....	32
ANNEX 2 DESCRIPTION OF THE MORTGAGED PROPERTY .....	109
ANNEX 3 THE SWAP AGREEMENT .....	110
ANNEX 4 FORM OF PERFORMANCE SWAP CONFIRMATION .....	129
ANNEX 5 DESCRIPTION OF PORTFOLIO MANAGEMENT AGREEMENT .....	133
ANNEX 6 THE PORTFOLIO MANAGER .....	142
ANNEX 7 ADDITIONAL SELLING RESTRICTIONS .....	143
GENERAL INFORMATION .....	146

This Series Prospectus, under which the Series 2011-001 USD32,000,000 Non-Principal Protected Asia Pacific Credit Dynamic Leverage Secured Limited Recourse Notes due 2016 (the "**Notes**") are issued, incorporates by reference, and should be read in conjunction with the Base Prospectus (excluding the Issuer Disclosure Annex thereto relating to Shamrock Capital P.L.C.) dated 9 May 2011 relating to the Emerging Markets Secured Note Issuance Programme (the "**Programme**") (together, the "**Base Prospectus**") relating to the issuance by Emerald Capital Limited (the "**Issuer**") of secured notes under the Programme. Terms defined in the Base Prospectus have the same meaning in this Series Prospectus.

In connection with the issue of the Notes, the Issuer and Citigroup Global Markets Limited (the "**Swap Counterparty**") have entered into a performance swap agreement (the "**Swap Agreement**") the form of confirmation in relation to which is set out in Annex 4 hereto.

The Issuer and Tribridge Investment Partners Limited (the "**Portfolio Manager**"), amongst others, have entered into a portfolio management agreement (the "**Portfolio Management Agreement**") as described in Annex 5 hereto.

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 or the Portfolio Management Agreement, as the case may be. **Investors are advised to refer to the form of the Swap Confirmation and the description of the Portfolio Management Agreement attached as Annex 4 and 5 respectively.**

The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

The Series Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive. The Central Bank only approves this Series 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 Limited (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such application will be approved. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. This Series Prospectus constitutes a "prospectus" for the purposes of Article 5 of Directive 2003/71/EC and Regulation 13 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**"). The Series Prospectus pursuant to the Prospectus Regulations will be available from the website of the Central Bank.

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.

Save as disclosed herein in relation to information about the Swap Counterparty, the Swap Guarantor and the Portfolio Manager, the Issuer accepts responsibility for the information contained in this Series Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Swap Guarantor accepts responsibility for the information relating to itself contained in the section entitled "Swap Guarantor" in Annex 3. To the best of the knowledge of the Swap Guarantor (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Swap Counterparty accepts responsibility for the information relating to itself contained in the section entitled "Swap Counterparty" in Annex 3. To the best of the knowledge of the Swap Counterparty (having taken all reasonable care to ensure that such is the case), the information contained therein is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Portfolio Manager accepts responsibility for the information relating to itself contained in Annex 6. To the best of the knowledge of the Portfolio Manager (having taken all reasonable care to ensure that such is the case), the information contained therein 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 the Swap Counterparty.

The net proceeds of the Notes will be USD32,000,000.

The Notes will be issued in registered form. Notes will initially be evidenced by interests in a permanent global registered certificate (each an "**Unrestricted Global Certificate**"), without interest coupons, which will be registered in the name of a nominee for, and shall be deposited on the Issue Date with a common depository on behalf of, Euroclear and Clearstream, Luxembourg. Individual Certificates will not be eligible for trading on the facilities of Euroclear or Clearstream, Luxembourg. See "Clearing and Settlement" in the Base Prospectus. Prior to the expiration of the applicable Distribution Compliance Period (as defined in "Subscription and Sale and Transfer Restrictions" in the Base Prospectus), beneficial interests in an Unrestricted Global Certificate may not be offered to, or for the account or benefit of, U.S. persons (as defined in Regulation S) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Certificates for Individual Certificates are described in "Summary of Provisions Relating to Notes while in Global Form" in the Base Prospectus. Interests in Certificates will be subject to certain restrictions on transfer. See "Subscription and Sale and Transfer Restrictions" in the Base Prospectus.

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. Consequently, the Notes may not be offered, sold, resold or transferred within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("**U.S. Persons**") except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission (the "**SEC**") or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Series Prospectus or the Base Prospectus. Any representation to the contrary is a criminal offence. In addition, the Issuer has not been and will not be registered as an "investment company" under the Investment Company Act. For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see the section entitled "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.

In this Series Prospectus, references to “**USD**” are to United States dollars.

## **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 Base Prospectus is available for viewing at, and copies may be obtained free of charge from, the office of the Issuing and Paying Agent and the office of the Issuer in Ireland specified below.

## RISK FACTORS

**THE RISKS SET OUT BELOW ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL RISKS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.**

Capitalised terms not otherwise defined in this section entitled "*Risk Factors*" shall bear the same meaning as in the terms and conditions of the Notes.

### **General**

*The purchase of Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus.*

*The Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive and the Issuer may be unable to pay principal on or in connection with the Notes for reasons other than those described below.*

Each of the Issuer, the Calculation Agent, the Swap Counterparty, the Swap Guarantor, the Dealer, Portfolio Manager and the Trustee (i) does not make any recommendation, representation 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, or has been, supplied in connection with the Notes, and (ii) accepts no responsibility or liability therefor. Each of the Issuer, the Calculation Agent, the Swap Counterparty, the Swap Guarantor, the Dealer, Portfolio Manager and the Trustee does not make any representation, express or implied, as to the future performance of the Notes either in absolute terms or relative to competing investments.

### **General Investor Suitability**

The Notes are only suitable for sophisticated investors who are capable of understanding the risks involved in an investment in the Notes. Any prospective Noteholder must obtain such advice as it deems necessary from its own advisors as to the risks and merits of purchasing the Notes and of any regulatory, accounting and/or tax consequences thereof. Each of the Issuer, the Calculation Agent, the Swap Counterparty, the Swap Guarantor, the Dealer, Portfolio Manager and the Trustee is not providing investment, regulatory, accounting, or tax advice to the Noteholders or prospective Noteholders.

Investment in the Notes may only be suitable for investors who:

- (a) are particularly knowledgeable in investment matters and have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes and rights attaching to the Notes;
- (b) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (c) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and

- (d) will recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

### ***Independent Analysis***

This Series Prospectus identifies, in general terms, certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should conduct its own thorough analysis (including its own regulatory, 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 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.

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 of the Issuer, the Calculation Agent, the Swap Counterparty, the Swap Guarantor, the Dealer, Portfolio Manager and the Trustee disclaims any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes should consider all the information set forth in this Series Prospectus, including both the considerations set forth below and the information set forth in the Base Prospectus, which is incorporated by reference herein (see the section entitled "Incorporation by Reference" above). 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.

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.

### **Risk related 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 have any subsidiaries or employees, consolidate or merge with any other person 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 the Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which the 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 or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

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

### **Risks relating to the Notes generally**

#### ***Limited recourse obligations***

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the assets charged by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties in respect of the Notes only and not any other assets charged by the Issuer as security for any other notes. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes and for the Issuer to meet its obligations in respect of the termination of the Swap Agreement and in respect of the Portfolio Management Agreement, the Agency Agreement and the Dealer Agreement. The Noteholders will have no right to take title to, or possession of, the charged assets unless the Trustee, having become bound to do so, fails or neglects to take action against the Issuer and such failure or neglect is continuing. 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 such Notes. If the proceeds of the realisation of the charged assets in respect of the Notes 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 shortfall, and, following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such shortfall and accordingly no debt will be owed by the Issuer in respect of any such shortfall.

Further, the Trustee, the Noteholders, the Swap Counterparty, the Swap Guarantor, the Calculation Agent, the Issuing and Paying Agent, the Registrar and the Portfolio Manager will not be entitled at any time to institute, or join with any other person in bringing, instituting or joining, insolvency proceedings (whether court based or otherwise) in relation to the Issuer.

No person other than the Issuer will be obliged to make payments on the Notes and prospective Noteholders should be aware that they will have no direct contractual claim against the Swap Counterparty, the Swap Guarantor, the Dealer and the Calculation Agent and therefore will have no direct contractual recourse against any such entity.

#### ***Multiple Series of Notes***

Each series of notes issued by the Issuer is separate and ring-fenced from all other series of notes issued by the Issuer. Investors in one series of notes will have no recourse to the Issuer's assets that relate to any other series of notes. Each series of notes will have its own individual terms and conditions that may be different to each other series of notes. An investor in one series of notes should look solely at the terms and assets relating to that series of notes in determining whether to invest in such notes.

### ***Taxation and no gross up***

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessments or charges that may be applicable to any payment to it in respect of the Notes.

### ***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 including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Trustee may, in certain circumstances, without the consent of Noteholders, (i) agree to any modification of, or the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) agree to the substitution of another company as principal debtor under the Notes in place of the Issuer.

### ***Early Redemption for tax or legal reasons***

The Issuer may for specified tax or legal reasons, as detailed in Condition 7.3 (*Redemption for taxation and other reasons*) of the issue terms, upon giving notice to Noteholders, redeem all Notes earlier than the Maturity Date. If the Issuer redeems Notes early in such circumstances, the Issuer will, if and to the extent permitted by applicable law, redeem each Note in an amount equal to the Early Redemption Amount as specified in the Conditions. Such Early Redemption Amount is not principally protected, may be significantly less than the amount initially invested by Noteholders and will be calculated in accordance with the Conditions.

### ***Early Redemption for Swap Counterparty Optional Portfolio Unwind***

Following the occurrence of an Optional Portfolio Unwind Trigger Event, the Swap Counterparty may elect in its sole and absolute discretion to require the Issuer to redeem the Notes in full on the related Optional Portfolio Unwind Date. If the Issuer redeems Notes early in such circumstances, the Issuer will redeem each Note in an amount equal to the Early Redemption Amount as specified in the Conditions and the Strategy. Such amount is not principally protected, may be significantly less than the amount initially invested by Noteholders and will be calculated in accordance with the Conditions.

### ***Early Redemption pursuant to an Ordinary Resolution of the Noteholders***

Subject to the prior written consent of the Swap Counterparty and the Portfolio Manager, the Noteholders by an Ordinary Resolution may redeem the Notes (in whole but not in part) upon not less than 20 Business Days notice to the Swap Counterparty, Portfolio Manager, Issuer and Trustee.

An Ordinary Resolution requires the resolution of the holders in aggregate of 66 2/3 per cent the Notes and will bind all Noteholders including those who did not vote and who voted in a manner contrary to the Ordinary Resolution.

In such circumstances, the Issuer will redeem each Note in an amount that is equal to the Early Redemption Amount as specified in the Conditions and the Strategy. Such amount is not principally protected, may be significantly less than the amount initially invested by Noteholders and will be calculated in accordance with the Conditions.

### ***No Principal Protection***

On the Maturity Date, the Notes redeem at an amount equal to the Final Exchange Amount. The Final Exchange Amount will depend on the performance of the Strategy and may be zero. There can be no assurance that the Notes will redeem at an amount greater than the Nominal Amount Outstanding and the Notes may redeem at an amount that is significantly less than the Nominal Amount Outstanding. If the Notes do not redeem above the Nominal Amount Outstanding, an investor in the Notes will have foregone any profit that may have been earned on a fixed income investment of a like amount and like duration. In addition, Noteholders may experience significant losses if the Notes redeem at an amount that is significantly less than the Nominal Amount Outstanding.

### ***Fees***

The Final Exchange Amount will be net of deductions relating to Fees (including the Base Management Fee, the Performance Fee, other costs and expenses that are payable to the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement, the Gap Risk Fee and the Maintenance Fee), the Upfront Expenses and the Structuring Upfront Fee. The amount of Fees, the Upfront Expenses and the Structuring Upfront Fee payable in respect of the Strategy will therefore reduce the amount that would otherwise be payable to the Noteholders upon redemption of the Notes.

### ***Priority of claims***

Any shortfall from the proceeds of realisation of the Mortgage Property relating to the Notes will be borne by the Noteholders, the Swap Counterparty, the Portfolio Manager, the Trustee and the other secured creditors in accordance with the relevant order of priority and each party's right to be paid will be subordinated to all higher ranking claims.

The claims of the Trustee, the Swap Counterparty and the Portfolio Manager over the Mortgaged Property rank senior to the Noteholders.

In the event of any such shortfall, (a) the Issuer shall be under no obligation to pay, and the other assets (if any) of the Issuer including, in particular, assets securing other series of notes will not be available for payment of, such shortfall, (b) all claims in respect of such shortfall shall be extinguished, and (c) the Trustee, the Portfolio Manager, the Noteholders, the Swap Counterparty and the other secured creditors shall have no further claim against the Issuer in respect of such unpaid amounts

### ***Change of law***

The Conditions of the Notes 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. See "Current Investment Climate; Legal and Regulatory Risks" below.

### ***Provision of information***

The Issuer, Swap Counterparty, the Swap Guarantor, the Dealer, the Portfolio Manager and any of their affiliates may have access to non-publicly available information; accordingly, this Series Prospectus may or may not contain all information that would be material to the evaluation of the merits and risks of purchasing the Notes, and none of the aforementioned parties 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.

Neither the Issuer, the Trustee, the Dealer nor any affiliate of such persons makes any representation as to the credit quality of the Swap Counterparty or the Swap Guarantor. See "Credit risk of the Swap Counterparty and Swap Guarantor" below. Any of such persons may have acquired, or during the

term of the Notes may acquire, non-public information with respect to the Reference Entities, the Swap Counterparty or the Swap Guarantor. 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 Reference Entities or conduct any investigation or due diligence in respect of the Reference Entities.

## **Risks relating to the counterparties**

### ***Credit risk of the Swap Counterparty and Swap Guarantor***

The Notes are not collateralised and therefore the ability of the Issuer to meet its obligations under the Notes will depend entirely on the receipt by it of payments under the Swap Agreement or Swap Guarantee. Consequently, the Issuer is entirely exposed to the ability of the Swap Counterparty and failing which, of the Swap Guarantor to perform their obligations in respect of such Swap Agreement. Insolvency of the Swap Counterparty and Swap Guarantor may lead to a failure by the Swap Counterparty and the Swap Guarantor to perform their obligations in respect of the Swap Agreement. In such circumstances, the Issuer will receive no payment or a payment that is significantly less than expected pursuant to the Swap Agreement and Swap Guarantee. As the redemption value of the Notes is directly related to the payments (if any) received by the Issuer from the Swap Counterparty and Swap Guarantor in respect of the Swap Agreement, Noteholders should be aware that their credit risk exposure to the Swap Counterparty and the Swap Guarantor is effectively equivalent to the Issuer's credit risk exposure to the Swap Counterparty and the Swap Guarantor. Accordingly, failure by the Swap Counterparty and Swap Guarantor to make any payments pursuant to the Swap Agreement and Swap guarantee, respectively, will lead to Noteholders losing all or substantially all of their original investment in the Notes.

## **Conflicts of Interest**

### ***Trustee conflicts of interest***

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 assume any duty or responsibility to the Swap Counterparty (other than to pay to the Swap Counterparty any moneys received and payable to it and to act in accordance with the provisions of Condition 4 (*Security, Credit Support Document, Option Agreement and Swap Agreement*)) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the Swap Counterparty if this would in the Trustee's opinion be contrary to the interests of the Noteholders.

In the event that the Noteholders require the Trustee to enforce the security, the Noteholders should be aware that the Trustee may not take any such action until it is indemnified and/or secured and/or prefunded to its satisfaction. This may involve the Noteholders providing an indemnity and may cause a deal in the enforcement. Any such delay may reduce the amount of any payment that is made to the Noteholders upon redemption of the Notes.

### ***Dealer and Swap Counterparty Conflicts of Interest***

Citigroup Global Markets Limited and its affiliates (collectively, "Citi") may have existing or future business relationships with the Issuer and any Reference Entities (including, but not limited to, lending, depository, risk management, advisory 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. From time to time, Citi may own significant amounts of Notes.

Citi may act in a number of capacities in respect of the Notes including, without limitation, the Dealer, the Swap Guarantor and the Calculation Agent. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on one hand, and Citi (acting in any capacity) on the other hand, as a result of the various businesses and activities of the Citi. Citi is not required to resolve any such conflicts of interests in favour of the Noteholders. Citi acting in its capacity as Swap Counterparty, Dealer and Calculation Agent 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. Citi, in its 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.

Citi may currently and may from time to time in the future be active participants on both sides of the market and have long or short positions in, or buy and sell (on a principal basis or otherwise) and act as market makers in the Portfolio Assets or in securities, commodities, futures, options or any other derivative or instrument and investments identical to or related to the Notes, the Swap Agreement and/or any Portfolio Assets. Any hedging and trading activities by Citi may affect the value of the Notes and vice versa.

Citi may pursue such actions and take such steps as its deems necessary or appropriate in its sole and absolute discretion to protect its interests, and in the same manner as if the Swap Agreement and the Notes did not exist and without regard as to whether such actions or steps might have an adverse effect on the Notes, the Noteholders or the Portfolio Assets.

#### ***Swap Counterparty's ability to remove Portfolio Manager pursuant to the Portfolio Management Agreement***

The Swap Counterparty may (i) remove the Portfolio Manager for cause or if the Portfolio Manager fails to employ the Key Person in certain circumstances and (ii) appoint a replacement portfolio manager if the existing Portfolio Manager resigns or is removed for any reason, in each case, as described further in the section entitled "*Description of the Portfolio Management Agreement*" hereto. If the Swap Counterparty exercises such rights then the Portfolio may become static from such date until the Maturity Date of the Notes. Whether the Swap Counterparty chooses to exercise these rights may, therefore, have an adverse effect on the amounts paid to Noteholders on redemption of the Notes. The Swap Counterparty may exercise such rights in its own interest and need not consider the interest of the Issuer, the Noteholders or any other persons in such exercise.

#### ***Legality of purchase***

None of the Issuer, the Trustee, the Swap Counterparty nor any affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of any Notes by a prospective purchaser of such 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.

#### **Risks related to the Portfolio**

### ***Portfolio Assets***

The redemption value of the Notes is based on the Final Exchange Amount that is linked to the performance of a hypothetical portfolio of assets comprised of (i) a notional portfolio comprising CDS, (ii) a notional portfolio comprising TRS, (iii) a notional portfolio comprising FXO and (iv) a notional portfolio comprising EQO (together, the “**Portfolio**”), in each case as selected by the Portfolio Manager for inclusion in the Portfolio from time to time pursuant to the terms of the Portfolio Management Agreement and/or the Strategy. The performance of the Portfolio may be dependent upon any number of factors including, but not limited to, economic, political, financial and social events locally and globally.

### ***Portfolio Asset Terms***

In respect of each Portfolio Adjustment, the Swap Counterparty and the Portfolio Manager are free to agree upon the legal terms and conditions of the relevant CDS, TRS, FXO or EQO, as applicable (such terms and conditions, the “**Portfolio Asset Terms**”). Prospective Noteholders should be aware that the Swap Counterparty and the Portfolio Manager have a relatively wide discretion to agree on the specific details of the relevant Portfolio Asset Terms and are limited only by the definition of the CDS, TRS, FXO or EQO (as applicable), the Portfolio Conditions and the Strategy. Any Portfolio Asset Terms may be different to (i) the market standard terms for equivalent transactions and (ii) the terms of equivalent transactions entered into by the Swap Counterparty and the Portfolio Manager with each other and/or with any third party. The Portfolio Asset Terms in respect of each Portfolio Asset will affect the value of the relevant Portfolio Asset and will have a corresponding impact on the value of the Notes.

### ***Leverage***

The Notes have leveraged exposure to the Portfolio and accordingly losses in the Portfolio may have a greater impact on the amounts payable in respect of the Notes than would be the case for unleveraged investments. Leveraged exposure may also mean that the value of the Notes may be more volatile than the value of unleveraged investments as a result of losses in the Portfolio and/or changes to market parameters such as credit spreads, credit correlation, volatility, credit recovery, interest rates, share prices, index levels, yields, inflation levels and foreign exchange rate exposures. The value of the Notes may fall to zero where the effect of market movements or changes in the price of Portfolio Assets on the value of the Notes are accentuated by leverage. The Portfolio Manager, the Calculation Agent and/or the Swap Counterparty may adjust the Portfolio Assets (and therefore the amount of such leveraged exposure) from time to time pursuant to and in accordance with the Strategy. In addition, in certain circumstances the Portfolio Manager and the Swap Counterparty shall be obliged to adjust the Portfolio, notwithstanding that such adjustments may adversely affect the Final Exchange Amount and therefore reduce the final redemption value of the Notes.

### ***Limited Information about the Portfolio***

None of the Issuer, the Swap Counterparty, the Swap Guarantor, the Trustee or any other person on their behalf has undertaken or will undertake any legal due diligence in respect of the Portfolio. None of the Issuer, the Swap Counterparty, the Swap Guarantor, the Trustee or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Portfolio. Any of the Swap Counterparty, the Swap Guarantor or the Portfolio Manager may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Portfolio and is not required to disclose this information to the Issuer or any other party other than as provided in the terms and conditions of the Notes. Limited information in respect of the Portfolio at any time may reduce liquidity of the Notes. See "Limited Liquidity of the Notes and the Portfolio" below.

### ***No Legal or Beneficial Interest in the Portfolio***

Under the Swap Agreement, the Issuer will have a contractual relationship only with the Swap Counterparty and not with any Reference Entity. The Portfolio is entirely notional. Consequently, the Swap Agreement will not constitute a purchase or other acquisition or assignment of any interest in any Portfolio Asset, any reference obligation or against any counterparty in respect of any Portfolio Asset or any Reference Entity. The Issuer and the Trustee will have rights solely against the Swap Counterparty or the Swap Guarantor and will have no recourse against the Reference Entities. Moreover, the Swap Counterparty will not grant the Issuer or the Trustee any security interest in any such asset.

The Swap Counterparty will not be required to have any credit exposure to the Portfolio Asset or any Reference Entity or to own any reference obligation and, if it does, it will have the right to sell such asset(s) or obligation at any time.

### ***Compliance with the Portfolio Conditions***

Each Portfolio Asset shall comply with the Portfolio Adjustment Criteria upon the date of inclusion in the Portfolio, however there is no requirement that such Portfolio Asset must continue to comply with the Portfolio Adjustment Criteria after such date. At all times, the Concentration Limits and the Notional Cap must be satisfied. Non-compliance may adversely impact the value of the Portfolio and the amount payable to the Noteholders upon redemption of the Notes.

### ***Credit Event Exposure in CDS and TRS***

There is no recognised central source for relevant data or a standardised method for measuring the likelihood of the occurrence of credit events in respect of CDS and TRS trades such as those referenced in the Portfolio. Furthermore, the historical experience of obligors of reference assets comparable to the Reference Entities is not necessarily indicative of the risk of credit events occurring in respect of such trades. The occurrence of any such credit events may affect the performance of the Portfolio and consequently the return on the Notes.

### ***Rebalancing***

If the Swap Counterparty determines that a Rebalancing Event has occurred and is continuing, the Portfolio Manager will initiate one or more Adjustments to the Portfolio to cure such Rebalancing Event. The occurrence of any such Rebalancing Event may affect the performance of the Portfolio and consequently the return on the Notes.

The Swap Counterparty will be under no obligation to monitor or determine whether or not a Rebalancing Event has occurred and will have no liability in connection with making or not making such determination and/or notifying or not notifying the Portfolio Manager and the consequences thereof.

### ***Mandatory Portfolio Adjustment***

If the Swap Counterparty determines that a Portfolio Breach has occurred and is continuing, the Portfolio Manager will initiate one or more Adjustments to the Portfolio to cure such Portfolio Breach. The occurrence of any such Portfolio Breach and the related Adjustments may affect the performance of the Portfolio and consequently the return on the Notes.

The Swap Counterparty will be under no obligation to monitor or determine whether or not a Portfolio Breach has occurred and will have no liability in connection with making or not making such determination and/or notifying or not notifying the Portfolio Manager and the consequences thereof.

### ***Amendments to Annex 1 (Strategy)***

The Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party, may agree in writing at any time to amend any provision set out at paragraph 5.1 (*Optional Portfolio Adjustment*) of Annex 1 (*Strategy*), paragraph 6 (*Liquidity of Portfolio Assets*) of Annex 1 (*Strategy*), paragraph 7.1 (*Rebalancing Events*) of Annex 1 (*Strategy*), paragraph 7.2 (*Optional Rebalancing*) of Annex 1 (*Strategy*), Appendix 5 (*Portfolio Conditions*) and/or Appendix 6 (*Leverage Rules*) with immediate effect. Such amendment may affect the performance of the Portfolio and consequently the return on the Notes.

### ***Effect on Portfolio of Further Issues of Notes***

If the outstanding aggregate Principal Amount of the Notes is increased pursuant to Condition 15 (Further Issues) and paragraph 15 of Annex 1 (*Strategy*), there is no assurance that the amounts and proportions attributed to each Portfolio Asset in the Portfolio will replicate the composition of the Portfolio immediately before such further issuance. Potential investors should be aware that the composition of the Portfolio may change as a result of such further issuance and such change may adversely affect returns to Noteholders in respect of the Notes. Past performance of the Portfolio is therefore no guarantee of future performance of the Portfolio in these circumstances.

### **Risks related to the market generally**

#### ***The secondary market generally***

Although application has been made to have the Notes admitted to the Official List of the Irish Stock Exchange and admitted to trading on the regulated market of the Irish Stock Exchange, there is currently no 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. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Notes.

#### ***Limited Liquidity of the Notes and the Portfolio***

Whilst the Arranger and the Dealer may, under ordinary market conditions, indicate prices in the Notes, there can be no assurance at which price a bid would be made or that such a bid will be made or, if such a bid is made, that bid will continue to be made. The indicative price given, if any, may be affected by many factors including, but not limited to, the Arranger and Dealer's execution levels, the net asset values of the Portfolio, the remaining term and outstanding principal amount of the Notes, the performance of the Portfolio, interest rates, fluctuations in exchange rates, shares prices, index levels and credit spreads. Prospective investors must be prepared to hold the Notes for an indefinite period of time or until the redemption or maturity of the Notes. If the Arranger and Dealer begin making a market for the Notes, they are under no obligation to continue to do so and may stop making a market at any time. If the Arranger and Dealer choose to make a market for the Notes, then investors in the Notes should be aware that the market value of the Notes is likely to vary substantially over time and will be influenced by the performance of the Portfolio.

The limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Portfolio and Reference Entities may affect the liquidity of the Notes.

#### ***Mark to Market Risk***



The mark to market value of the Swap Agreement may be affected by a number of factors including, without limitation, the market price of the Portfolio Assets, the credit rating of any Reference Entity or Reference Obligation, share prices, index levels, the spread observed in the market for the Portfolio Asset, fluctuations and liquidity in global financial markets and changes in any other pricing parameters. Mark to market value may be extremely volatile and unpredictable and will be accentuated by the effect of leverage of certain Portfolio Assets.

### ***Exchange rate risks and exchange controls***

The Issuer will pay all amounts in respect of 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 (1) the Investor's Currency-equivalent value of the principal payable on the Notes and (2) 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 principal than expected, or no principal.

Although the Notes are denominated in USD, the Portfolio Assets may be denominated in other currencies or create exposure to other currencies. Fluctuations in the foreign exchange rates may adversely affect the value of the Portfolio and the Notes. Investors should be aware that foreign exchange rates may be affected by complex political and economic factors, including relative rates of inflation, interest rate levels, the balance of payments and the extent of any governmental surplus or deficit, and the monetary, fiscal and trade policies pursued by the governments of the relevant currencies. Previous foreign exchange rates are not necessarily indicative of future foreign exchange rates.

### ***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.

### ***Unpredictable Market Conditions***

Market conditions between the Issue Date and the redemption of the Notes cannot not predicted with any certainty and may be unexpected and not foreseen. A liquidity shortage and volatility in the credit markets would introduce a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks may include the inability of the Calculation Agent and Swap Counterparty to obtain prices in respect of the Portfolio Assets which, among other things, may render it unable to satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Calculation Agent and the Swap Counterparty to determine a reliable valuation of the Portfolio. All of such factors could materially adversely affect the interests of Noteholders.

### ***APAC Obligations***

Each of the Portfolio Assets is linked to a currency, issuer or obligor that is connected to any of the following countries: Australia, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, New Zealand, Papua New Guinea, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand or Vietnam (the "**APAC Countries**" and each an "**APAC Country**").

Certain APAC Countries may be regarded as emerging market countries. Prospective investors should note that special risks may be associated with investment in or linked to securities such as the Notes that are linked to currencies of APAC Countries or issuers and obligors established under the laws of, based or principally engaged in business in, APAC Countries. Such risks may arise because, among other reasons, there is a high degree of uncertainty and volatility associated with investments in or linked to certain APAC Countries and the performance of the Notes will be directly impacted by certain political, economic and legal conditions in such jurisdictions. There are political and economic uncertainties that are greater in certain APAC Countries than in other countries. Many APAC Countries do not have fully developed or clear legal, judicial, regulatory or settlement infrastructures, accounting standards may differ markedly and the markets may be far less liquid or transparent than in more developed markets.

Investment in Notes referencing a portfolio of emerging market obligations generally involves a high degree of uncertainty. Significant losses in such investment may result, directly or indirectly, from, among other things:

- (a) less publicly available or materially inaccurate information in or in respect of certain APAC Countries and the issuers or obligors of the obligations underlying such Emerging market obligations who are based in APAC Countries, and less data on historical default and recovery rates in respect of obligations issued by issuers in certain APAC Countries;
- (b) varying levels of governmental regulation of exchanges, brokers and issuers in certain APAC Countries;
- (c) the difficulty of enforcing legal rights and uncertainties as to the status, interpretation and application of laws in certain APAC Countries;
- (d) the possibility of expropriation, nationalization or confiscation of assets in certain APAC Countries;
- (e) limitations on the convertibility, or depreciation or fluctuations, of currency in certain APAC Countries; and
- (f) economic dislocations and social instability in certain APAC Countries.

## **Current Investment Climate**

### ***Financial markets***

The price of the Notes and the income generated, if any, may go down or up. Noteholders may realize losses on any investment made and may get back nothing at all in respect of their investment in the Notes. Risks include, but are not limited to, the market price of the Notes being influenced by many unpredictable factors, including economic conditions, the volatility of the financial markets, the creditworthiness of the Swap Counterparty and Swap Guarantor, the value of the Portfolio Assets and any factors affecting the Portfolio Assets (which may include sovereign risk in respect of the jurisdiction of the obligors of the Portfolio Assets) and certain actions taken by Citi. See "Conflicts of Interest" above. Accordingly, the Notes may be worth less than the issue price of the Notes.

### ***Legal and Regulatory Risks***

Investors should be aware that the financial markets have been through a turbulent period following the global financial crisis of 2008-2009 and continue to face a period of regulatory change and continued legal uncertainty. Such legal uncertainty includes potentially conflicting court decisions on important principles of insolvency law. In particular, upon the insolvency of the Swap Counterparty and/or the Swap Guarantor, the Swap Agreement and/or the Swap Guarantee, as applicable, may be held to be unenforceable in accordance with their respective terms. In such circumstances, the

Noteholders may suffer significant loss. These factors lead to further unpredictability in any investment in the Notes.

### **Risks related to the Portfolio Manager**

#### ***Role of the Portfolio Manager***

Actions or functions taken or performed by or which the Portfolio Manager is entitled to take or perform pursuant to the Portfolio Management Agreement will be taken or performed solely in the Portfolio Manager's capacity as agent for the Issuer pursuant to the Portfolio Management Agreement. Such actions include, for example, the decision to make an Adjustment and the selection of CDS, TRS, FXO and EQO for inclusion in the Portfolio from time to time.

Pursuant to the Portfolio Management Agreement, the Portfolio Manager undertakes to manage the Portfolio on behalf of the Issuer with the objective of maximising the value of the Final Exchange Amount and the Cash Balance Excess Amount in respect of the Notes. The performance of the Portfolio and the Notes will be dependent on the ability of the Portfolio Manager to manage the Portfolio, which will be constrained by the criteria set out in the Portfolio Management Agreement. The Portfolio Management Agreement may be terminated in certain circumstances, which may result in a new Portfolio Manager being appointed.

There can be no assurance that the Portfolio Manager will be able to manage the Portfolio in a way that produces the economic results desired by the Noteholders. There can also be no assurance that the past performance of the Portfolio Manager in managing other portfolios of reference credits or other assets will be indicative of its performance in managing the Portfolio.

Noteholders should be aware that in certain circumstances, the indemnity that is provided by the Portfolio Manager to the Issuer is limited to the fair market value of the Notes immediately preceding the relevant breach or other action that results in the relevant claim, as determined by the Calculation Agent in a commercially reasonable manner. See Annex 5 (*Description of the Portfolio Management Agreement*).

#### ***Conflicts of interest relating to the Portfolio Manager***

The Portfolio Manager and any of its affiliates may deal in any obligation of any Reference Entity and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking, investment management or other business transactions with, any Reference Entity and may act with respect to such transactions in the same manner as if the Portfolio Management Agreement and the Notes did not exist and without due regard to whether any such action might have an adverse effect on any Reference Entity, the Issuer or the holders of the Notes. Although the Portfolio Manager and/or any of its affiliates may have entered into and may from time to time enter into business transactions with Reference Entities, the Portfolio Manager and any of its affiliates at any time may or may not hold obligations of or have any business relationship with any particular Reference Entity. Therefore, the Portfolio Manager and/or any of its affiliates may have certain conflicts of interest resulting from their ability to buy, sell or recommend to any other account to buy or sell any obligations of the same or different class of the same obligor as those eligible to be referenced in the Portfolio. In addition, the Portfolio Manager or any of its affiliates thereof may, but is not required to, hold Notes for any period of time and, subject to the provisions of the Portfolio Management Agreement, the Portfolio Manager or any of its affiliates may provide or perform various services unrelated to the Portfolio Manager to the Issuer.

Although the officers and employees of the Portfolio Manager will devote as much time to the Issuer as the Portfolio Manager deems appropriate, the officers and employees of the Portfolio Manager may have conflicts in allocating their time and services among the Issuer and other accounts now or

hereafter advised by the Portfolio Manager and any of its affiliates and allocating their time and services among the Portfolio Manager and affiliates of the Portfolio Manager for whom they are also officers and employees. The policies of the Portfolio Manager are such that certain employees of the Portfolio Manager may have or obtain information that, by virtue of the Portfolio Manager's internal policies relating to confidential communications, cannot or may not be used by the Portfolio Manager on behalf of the Issuer. In addition, the Portfolio Manager and its affiliates, in connection with their other business activities, may acquire material non-public confidential information that may restrict the Portfolio Manager from purchasing securities or selling securities for itself or its clients (including the Issuer) or otherwise using such information for the benefit of its clients or itself.

#### ***Dependence of the Issuer on the Portfolio Manager***

The Issuer has no employees and is dependent on the employees of the Portfolio Manager and/or its affiliates to carry out the actions and functions described in the Portfolio Management Agreement. As a result, the performance of the Notes will be highly dependent on the expertise of the Portfolio Manager and/or its affiliates. Individual employees of the Portfolio Manager and/or its affiliates may or may not be engaged full time in the management of the Portfolio and may not necessarily continue to be so employed during the entire term of the Portfolio Management Agreement or may not continue to perform services for the Portfolio Manager and/or its affiliates under the Portfolio Management Agreement. Notwithstanding the above, the Portfolio Management Agreement provides that the appointment of the Portfolio Manager may be terminated if Eugene Kim (the "**Key Person**") ceases to be employed by the Portfolio Manager or to be actively involved in the Portfolio Manager's role as Portfolio Manager, unless the Key Person is replaced by persons of an equivalent or higher degree of capacity and competence in the period from (and including) the date that the Key Person ceases to be employed or to be actively involved in the Portfolio Manager's role as Portfolio Manager to (but excluding) the 60th day following such date (such day, the "**Key Person Cut-Off End Date**").

On the Key Person Cut-Off End Date, in the event that there are no Key Persons employed by the Portfolio Manager, the Issuer shall notify the Portfolio Manager, the Swap Counterparty, the Trustee and the Noteholders of the removal of the Portfolio Manager with immediate effect and the Issuer, the Swap Counterparty and/or the Trustee may declare the Portfolio to be static on such date.

Upon the removal or resignation of the Portfolio Manager, while any of the Notes are outstanding, the Issuer, the Swap Counterparty and/or the Trustee may appoint a Successor Manager.

Investors should note that the Portfolio Manager does not owe any fiduciary duty to any Noteholder. Tribridge Investment Partners Limited is exclusively involved as Portfolio Manager with respect to the Portfolio. There can be no assurance that the Portfolio Manager will maximise returns to the Noteholders in a manner comparable to the performance achieved by the Key Person and other officers and employees of the Portfolio Manager in the past or available elsewhere in the market. Nothing contained in this Series Prospectus shall be relied upon as a promise, representation or warranty as to such performance. The return on the Notes will be highly dependent upon the financial and managerial experience of the Portfolio Manager and/or its affiliates and of the Key Person and the other officers and employees of the Portfolio Manager. The loss of the Key Person could have a material adverse effect on the performance of the Notes, and the Portfolio Manager and/or its affiliates assume no liability for any damaging consequences arising out of such losses. Investors are encouraged to review the Description of the Portfolio Management Agreement in Annex 5 and the description of the Portfolio Manager in Annex 6.

The nature of, and risks associated with, the Portfolio may differ materially from other investments and strategies undertaken by the Portfolio Manager and/or its affiliates, the Key Person and the other officers and employees of the Portfolio Manager, including by reason of the nature of the Portfolio as well as the various criteria required to be met by the Portfolio Management Agreement. There can be

no assurance that results in connection with the Portfolio will be the same as those in relation to investments and strategies undertaken by the Portfolio Manager and/or its affiliates, the Key Person and the other officers and employees of the Portfolio Manager on behalf of other clients.

The investment decisions made by the Portfolio Manager in relation to the Portfolio will be subject to inherent risks. These include, among other things, credit, liquidity and interest rate risk, the financial condition of the swap counterparties and the Reference Entities, general economic conditions, market price volatility, the condition of certain financial markets, political events and developments of trends in any particular country or in emerging markets generally.

### **Risks Relating to Calculation Agent**

#### ***Dependence upon the Calculation Agent***

Investors in the Notes are highly dependent upon the Calculation Agent to make determinations and calculations relating to the Portfolio over the life of the Notes. Such determinations and calculations may affect the value of the Notes on the Maturity Date.

#### ***Determinations and calculations***

The Calculation Agent shall employ the methodology described in the Terms and Conditions of the Notes (including the Strategy) and its application of such methodology shall be conclusive and binding. Any determination or calculation by the Calculation Agent will be in its sole and absolute discretion, acting in good faith, and will be conclusive and binding on all parties, in the absence of manifest or proven error. The Noteholders shall (in the absence as aforesaid) not be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Notes.

#### ***Optional Rebalancing***

If the Portfolio Manager (i) fails to deliver a Rebalancing Effect Notice within the stated time period or (ii) upon receipt of a Rebalancing Effect Notice, the actions specified in such notice are not sufficient for the Rebalancing Conditions to be satisfied, the Calculation Agent may effect one or more Adjustments in accordance with the parameters set out under "Optional Rebalancing" in the Strategy. In these circumstances, the Calculation Agent will be under no obligation to effect such Adjustment(s), may select any such Adjustment in its sole and absolute discretion (subject to the parameters set out under "Optional Rebalancing" in the Strategy) and will have no liability in connection with effecting such Adjustment or not effecting any such Adjustment and the consequences thereof. The determinations of the Calculation Agent in effecting such Adjustment(s) may adversely affect the value of the Notes and the return payable to the Noteholders in respect of the Notes.

#### ***Calculation Agent Discretion in respect of a Purchase by the Issuer of the Notes***

In the event of a purchase by the Issuer of some but not all of the Notes, the Calculation Agent shall, without the consent of the Noteholders or any other parties, adjust the terms of the Notes, the Swap Agreement and the Strategy as necessary to reflect such partial purchase and to preserve the economic equivalence of the Notes and the Swap Agreement after such partial purchase. Such adjustment may affect the returns payable to the Noteholders in respect of the Notes.

### **Additional Risks**

#### ***Preferred creditors under Irish law***

The Issuer is an Irish company. Under Irish law, upon an insolvency of an Irish company, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take

priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the Irish courts (see "Examinership" below).

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

### ***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 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 compile 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 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 included 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 to the Issuer are as follows:

- (i) 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;
- (ii) 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
- (iii) 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 monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders.

***Non-Registration under Securities Act and Restriction on Transfer***

Each Class of Notes has 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. The Issuer will not provide registration rights to any purchaser of any Notes. Consequently, the transfer of any 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 in the Base Prospectus under “Subscription and Sale and Transfer Restrictions” which may further limit the liquidity of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

The following are the 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 (the “**Conditions**”).

### **Emerald Capital Limited**

*(incorporated with limited liability in Ireland)*

### **Series 2011-001 USD32,000,000 Non-Principal Protected Asia Pacific Credit Dynamic Leverage Secured Limited Recourse Notes due 2016**

**issued pursuant to the  
Emerging Markets Secured Note Issuance Programme  
arranged by  
Citigroup Global Markets Limited**

The issue of Series 2011-001 USD32,000,000 Non-Principal Protected Asia Pacific Credit Dynamic Leverage Secured Limited Recourse Notes due 2016 (the “**Notes**”) of Emerald Capital Limited (the “**Issuer**”) on 12 May 2011 (the “**Issue Date**”) was authorised by a resolution of the Board of Directors of the Issuer passed on or about 12 May 2011.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 9 May 2011 which constitutes a base prospectus for the purposes of the Directive 2003/71/EC (the “**Prospectus Directive**”). This document must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Terms and Conditions of the Notes and the Base Prospectus.

#### **Provisions appearing on the face of the Notes**

<b>1</b>	Issuer:	Emerald Capital Limited.
<b>2</b>	Relevant Dealer/Lead Manager (including, if Syndicated Issue, Managers):	Citigroup Global Markets Limited (“ <b>CGML</b> ”).
<b>3</b>	Series No:	2011-001.
<b>4</b>	Tranche No:	Not Applicable.
<b>5</b>	ISIN:	XS0619971483.
<b>6</b>	Common Code:	061997148.
<b>7</b>	CUSIP:	29087M9B4.
<b>8</b>	PORTAL Code:	Not Applicable.
<b>9</b>	Currency (or Currencies in the case of Dual Currency Notes):	USD.
<b>10</b>	Principal Amount:	USD32,000,000 provided that the outstanding aggregate Principal Amount may be reduced from time to time pursuant to Condition 7.4 ( <i>Purchases</i> ) and/or increased from time to time pursuant to Condition 15 ( <i>Further Issues</i> ) (the “ <b>Nominal Amount Outstanding</b> ”).



- 11 (i) Issue Date: 12 May 2011.  
(ii) Date of Board approval for issuance of Notes obtained: On or about 12 May 2011.

12 Issue Price: 100 per cent.

**Provisions appearing on the back of the Notes**

- 13 Form: Registered.
- 14 Denomination(s): USD500,000.
- 15 Status: Secured and limited recourse obligations of the Issuer, secured as provided below.
- 16 Interest Amount: In respect of each Note, the Interest Amount will be an amount determined by the Calculation Agent in respect of each Interest Payment Date that is equal to the quotient of:
- (i) Notes Cash Balance Excess Payment (as defined in the Annex 1 (*Strategy*)) received by the Issuer from time to time pursuant to the Performance Swap; and
  - (ii) the number of Notes outstanding on such Interest Payment Date.
- 17 Interest Commencement Date (if different from Issue Date): Issue Date
- 18 Interest Basis: Not Applicable.
- 19 Interest Rate: Not Applicable.
- 20 Interest Payment Date(s): Each date that is 3 Business Days immediately following each date on which the Issuer receives any Notes Cash Balance Excess Payment pursuant to the Performance Swap.
- 21 Relevant Time (Floating Rate Notes): Not Applicable.
- 22 Determination Date(s) (if applicable): Not Applicable.
- 23 Interest Determination Date (Floating Rate Notes): Not Applicable.
- 24 Primary Source for Floating Rate: Not Applicable.
- 25 Reference Banks (Floating Rate Notes): Not Applicable.
- 26 Relevant Financial Centre (Floating Rate Notes): Not Applicable.
- 27 Benchmark: Not Applicable.
- 28 Broken Amount (Fixed Rate Notes): Not Applicable.

<b>29</b>	Representative Amount (Floating Rate Notes):	Not Applicable.
<b>30</b>	Relevant Currency (Floating Rate Notes):	Not Applicable.
<b>31</b>	Effective Date (Floating Rate Notes):	Not Applicable.
<b>32</b>	Specified Duration (Floating Rate Notes):	Not Applicable.
<b>33</b>	Margin (Floating Rate Notes):	Not Applicable.
<b>34</b>	Rate Multiplier (if applicable):	Not Applicable.
<b>35</b>	Maximum/Minimum Interest Rate (if applicable):	Not Applicable.
<b>36</b>	Maximum/Minimum Instalment Amount (if applicable):	Not Applicable.
<b>37</b>	Maximum/Minimum Redemption Amount (if applicable):	Not Applicable.
<b>38</b>	Interest Amount (Fixed Rate Notes):	Not Applicable.
<b>39</b>	Day Count Fraction:	Not Applicable.
<b>40</b>	Interest Period Date(s) (if applicable):	Each Interest Payment Date.
<b>41</b>	Redemption Amount (including early redemption):	<p><b>(i) Final Redemption</b></p> <p>Subject as provided below, the Redemption Amount payable in respect of each Note on the Maturity Date shall be equal to the quotient of:</p> <p>(i) the Final Exchange Amount (if any) (as defined in Annex 1 (<i>Strategy</i>)); and</p> <p>(ii) the number of Notes outstanding on the Maturity Date.</p> <p><b>(ii) On Early Redemption for taxation and other reasons pursuant to Condition 7.3</b></p> <p>Where the Notes are redeemed early upon the occurrence of taxation or other reasons pursuant to Condition 7.3, notwithstanding Condition 7.3, each Note will be redeemed on the relevant date for redemption specified in the notice to redeem the Notes pursuant to Condition 7.3 (the “<b>Early Redemption Date</b>”) at an amount in USD being equal to such Note's <i>pro rata</i> share of an amount that is equal to the Cash Balance (determined 2 Business Days prior to the Early Redemption Date at the sole and absolute discretion of the Calculation Agent) (the</p>

**“Early Redemption Amount”).**

42	Maturity Date:	12 May 2016.
43	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	Yes.
44	Index/Formula (Indexed Notes):	Not Applicable.
45	Calculation Agent:	CGML.  Any amounts falling to be determined by the Calculation Agent pursuant to these Conditions shall be determined by it in its sole and absolute discretion, acting in good faith, rounding (where necessary) the relevant amount down to the nearest cent.
46	Dual Currency Notes:	Not Applicable.
47	Partly-Paid Notes:	Not Applicable.
48	Amortisation Yield (Zero Coupon Notes):	Not Applicable.
49	Terms of redemption at the option of the Issuer or other Issuer’s option (if applicable):	Not Applicable.
50	Terms of redemption at the option of the Noteholders or other Noteholders’ Option (if applicable):	Subject to the prior written consent of the Swap Counterparty and the Portfolio Manager, the Noteholders by an Ordinary Resolution may redeem the Notes (in whole but not in part) upon not less than 20 Business Days notice to the Swap Counterparty, Portfolio Manager, Issuer and Trustee.

Such Ordinary Resolution will set out the date on which the Notes will be redeemed (such date, an **“Early Redemption Date”**). In such circumstances, all Notes will be redeemed on the relevant Early Redemption Date at an amount per Note in USD being equal to each Note’s *pro rata* share of an amount that is equal to the Cash Balance (determined 2 Business Days prior to the Early Redemption Date at the sole and absolute discretion of the Calculation Agent) (the **“Early Redemption Amount”**).

For this purpose, **“Ordinary Resolution”** means any of the following:

(i) a resolution in writing signed by or on behalf of, in aggregate, the holders of not less than 66 2/3 per cent. in principal amount of the Notes for the time being outstanding; or

(ii) where the Notes are held in one or more clearing systems, a resolution consented to in accordance with

the procedures and rules from time to time of the relevant clearing systems by, in aggregate, the holders of not less than 66 2/3 per cent. in principal amount of the Notes for the time being outstanding (such consent to be evidenced in accordance with the procedures and rules from time to time of the relevant clearing systems); or

(iii) a resolution passed at a meeting duly convened and held in accordance with the terms of the Trust Deed by a majority of at least 66 2/3 per cent of the votes cast.

<b>51</b>	Issuer's Option Period:	Not Applicable.
<b>52</b>	Noteholders' Option Period:	Not Applicable.
<b>53</b>	Instalment Date(s) (if applicable):	Not Applicable.
<b>54</b>	Instalment Amount(s) (if applicable):	Not Applicable.
<b>55</b>	Unmatured Coupons to become void upon early redemption:	Not Applicable.
<b>56</b>	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.
<b>57</b>	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	London, Hong Kong and New York.
<b>58</b>	Modification to definition of Business Day in Condition 6.2 (if any):	Not Applicable.
<b>59</b>	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 13.1 (if applicable):	Not Applicable.
<b>60</b>	Details of any other additions or variations to the Conditions (if applicable):	<p>(a) The provisions of Condition 4.1 shall be amended by the inclusion of an additional paragraph 4.1.5 as follows: "an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Portfolio Management Agreement and any sums received thereunder."</p> <p>(b) The provisions of Annex 1 (<i>Strategy</i>) shall form a part of these Conditions.</p> <p>(c) Condition 11 shall be amended as follows: the words "forthwith become, immediately" shall</p>

be replaced with the word “become” and the words “on the fifth London Business Day following such notice” shall be inserted after the words “Redemption Amount”. Notwithstanding anything to the contrary in Condition 11, the “Redemption Amount” for the purposes of any redemption pursuant to Condition 11 shall be an amount equal to the Early Redemption Amount specified in paragraph 41(ii) above (determined as if the relevant date of redemption was the Early Redemption Date).

(d) References to "Collateral" and "Custodian" in the Conditions shall be deleted and any relevant Conditions or clauses shall be construed accordingly.

61 Details of any additions or variations to the Dealer Agreement:

None.

62 The Agents appointed in respect of the Notes are:

Citibank, N.A., London Branch  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**as Issuing and Paying Agent and Transfer Agent**

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

**as Calculation Agent**

Arthur Cox Listing Services Limited  
Earlsfort Centre  
Earlsfort Terrace  
Dublin 2

**as Irish Listing Agent**

Citigroup Global Markets Deutschland AG  
Reuterweg 16  
60323 Frankfurt  
Germany

**as Registrar**

Tribridge Investment Partners Limited  
2301-2 Tower Two, Lippo Centre  
89 Queensway  
Hong Kong

**as Portfolio Manager** pursuant to the Portfolio

Management Agreement.

- 63** Purchase by the Issuer of Notes: The Issuer may purchase Notes. In the event of a purchase by the Issuer of some but not all of the Notes, the Calculation Agent shall, without the consent of the Noteholders or any other parties, adjust the terms of the Notes, the Swap Agreement and the Strategy (as defined in Annex 1 of the Conditions) as necessary to reflect such partial purchase and to preserve the economic equivalence of the Notes and the Swap Agreement after such partial purchase.
- 64** Settlement Method: Delivery free of payment.

**Provisions applicable to Global Notes and Certificates**

- 65** How Notes will be represented on issue: Unrestricted Global Certificates.
- 66** Applicable TEFRA exemption: Not Applicable.
- 67** Whether Temporary/Permanent Global Note is exchangeable for Definitive Notes/ Individual Certificates at the request of the holder: Not Applicable.
- 68** Additional requirements, restrictions or qualifications relating to the U,S, Commodity Exchange Act: Not Applicable.

**Provisions relating only to the sale and listing of the Notes**

- 69** Details of any additions or variations to the Dealer Agreement: Not Applicable.
- 70** (i) Listing and admission to trading: This Series Prospectus has been approved by the Central Bank as competent authority under the Prospectus Directive. Application has been made to the Irish Stock Exchange Limited (the “**Irish Stock Exchange**”) for the Notes to be admitted to the Official List and trading on its regulated market.  
All such expenses are being paid by the Arranger.
- (ii) Estimate of total expenses related to the admission to trading:
- 71** Dealer’s Commission: None.
- 72** Method of Issue: Individual Dealer.
- 73** The following Dealer is subscribing to the Notes: Citigroup Global Markets Limited.

74 Rating: Not Applicable.

### The Security Arrangements

75 Mortgaged Property:

(a) Collateral: Not Applicable.

(b) Security (order of priorities): 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 (the “**Proceeds**”) in accordance with “Counterparty Priority A” as amended below.

The Trustee shall (subject to the provisions of the Supplemental Trust Deed and to Clause 6.17 of the Principal Trust Deed) apply all moneys received by it under the provisions of the Trust Deed in connection with the realisation or enforcement of the security constituted thereby as follows:

- (i) firstly, *pro rata* and *pari passu*, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver (including any taxes required to be paid, the costs of realising any security and the Trustee’s and/or such receiver’s remuneration in connection therewith);
- (ii) secondly, in meeting the claims (if any) of the Swap Counterparty pursuant to the Swap Agreement;
- (iii) thirdly, in meeting the claims (if any) of the Portfolio Manager in respect of the Base Management Fees, Portfolio Manager Cash Balance Excess Payments and Performance Fees payable under the Portfolio Management Agreement;
- (iv) fourthly, *pro rata* and *pari passu*, in meeting the claims (if any) of the holders of Notes and for this purpose such claims shall include any claim of any Agent for reimbursement in respect of payment of principal made to the holders of Notes; and
- (v) fifthly, in payment of the balance (if any) to the Swap Counterparty.

Condition 4.2 and Clause 6.17 of the Principal Trust Deed shall be amended accordingly.

	(c)	Option Agreement (if applicable):	Not Applicable.
		Option Counterparty(ies):	Not Applicable.
		Option Guarantor (if applicable):	Not Applicable.
	(d)	Swap Agreements (if applicable):	See Annex 3 ( <i>The Swap Agreement</i> ) and Annex 4 ( <i>Form of Performance Swap Confirmation</i> )
		Swap Counterparty(ies):	CGML, whose registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. See Annex 3 ( <i>The Swap Agreement</i> ).
		Swap Guarantor (if applicable):	Citigroup Inc. See Annex 3. As at the Issue Date, shares of Citigroup Inc. are listed on the New York Stock Exchange.
		Swap Guarantee:	The obligations of the Swap Counterparty to the Issuer under the Swap Agreement are guaranteed by the Swap Guarantor pursuant to a guarantee dated 23 February 2007 (the " <b>Swap Guarantee</b> ").
	(e)	Details of Credit Support Document (if applicable):	Swap Guarantee. As set out in paragraph 74(d) above.
	(f)	Credit Support Provider:	Swap Guarantor. As set out in paragraph 74(d) above.
<b>76</b>		Priority of interests in Mortgaged Property:	As set out in paragraph 74(b) above.
<b>77</b>		Mandatory Redemption:	Not Applicable.
<b>78</b>		Noteholder Substitution of Collateral:	Not Applicable.



## ANNEX 1 STRATEGY

### 1. OVERVIEW

The Final Exchange Amount (payable by the Swap Counterparty to the Issuer pursuant to the Performance Swap) is linked to the performance of the Portfolio. The Portfolio is a hypothetical portfolio of assets comprised of:

- (a) a notional portfolio comprising CDS (the "**CDS Portfolio**");
- (b) a notional portfolio comprising TRS (the "**TRS Portfolio**");
- (c) a notional portfolio comprising FXO (the "**FXO Portfolio**"); and
- (d) a notional portfolio comprising EQO (the "**EQO Portfolio**", and, together with the CDS Portfolio, the TRS Portfolio and the FXO Portfolio, the "**Portfolio**"),

in each case as managed and/or selected by the Portfolio Manager for inclusion in the Portfolio from time to time pursuant to the terms of the Portfolio Management Agreement and/or this Annex 1 (*Strategy*).

### 2. PERFORMANCE SWAP

On the Issue Date, the Issuer will enter into a swap transaction (the "**Performance Swap**") with the Swap Counterparty in respect of certain of the Issuer's payment obligations under the Notes. Pursuant to the terms of the Performance Swap:

- (a) the Issuer shall pay to the Swap Counterparty an amount equal to the Principal Amount on the Issue Date;
- (b) the Swap Counterparty shall pay to the Issuer on each Cash Balance Excess Payment Date, an amount that is equal to each relevant Notes Cash Balance Excess Payment; and
- (c) subject to the prior early redemption of the Notes pursuant to the Conditions, the Swap Counterparty shall pay to the Issuer on the Maturity Date an amount that is equal to the Final Exchange Amount.

In addition, the Swap Counterparty will pay to the Issuer (i) an amount that is equal to each relevant Portfolio Manager Cash Balance Excess Payment on each Cash Balance Excess Payment Date; (ii) an amount equal to the Base Management Fee on each Base Management Fee Payment Date and (iii) an amount equal to the Performance Fee on the Maturity Date, the Early Redemption Date, the Enforcement Date, the Optional Portfolio Unwind Date, or any other date on which the Performance Fee is payable to the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement, as the case may be.

The form of the Performance Swap is set out in "*Form of Performance Swap Confirmation*" at Annex 4 of this Prospectus.

### 3. CASH BALANCE

The Calculation Agent shall maintain a notional cash ledger at all times. On any Business Day, the balance of such ledger (the "**Cash Balance**") shall be an amount calculated by the Calculation Agent that is equal to:

- (a) the sum of:

- (i) the Principal Amount minus (A) the Upfront Expenses and (B) the Structuring Upfront Fee;
  - (ii) the aggregate of all Deposit Interest determined to (and including) such day;
  - (iii) the Portfolio Trading Balance determined to (and including) such day; and
  - (iv) the Portfolio Unwind Value (if any),
- less
- (b) the sum of:
    - (i) the aggregate of all Fees that have been paid on or prior to such day plus the aggregate of all Fees that are accrued (but unpaid) as determined to (and including) such day;
    - (ii) the aggregate of any Notes Cash Balance Excess Payments paid to Noteholders on or prior to such date; and
    - (iii) the aggregate of any Portfolio Manager Cash Balance Excess Payment paid to the Portfolio Manager on or prior to such date,

subject to a minimum of zero.

#### 4. **PORTFOLIO TRADING BALANCE**

The Portfolio Trading Balance is a notional ledger that will be maintained by the Calculation Agent at all times. The Portfolio Trading Balance may be a positive or negative value. Entries to the notional ledger will be made as a result of payments that would be notionally made by the Swap Counterparty or the Issuer in respect of each Portfolio Asset selected by the Portfolio Manager for addition to or removal from the Portfolio from time to time pursuant to the terms of the Portfolio Management Agreement and/or this Annex 1 (*Strategy*). On any Business Day, the "**Portfolio Trading Balance**" shall be an amount calculated by the Calculation Agent equal to:

- (a) the aggregate of all amounts that have notionally become payable on or prior to such Business Day by the Swap Counterparty to the Issuer in connection with any Portfolio Asset; minus
- (b) the aggregate of all amounts that have notionally become payable on or prior to such Business Day by the Issuer to the Swap Counterparty in connection with any Portfolio Asset,

in each case, if applicable, exchanged into USD at the Current Spot Rate in respect of the date of such notional payment.

The amounts described in (a) and (b) above that notionally become payable in connection with any Portfolio Asset include (but are not limited to) the aggregate of all Portfolio Asset Contractual Payments and Portfolio Removal Payments.

#### 5. **PORTFOLIO ADJUSTMENTS**

##### 5.1 **Optional Portfolio Adjustment**

- 5.1.1 The Portfolio Manager may, on any Optional Portfolio Adjustment Notice Date between 7:00 a.m. and 7:00 p.m. (Hong Kong time), deliver a notice to the Calculation Agent and the Swap Counterparty (substantially in the form set out in Schedule 2 (*Form of Optional Portfolio Adjustment Notice*) to the Portfolio Management Agreement) (each such notice, an "**Optional**

**Portfolio Adjustment Notice**") specifying its intention to make one or more Portfolio Additions and/or one or more Portfolio Removals pursuant to and in accordance with this paragraph 5 (*Portfolio Adjustments*), as the case may be (each such proposed Portfolio Addition and proposed Portfolio Removal, a "**Proposed Adjustment**").

5.1.2 Each Optional Portfolio Adjustment Notice shall set out, but shall not be limited to, the following information:

- (a) in respect of a proposed Portfolio Addition of any Portfolio Asset, (i) the relevant Portfolio Asset Terms; and (ii) the relevant commercial details that would be required to enable the Swap Counterparty and Issuer to notionally enter into the relevant Portfolio Asset based on the relevant Portfolio Asset Terms;
- (b) in respect of a proposed Portfolio Removal, the details of Portfolio Asset to be removed (and if to be removed in part, the notional amount to be removed);
- (c) if applicable, the details of the relevant Quotation in accordance with paragraph 9 (*Portfolio Manager Quotations*)  
  
(a), (b) and (c), being the "**Optional Portfolio Adjustment Notice Details**";
- (d) a statement by the Portfolio Manager that at the time of the Optional Portfolio Adjustment Notice the relevant Portfolio Conditions will be complied with if such Proposed Adjustment were effected (or if the relevant Portfolio Conditions were not satisfied at the time of the Optional Portfolio Adjustment Notice, the non-compliance with the relevant Portfolio Conditions will not be worsened); and
- (e) in respect of each proposed Portfolio Addition, whether such Portfolio Addition comprises part of a Negative Basis Package (and, if so, identifying the corresponding Portfolio Asset that is also comprised in the relevant Negative Basis Package).

An Optional Portfolio Adjustment Notice may only be delivered pursuant to paragraph 13 (*Notification of Adjustments*).

5.1.3 As soon as reasonably practicable after receipt (or, as the case may be, deemed receipt) of an Optional Portfolio Adjustment Notice from the Portfolio Manager, the Swap Counterparty shall notify the Calculation Agent and the Portfolio Manager pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 3 (*Form of Portfolio Adjustment Confirmation Notice*) to the Portfolio Management Agreement) of the following information:

- (a) in respect of each proposed Portfolio Addition:
  - (i) confirmation of the relevant Required Reserve Amount; and
  - (ii) if applicable, confirmation of the Swap Counterparty's ability to enter into a Hedging Transaction with the relevant Hedging Counterparty in respect of the relevant Portfolio Addition; and
- (b) in respect of a proposed Portfolio Removal:
  - (i) the relevant Portfolio Removal Payment; and
  - (ii) if applicable, confirmation of the Swap Counterparty's ability to enter into a Hedging Transaction with the relevant Hedging Counterparty in respect of the relevant Portfolio Removal

(each such notice in the case of a Proposed Adjustment, a "**Portfolio Adjustment Confirmation Notice**").

Upon delivery of an effective Portfolio Adjustment Confirmation Notice, the relevant Proposed Adjustment shall be deemed to be effective (such effective Proposed Adjustment being an "**Adjustment**" and the date that the relevant Adjustment is effective being the "**Portfolio Adjustment Date**").

#### 5.1.4 Ineffective Optional Portfolio Adjustment

(a) If either:

- (i) the Optional Portfolio Adjustment Notice does not comply with the requirements set out at paragraph 5.1.2 above; or
- (ii) the Portfolio Adjustment Confirmation Notice does not comply with the requirements set out in the definition of "Portfolio Adjustment Confirmation Notice" at paragraph 5.1.3 above,

then the relevant Optional Portfolio Adjustment Notice or Portfolio Adjustment Confirmation Notice, as applicable, shall be deemed to be void and the relevant Proposed Adjustment will not be effective (and the Calculation Agent shall make any adjustments to the Portfolio, Portfolio Value, any relevant Required Reserve Amount, Reserve Amount and any other terms as it determines are necessary to reflect such Proposed Adjustment not being effective).

- (b) If, at any time on or prior to the receipt by the Portfolio Manager and Calculation Agent of a Portfolio Adjustment Confirmation Notice, the Swap Counterparty confirms to the Portfolio Manager and Calculation Agent that it is or would become unable to enter into the relevant Hedging Transaction with respect to the relevant Proposed Adjustment for any reason, then the relevant Optional Portfolio Adjustment Notice shall be deemed to be void and the relevant Proposed Adjustment will not be effective (and the Calculation Agent shall make any adjustments to the Portfolio, Portfolio Value, any relevant Required Reserve Amount, Reserve Amount and any other terms as it determines are necessary to reflect such Proposed Adjustment not being effective).

5.1.5 If an Optional Portfolio Adjustment Notice is not received by the Swap Counterparty and the Calculation Agent by 12:00 noon (Hong Kong time) on a Business Day, then, unless otherwise agreed by the Swap Counterparty and the Calculation Agent (as the case may be), such Optional Portfolio Adjustment Notice shall be deemed to be effective on the first following day that is a Business Day (provided that such following Business Day is an Optional Portfolio Adjustment Notice Date and any such notice shall be deemed to be ineffective if such Business Day is not an Optional Portfolio Adjustment Date).

5.1.6 Any of the foregoing provisions relating to Adjustments may be modified at any time by agreement between the Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party.

## 5.2 Mandatory Portfolio Adjustment

On any Business Day, the Swap Counterparty may (but is under no obligation to) notify the Portfolio Manager and the Calculation Agent pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 4 (*Form of Portfolio Breach Notice*) to the Portfolio Management Agreement) (such notice, a "**Portfolio Breach Notice**") that it

has determined that any one or more of the Portfolio Conditions is not satisfied at such time (each a "**Portfolio Breach**"). The Swap Counterparty will be under no obligation to monitor or determine whether or not a Portfolio Breach has occurred and will have no liability in connection with making or not making such determination and/or delivering or not delivering a Portfolio Breach Notice and the consequences thereof.

As soon as reasonably practicable following receipt of a Portfolio Breach Notice, the Portfolio Manager shall deliver a notice to the Calculation Agent and the Swap Counterparty pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 5 (*Form of Mandatory Portfolio Adjustment Notice*) to the Portfolio Management Agreement) referencing such Portfolio Breach and providing details of the Proposed Adjustment(s) that it wishes to effect to cure such Portfolio Breach (such notice, a "**Mandatory Portfolio Adjustment Notice**"). Following delivery of any Mandatory Portfolio Adjustment Notice, Paragraphs 5.1.1 to 5.1.6 (inclusive) shall apply provided that:

- (a) references to "Optional Portfolio Adjustment Notice" shall be deemed to be deleted and replaced with references to "Mandatory Portfolio Adjustment Notice";
- (b) the Mandatory Portfolio Adjustment Notice shall additionally confirm whether the Proposed Adjustment(s) when effected will cure the relevant Portfolio Breach.

### 5.3 Portfolio Monthly Reports

Pursuant to the Portfolio Management Agreement, the Portfolio Manager shall maintain a database of all Adjustments and such details shall be set out in the Portfolio Monthly Reports (as defined therein).

## 6. LIQUIDITY OF PORTFOLIO ASSETS

6.1. For the purpose of determining the relevant Required Reserve Amount in respect of any CDS or TRS in accordance with Appendix 6 (*Leverage Rules*), the Swap Counterparty will determine whether:

- (a) each CDS should be categorised as an illiquid CDS (each being an "**Illiquid CDS**") or a liquid CDS (each being a "**Liquid CDS**"); and
- (b) each TRS should be categorised as an illiquid TRS (each being an "**Illiquid TRS**") or a liquid TRS (each being a "**Liquid TRS**").

6.2. In respect of any Business Day, the Portfolio Manager may:

- (a) change the categorisation of any Illiquid CDS to be a Liquid CDS by delivering a valid CDS Liquidity Confirmation to the Swap Counterparty; and/or
- (b) change the categorisation of any Illiquid TRS to be a Liquid TRS by delivering a valid TRS Liquidity Confirmation to the Swap Counterparty.

### 6.3. CDS Liquidity Confirmation

In respect of any Business Day and an Illiquid CDS, the Portfolio Manager may deliver to the Swap Counterparty and the Calculation Agent a notice in writing (substantially in the form set out in Schedule 6 (*Form of Liquidity Confirmation*) to the Portfolio Management Agreement) that:

- (a) sets out the names of three Eligible Dealers that can provide firm and tradable current bid and offer side quotations of the Running Fixed Rate in respect of the notional

amount of the relevant CDS to act as protection buyer and protection seller in respect of a credit default swap based on the same terms as the relevant CDS; and

- (b) confirms that the difference between each such bid and offer quotation of Running Fixed Rate is no more than the greater of (a) 40 basis points per annum, and (b) 10 per cent. of the average of such bid and offer side quotations of Running Fixed Rate, (each such written notice, a "**CDS Liquidity Confirmation**").

Unless the Swap Counterparty confirms to the Portfolio Manager in writing that the quotations received from the relevant Eligible Dealers set out in such CDS Liquidity Confirmation are not firm and tradable, upon delivery of an effective CDS Liquidity Confirmation, the relevant Illiquid CDS will be deemed to be a Liquid CDS and the relevant Required Reserve Amount in respect of such CDS shall be adjusted in accordance with Appendix 6 (*Leverage Rules*).

#### 6.4. **TRS Liquidity Confirmation**

In respect of any Business Day and an Illiquid TRS, the Portfolio Manager may deliver to the Swap Counterparty and the Calculation Agent a confirmation in writing (substantially in the form set out in Schedule 6 (*Form of Liquidity Confirmation*) to the Portfolio Management Agreement) that:

- (a) sets out the names of three Eligible Dealers that can provide current firm and tradable bid and offer side quotations for the principal amount of the relevant Reference Asset referenced by such TRS; and
- (b) confirms that the difference between such bid and offer quotations respectively is either:
  - (i) in respect of a Hard Currency TRS, no more than 2.0 per cent. of the principal amount of the relevant Reference Asset referenced by such TRS; or
  - (ii) in respect of a Local Currency TRS, no more than 2.5 per cent. of the principal amount of the relevant Reference Asset referenced by such TRS

(each such written confirmation a "**TRS Liquidity Confirmation**").

Unless the Swap Counterparty confirms to the Portfolio Manager in writing that the quotations received from the relevant Eligible Dealers set out in such TRS Liquidity Confirmation are not firm and tradable, upon delivery of an effective TRS Liquidity Confirmation, the relevant Illiquid TRS will be deemed to be a Liquid TRS and the relevant Required Reserve Amount in respect of such TRS shall be adjusted in accordance with Appendix 6 (*Leverage Rules*).

#### 6.5. **Amendments**

Any of the foregoing provisions set out at paragraphs 6.1- 6.4 (inclusive) may be modified at any time by agreement between the Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party.

### 7. **REBALANCING**

#### 7.1. **Rebalancing Events**

- 7.1.1 On any Business Day, the Swap Counterparty may (but is under no obligation to) provide notice to the Portfolio Manager and the Calculation Agent pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 7 (*Form of Rebalancing Event Notice*) to the Portfolio Management Agreement) that it has determined that a Rebalancing Event has occurred and is continuing (each such notice, a "**Rebalancing**

**Event Notice**"). In addition, each Rebalancing Event Notice shall specify (i) the relevant Reserve Amount, and (ii) the relevant Required Reserve, in each case as determined on the date of the Rebalancing Event Notice.

The Swap Counterparty will be under no obligation to monitor or determine whether or not a Rebalancing Event has occurred and will have no liability in connection with making or not making such determination and/or delivering or not delivering a Rebalancing Event Notice and the consequences thereof.

7.1.2 No later than two hours after receipt by the Portfolio Manager of a Rebalancing Event Notice, the Portfolio Manager shall deliver a notice in writing pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 8 (*Form of Rebalancing Effect Notice*) to the Portfolio Management Agreement) to the Calculation Agent and the Swap Counterparty that:

- (a) references such Rebalancing Event Notice;
- (b) specifies the Proposed Adjustment(s) to be made to cure such Rebalancing Event on that date (the "**Rebalancing Date**") and the relevant Optional Portfolio Adjustment Notice Details; and
- (c) confirms that at the time of the Rebalancing Effect Notice, such Proposed Adjustment(s) will result in the Rebalancing Conditions being satisfied; and
- (d) in respect of each proposed Portfolio Addition, specifies whether such Portfolio Addition comprises part of a Negative Basis Package (and, if so, identifying the corresponding Portfolio Asset that is also comprised in the relevant Negative Basis Package)

(the "**Rebalancing Effect Notice**").

7.1.3 As soon as reasonably practicable after receipt by the Swap Counterparty of a Rebalancing Effect Notice, the Swap Counterparty shall deliver to the Calculation Agent and the Portfolio Manager a notice in writing pursuant to paragraph 13 (*Notification of Adjustments*) (substantially in the form set out in Schedule 9 (*Form of Rebalancing Confirmation Notice*) to the Portfolio Management Agreement) confirming on the relevant Rebalancing Date:

- (a) in respect of each proposed Portfolio Addition, the relevant Required Reserve Amount as determined in accordance with Appendix 6 (*Leverage Rules*); and
- (b) in respect of each proposed Portfolio Removal, the relevant Portfolio Removal Payment,

(each such notice, a "**Rebalancing Confirmation Notice**").

Upon delivery of an effective Rebalancing Confirmation Notice that confirms each of (a) and (b) above, the relevant Proposed Adjustment(s) shall be deemed to be effective on the relevant Rebalancing Date.

7.1.4 Ineffective Rebalancing

If either:

- (a) the Rebalancing Effect Notice does not comply with the requirements set out in the definition of "Rebalancing Effect Notice" at paragraph 7.1.2 above; or
- (b) the Rebalancing Confirmation Notice does not comply with the requirements set out in the definition of "Rebalancing Confirmation Notice" at paragraph 7.1.3 above,

then the relevant Rebalancing Effect Notice or Rebalancing Confirmation Notice, as applicable, shall be deemed to be void and the relevant Proposed Adjustment will not be effective (and the Calculation Agent shall make any adjustments to the Portfolio, Portfolio Value, any relevant Required Reserve Amount, Reserve Amount and any other terms as it determines are necessary to reflect such Proposed Adjustment not being effective).

- 7.1.5 Any of the foregoing provisions relating to Rebalancing Events may be modified at any time by agreement between the Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party.

## 7.2. **Optional Rebalancing**

- 7.2.1 If the Portfolio Manager fails to deliver a Rebalancing Effect Notice within the stated time period pursuant to paragraph 7.1 (*Rebalancing Events*), the Calculation Agent may, in accordance with the provisions set out at paragraph 7.2.3 below, notify the Portfolio Manager pursuant to paragraph 13 (*Notification of Adjustments*) (with a copy to the Swap Counterparty) that the Portfolio Manager has been deemed to have provided a Rebalancing Effect Notice in respect of one or more Proposed Adjustment(s) (as specified by the Calculation Agent) so that the Rebalancing Conditions are satisfied.

Such Proposed Adjustments will be deemed to be effective Adjustments on the date of such notice and the Portfolio shall be deemed to be amended accordingly.

For the purposes of this paragraph 7.2.1, the Calculation Agent may determine the contents of the deemed Rebalancing Effect Notice in its sole and absolute discretion but in accordance with the provisions set out at paragraph 7.2.3 below. The Calculation Agent will be under no obligation to effect such Adjustment(s), may select any such Adjustment in its sole and absolute discretion and will have no liability in connection with effecting such Adjustment or not effecting any such Adjustment and the consequences thereof.

- 7.2.2 If upon a receipt by the Calculation Agent of a Rebalancing Effect Notice from the Portfolio Manager pursuant to paragraph 7.1 (*Rebalancing Events*) above, the Calculation Agent determines that the Proposed Adjustments specified in such Rebalancing Effect Notice will not result in the Rebalancing Conditions being satisfied, the Calculation Agent may, in accordance with the provisions set out at paragraph 7.2.3 below, notify the Portfolio Manager pursuant to paragraph 13 (*Notification of Adjustments*) (with notice to the Swap Counterparty) which further Proposed Adjustment(s) shall be effected so that the Rebalancing Conditions would be satisfied.

Such Proposed Adjustments will be deemed to be effective Adjustments on the date of such notice and the Portfolio shall be deemed to be amended accordingly.

The Calculation Agent will be under no obligation to effect such Adjustment(s), may select any such Adjustment in its sole and absolute discretion but in accordance with the provisions set out at paragraph 7.2.3 below and will have no liability in connection with effecting such Adjustment or not effecting any such Adjustment and the consequences thereof.

- 7.2.3 In respect of this paragraph 7.2 (*Optional Rebalancing*), such Proposed Adjustment(s) shall be determined by the Calculation Agent in accordance with the following rules and order of priority:

- (a) such Proposed Adjustment(s) shall only be Portfolio Removals;
- (b) Portfolio Removals shall be in respect of Portfolio Assets in the following order of priority and only to the extent necessary to satisfy the Rebalancing Conditions:



- (i) CDS;
- (ii) FXO;
- (iii) EQO;
- (iv) Hard Currency denominated TRS; and
- (v) Local Currency denominated TRS;

In respect of each Portfolio Asset the subject of a Portfolio Removal pursuant to this paragraph 7.2.3, the Calculation Agent shall determine, in its sole and absolute discretion, the relevant adjustment to the Portfolio Trading Balance as a result of such Portfolio Removal and the provisions of paragraph 9 (*Portfolio Manager Quotations*) will not be applicable.

- 7.2.4 Any of the foregoing provisions relating to Optional Rebalancing may be modified at any time by agreement between the Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party.

## 8. SWAP COUNTERPARTY OPTIONAL PORTFOLIO UNWIND

If the Calculation Agent determines, in its sole and absolute discretion, that an Optional Portfolio Unwind Trigger Event has occurred on any date (such date of determination, the "**Unwind Determination Date**"), it shall promptly notify the Swap Counterparty and the Portfolio Manager of the occurrence of such Optional Portfolio Unwind Trigger Event. Upon receipt of such notification, the Swap Counterparty may, at any time on or after such Unwind Determination Date up to and including the Business Day which is three months after the Unwind Determination Date (the "**Cut-Off Date**"), elect in its sole and absolute discretion that the Issuer redeem each Note in full at the Early Redemption Amount (determined as if the Optional Portfolio Unwind Date were an Early Redemption Date) on any Business Day prior to the Cut-Off Date (such Business Day, the "**Optional Portfolio Unwind Date**").

If the Swap Counterparty exercises its option to require the Issuer to redeem the Notes in full on an Optional Portfolio Unwind Date, the Swap Counterparty shall (i) give the Trustee, the Issuing and Paying Agent, the Registrar, the Calculation Agent, the Issuer and the Noteholders not less than 2 Business Days' written notice prior to the Optional Portfolio Unwind Date of the exercise of such option, and (ii) determine the Portfolio Unwind Value on 2 Business Days prior to the Optional Portfolio Unwind Date.

The Issuer shall redeem the Notes in full at an amount equal to the Cash Balance (determined 2 Business Days prior to the Optional Portfolio Unwind Date) (the "**Optional Portfolio Unwind Amount**") on the Optional Portfolio Unwind Date.

If the Swap Counterparty does not exercise its option to require the Issuer to designate an Optional Portfolio Unwind Date prior to the Cut-Off Date, the Strategy as set out in this Annex shall continue as if no such Optional Portfolio Unwind Trigger Event had occurred.

## 9. PORTFOLIO MANAGER QUOTATIONS

### 9.1. Portfolio Adjustments

- 9.1.1 At any time on or prior to the effective receipt by the Swap Counterparty of an Optional Portfolio Adjustment Notice or a Mandatory Portfolio Adjustment Notice that relates to a Portfolio Addition or Portfolio Removal, as applicable, the Portfolio Manager may request quotations (each such quotation, a "**Quotation**") from Eligible Dealers on the following basis:

- (a) such Quotation must be firm and tradable bid or offer side quote, as applicable in respect of the relevant Portfolio Addition or Portfolio Removal, as applicable;
- (b) any Quotations that are not firm and tradable will be void and disregarded for all purposes;
- (c) the Eligible Dealer would enter into a Hedging Transaction with the Swap Counterparty, documented on the same terms as the relevant Portfolio Asset;
- (d) such Quotation is to remain open for the relevant period of time stated in the relevant Quotation after the relevant Optional Portfolio Adjustment Notice, or Mandatory Portfolio Adjustment Notice, as applicable, has been received by the Swap Counterparty from the Portfolio Manager and is to be executable for an amount up to the relevant notional amount of the applicable Portfolio Addition or Portfolio Removal.

9.1.2 At any time on or prior to the effective receipt by the Swap Counterparty of an Optional Portfolio Adjustment Notice or a Mandatory Portfolio Adjustment Notice that relates to a Portfolio Addition or Portfolio Removal, as applicable, the Portfolio Manager may provide notice to the Swap Counterparty and Calculation Agent that provides:

- (a) evidence (satisfactory to the Swap Counterparty) of any such Quotation(s); and
- (b) the name, address, telephone, fax, email and contact details of the Hedging Counterparty prepared to enter into a Hedging Transaction with the Swap Counterparty in respect of the relevant Proposed Adjustment and sufficient details to enable the Swap Counterparty to execute a transaction with such Hedging Counterparty.

9.1.3 In such circumstances,

- (a) in respect of Portfolio Removals, the Portfolio Removal Payment will be equal to the relevant Quotation
- (b) in respect of Portfolio Additions, the relevant Portfolio Adjustment will be effected on the terms set out in the relevant Quotation.

## 9.2. **Portfolio Value**

On any Business Day, the Portfolio Manager may deliver a Portfolio Value Quote Adjustment Notice (substantially in the form set out in Schedule 10 (*Form of Portfolio Value Quote Adjustment Notice*) to the Portfolio Management Agreement) to the Calculation Agent and the Swap Counterparty in respect of a quote received from an Eligible Dealer and used by the Calculation Agent to determine the Portfolio Value.

Unless the Calculation Agent confirms to the Portfolio Manager and the Swap Counterparty in writing that the quotes received from the relevant Eligible Dealers set out in such Portfolio Value Quote Adjustment Notice are not firm and tradable (such confirmation to be substantially in the form set out in Schedule 11 (*Form of Portfolio Value Quote Confirmation*) to the Portfolio Management Agreement), the Portfolio Value shall be adjusted to reflect the relevant Portfolio Value Proposed Adjusted Quote.

## 10. **CALCULATION AGENT**

The Calculation Agent shall, subject as provided below, employ the methodology set out in this Annex 1 (*Strategy*) and its application of such methodology shall be conclusive and binding. All determinations and calculations of the Calculation Agent made in accordance with the terms and conditions of the Notes shall be made in its sole and absolute discretion, acting

in good faith, and shall be conclusive and binding on all parties, in the absence of manifest or proven error. Neither the Noteholders nor any other party shall (in the absence as aforesaid) be entitled to proceed against the Calculation Agent in connection with the exercise or non-exercise by it of its obligations, duties and discretions pursuant to the Notes.

In the event of (i) a further issue of Notes as contemplated by paragraph 12 of the Strategy or (ii) a purchase by the Issuer of some but not all of the Notes, the Calculation Agent shall, without the consent of the Noteholders or any other parties, adjust the terms of the Notes, the Swap Agreement, any other Transaction Document and this Strategy as necessary to reflect any such further issue or such partial purchase and to preserve the economic equivalence of the Notes and the Swap Agreement after any such further issue or such partial purchase (save that Portfolio Manager consent is required in respect of any adjustment to the Fees that relate to the Portfolio Manager).

The Calculation Agent may, in its sole and absolute discretion, adjust the Base Management Fee, Portfolio Manager Cash Balance Excess Payment and/or the Performance Fee from time to time, with the consent of the Portfolio Manager but without the consent of the Swap Counterparty, the Trustee, the Issuer, the Noteholders or any other person, to preserve the economic equivalence of the Notes in the event of (i) a further issue of Notes as contemplated by paragraph 12 of the Strategy or (ii) a purchase of Notes as contemplated by paragraph 63 of the terms and conditions of the Notes.

## **11. EARLY REDEMPTION**

If the Calculation Agent determines that an early redemption of the Notes will occur pursuant to Condition 7 (*Redemption, Purchase, Options and Exchange*) and paragraph 41(*Redemption Amount*) or paragraph 50 (*Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable)*) of the Terms and Conditions of the Notes, the Calculation Agent shall unwind the Portfolio in whole 2 Business Days prior to the Early Redemption Date and the Portfolio Unwind Value shall be determined accordingly on such date.

## **12. FURTHER ISSUES**

The Issuer may from time to time without the consent of the Noteholders, but subject to Condition 5 (*Restrictions*), create and issue further notes having the same terms and conditions as the Notes in all respects and so that the same shall be consolidated and form a single series with such Notes in accordance with Condition 15 (*Further Issues*). In the event that such further notes are issued, the Calculation Agent shall, without the consent of the Noteholders or any other parties, make adjustments to the Conditions, the Strategy and the Swap Agreement as may be required to reflect such further issue and to preserve the economic equivalence of the Notes and the Swap Agreement following such further issue (save that Portfolio Manager consent is required in respect of any adjustment to the Fees that relate to the Portfolio Manager).

## **13. NOTIFICATION OF ADJUSTMENTS**

- 13.1.1 Each notice or instruction provided by the Portfolio Manager, the Calculation Agent or the Swap Counterparty, as applicable, (each such party, a "**Notifying Party**") to the Portfolio Manager, the Calculation Agent or the Swap Counterparty, as applicable, (each such party, a "**Notified Party**") in respect of any Adjustment shall be provided in writing (by fax or email) to each of the persons listed in Appendix 7 (*Point Persons*) hereto as the same may be amended from time to time (each such person, a "**Point Person**"), provided that any Portfolio Adjustment Confirmation Notice, Portfolio Breach Notice or Rebalancing Event Notice may be

given orally by the Swap Counterparty, including by telephone and provided further that in the case where such oral confirmation is given, the Swap Counterparty will deliver a Portfolio Adjustment Confirmation Notice, Portfolio Breach Notice or Rebalancing Event Notice, as applicable, in writing confirming the substance of any oral confirmation as soon as is reasonably practicable, in accordance with this paragraph 13 and a failure by the Swap Counterparty to deliver such written confirmation shall not affect the validity of such oral confirmation.

- 13.1.2 Any Notified Party may notify the relevant Notifying Party in writing from time to time of any amendments to Appendix 7 (*Point Persons*) regarding the identity or details of Point Persons provided that there shall never be more than three Point Persons at any one time in respect of each Notified Party.
- 13.1.3 Any written notice or instruction (which may only be provided by fax or email) shall be deemed effective at the time such notice or instruction is received by one Point Person.
- 13.1.4 In addition to written notice or instruction, the relevant Notifying Party shall use its best efforts to notify each Point Person orally by telephone, contemporaneously with such written notice or instruction, provided that failure to provide such oral notification shall not invalidate any written notice or instruction received by fax or email by any Point Person.

#### **14. AMENDMENTS**

The Portfolio Manager and the Swap Counterparty, without the consent of the Issuer, the Trustee, the Noteholders or any other party, may agree in writing at any time to amend any provision in Appendix 5 (Portfolio Conditions) and/or Appendix 6 (*Leverage Rules*) with immediate effect.

#### **15. PORTFOLIO ASSET TERMS**

In respect of each Portfolio Adjustment, the Swap Counterparty and the Portfolio Manager will agree upon the legal terms and conditions of the relevant CDS, TRS, FXO or EQO, as applicable (such terms and conditions, the "**Portfolio Asset Terms**"). The Portfolio Asset Terms in respect of any Portfolio Asset may, but need not, be substantially in the form of the relevant Portfolio Asset Templates but, in all circumstances, the Swap Counterparty and the Portfolio Manager are free to agree any other Portfolio Asset Terms in respect of the relevant Portfolio Adjustment and Portfolio Asset and/or to agree any amendments to the relevant Portfolio Asset Templates.

#### **16. DEFINITIONS**

**Adjusted Portfolio Value** means, at any time, the sum of (i) the Portfolio Loss at such time, and (ii) the lesser of (a) 20 per cent. of the Cash Balance at such time and (b) the Portfolio Profit at such time.

**Adjustment** has the meaning given in paragraph 5.1.3 (*Portfolio Adjustments*) above.

**APAC Country** has the meaning set out in Appendix 5 (Portfolio Conditions) hereto.

**APAC Currency** has the meaning set out in Appendix 5 (Portfolio Conditions) hereto.

**Base Management Fee** means, as determined by the Calculation Agent in its sole and absolute discretion 2 Business Days prior to each Base Management Fee Payment Date, an amount payable by the Issuer to the Portfolio Manager pursuant to the Portfolio Management Agreement on each Base Management Fee Payment Date, equal to:

- (i) the aggregate of the Base Management Fee Calculation Amount in respect of each day in the period from (and including) 2 Business Days prior to the immediately preceding Base Management Fee Payment Date to (but excluding) 2 Business Days prior to such Base Management Fee Payment Date (provided that the first such period shall be from (and including) the Issue Date to (and including) the first Base Management Fee Payment Date) (each such period being a **Calculation Period**) divided by the number of days in the relevant Calculation Period, multiplied by
- (ii) one per cent.; multiplied by
- (iii) the Base Management Fee Day Count Fraction.

**Base Management Fee Calculation Amount** means, in respect of any day, an amount that is equal to the Reserve Amount as determined in respect of the immediately preceding day (provided that the Base Management Fee Calculation Amount in respect of the Issue Date will be zero).

**Base Management Fee Day Count Fraction** means Actual/Actual (as defined in the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.) as applied to the relevant Calculation Period.

**Base Management Fee Payment Date** means 12 May and 12 November in each year, commencing on (and including) 12 November 2011 provided that the final Base Management Fee Payment Date will be the earlier to occur of (i) the Maturity Date, (ii) the Early Redemption Date, (iii) the Enforcement Date, (iv) the Optional Portfolio Unwind Date and (v) the effective date of the removal or resignation of the Portfolio Manager in accordance with the terms of the Portfolio Management Agreement.

**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) (except for Saturday and Sunday) in London, Hong Kong and New York.

**Calculation Agent** means Citigroup Global Markets Limited.

**Cash Balance** has the meaning given in paragraph 3 (*Cash Balance*) above.

**Cash Balance Excess Amount** means, in respect of any Cash Balance Semi-Annual Determination Date, the amount (if any) by which the Cash Balance on such date is greater than the relevant Cash Balance Excess Amount Threshold.

**Cash Balance Excess Amount IRR** means 10 per cent.

**Cash Balance Excess Amount Threshold** means, in respect of any Cash Balance Semi-Annual Determination Date, an amount that is equal to the product of:

- (i) The Principal Amount minus the aggregate of all Notes Cash Balance Excess Payments and all Portfolio Manager Cash Balance Excess Payments made prior to that date, each such payment to be discounted to its present value from the date it was made back to the Issue Date at the Cash Balance Excess Amount IRR; and
- (ii)  $(1 + \text{Cash Balance Excess Amount IRR})^T$

where T = number of days since Issue Date / 365.

**Cash Balance Excess Payment Date** means the date that is two Business Days immediately following each Cash Balance Semi-Annual Determination Date.

**Cash Balance Semi-Annual Determination Date** means 10 May and 10 November in each year during the term of the Performance Swap.

**CDS** means a notional single name or index credit default swap transaction denominated in a Hard Currency as agreed between the Swap Counterparty and the Portfolio Manager (on behalf of the Issuer) from time to time on the basis of the relevant Portfolio Asset Terms, pursuant to which the Swap Counterparty is either the protection buyer or seller and the Issuer shall be the protection seller or buyer, respectively. Such notional credit default swap transaction shall notionally supplement and form a part of a 2002 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto in the form of the schedule dated as of 23 February 2007 between the Issuer and the Swap Counterparty.

**CDS Liquidity Confirmation** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**CDS Portfolio** has the meaning given in paragraph 1 (*Overview*) above.

**Concentration Limits** has the meaning set out at Appendix 5 (Portfolio Conditions).

**Conditions** means the terms and conditions of the Notes.

**Current Spot Rate** means, in respect of any Business Day, the then current spot rate of exchange of the relevant currency into USD as determined by the Calculation Agent in its sole and absolute discretion acting in a commercially reasonable manner.

**Cut-Off Date** has the meaning given in paragraph 8 (*Swap Counterparty Optional Portfolio Unwind*) above.

**Deposit Interest** means, on any day, any interest notionally paid on the Cash Balance on such day calculated by the Calculation Agent in its sole discretion by reference to the amount of interest that would be payable on such day in respect of a deposit equal to the Cash Balance on the previous day at the relevant Overnight Fed Funds Rate in respect of such previous day.

**Eligible Dealers** means each of Goldman Sachs, Morgan Stanley, UBS, Standard Chartered, JP Morgan, HSBC, Bank of America Merrill Lynch, Credit Suisse, Barclays Capital, BNP, Deutsche Bank, Societe Generale, Royal Bank of Scotland, ING, Nomura, Bank of China International or such other dealers as may be selected from time to time by the Calculation Agent.

**Enforcement Amount** shall have the meaning set out in the Swap Agreement.

**Enforcement Date** shall have the meaning set out in the Swap Agreement.

**EQO** means a notional equity option transaction referencing a share or an index as agreed between the Swap Counterparty and the Portfolio Manager (on behalf of the Issuer) from time to time on the basis of the relevant Portfolio Asset Terms, pursuant to which the Issuer will be the option buyer and the Swap Counterparty will be the option seller. Such notional equity option transaction shall notionally supplement and form a part of a 2002 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto in the form of the schedule dated as of 23 February 2007 between the Issuer and the Swap Counterparty.

**EQO Portfolio** has the meaning given in paragraph 1 (*Overview*) above.

**Fees** means, on any date, the sum of each of the following fees determined on or prior to such date (a) the Base Management Fee, (b) the Performance Fee; (c) any costs or expenses (other than the Base Management Fee, Performance Fee and Upfront Expenses)

that are payable to the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement; (d) the Gap Risk Fee; and (e) the Maintenance Fee.

**Final Adjustment Date** means the day which is two Business Days prior to the Strategy End Date.

**Final Exchange Amount** means an amount that is equal to the Cash Balance on the Strategy End Date minus an amount that is equal to the aggregate of any Fees that accrue and are payable from (but excluding) the Strategy End Date to (and including) the Maturity Date.

**FXO** means a notional foreign exchange option transaction as agreed between the Swap Counterparty and the Portfolio Manager (on behalf of the Issuer) from time to time on the basis of the relevant Portfolio Asset Terms, pursuant to which the Issuer will be the option buyer and the Swap Counterparty will be the option seller and at least one of the reference currencies is a Local Currency. Such notional foreign exchange option transaction shall notionally supplement and form a part of a 2002 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto in the form of the schedule dated as of 23 February 2007 between the Issuer and the Swap Counterparty.

**FXO Portfolio** has the meaning given in paragraph 1 (*Overview*) above.

**Gap Risk Fee** means, as determined by the Calculation Agent in its sole and absolute discretion, an amount in respect of each Gap Risk Fee Payment Date that is equal to the product of:

- (i) Required Reserve determined in respect of the immediately preceding Gap Risk Fee Payment Date; and
- (ii) 1.50 per cent. per annum; and
- (iii) 1 divided by 365,

provided that Gap Risk Fee determined in respect of the Issue Date will be deemed to be zero.

The Gap Risk Fee will be notionally payable to the Swap Counterparty on each Gap Risk Fee Payment Date

**Gap Risk Fee Payment Date** means every day from and including the Issue Date to and including the Maturity Date.

**Hard Currency** means USD, EUR or JPY.

**Hedging Counterparty** means any of the Eligible Dealers from which a Quotation has been obtained by the Portfolio Manager.

**Hedging Transaction** means, in respect of any proposed Portfolio Adjustment, the back-to-back swap transaction (with substantially similar terms to the relevant Portfolio Adjustment) which the Swap Counterparty may elect to execute with any Hedging Counterparty.

**Illiquid CDS** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**Illiquid TRS** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**Initial FX Rate** means, in respect of a TRS, the initial FX rate specified in the relevant TRS confirmation.

**Leverage Factor** means, in respect of each Portfolio Asset, the amount determined in accordance with Appendix 6 (*Leverage Rules*).

**Liquid CDS** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**Liquid TRS** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**Local Currency** means each APAC Currency.

**Maintenance Fee** means, as determined by the Calculation Agent in its sole and absolute discretion, an amount in respect of each Maintenance Fee Payment Date that is equal to the product of:

(i) Reserve Amount determined in respect of the immediately preceding Maintenance Fee Payment Date; and

(ii) one per cent. per annum; and

(iii) 1 divided by 365,

provided that Maintenance Fee determined in respect of the Issue Date will be deemed to be zero.

The Maintenance Fee will be notionally payable to the Swap Counterparty on each Maintenance Fee Payment Date.

**Maintenance Fee Payment Date** means each day from and including the Issue Date to and including the Maturity Date.

**Mandatory Portfolio Adjustment Notice** has the meaning given in paragraph 5.2 (*Portfolio Adjustments*) above.

**Moody's** means Moody's Investors Service, Inc or any successor to its business of ascribing ratings.

**Negative Basis Package** has the meaning given in Appendix 6 (*Leverage Rules*).

**Net Portfolio Loss** means, at any time, the lesser of (a) the Adjusted Portfolio Value at such time, and (b) zero.

**Notes Cash Balance Excess Payment** means, in respect of any Cash Balance Semi-Annual Determination Date, an amount that is equal to 80 per cent. of the relevant Cash Balance Excess Amount (if any). Any such Notes Cash Balance Excess Amount will be determined and payable on the second Business Day following the relevant Cash Balance Semi-Annual Determination Date.

**Notified Party** has the meaning set out in paragraph 13 (*Notification of Adjustments*) above.

**Notifying Party** has the meaning set out in paragraph 13 (*Notification of Adjustments*) above.

**Optional Portfolio Adjustment Notice** has the meaning given in paragraph 5.1.1 (*Portfolio Adjustments*) above.

**Optional Portfolio Adjustment Notice Date** means any Business Day during the period from (and including) the Issue Date to (but excluding) (i) in respect of Portfolio Additions, the 16th Business Day prior to the Final Adjustment Date or (ii) in respect of Portfolio Removals, the Final Adjustment Date,

**Optional Portfolio Adjustment Notice Details** has the meaning set out in paragraph 5.1 (*Optional Portfolio Adjustments*).



**Optional Portfolio Unwind Amount** has the meaning given in paragraph 8 (*Swap Counterparty Optional Portfolio Unwind*) above.

**Optional Portfolio Unwind Date** has the meaning given in paragraph 8 (*Swap Counterparty Optional Portfolio Unwind*) above.

**Optional Portfolio Unwind Threshold** means 7.5 per cent. of the Principal Amount.

**Optional Portfolio Unwind Trigger Event** means, on any Business Day, the Calculation Agent determines that the Reserve Amount on such day is less than the Optional Portfolio Unwind Threshold. For the avoidance of doubt, an Optional Portfolio Unwind Trigger Event may occur more than once.

**Overnight Fed Funds Rate** means, in respect of any day, the daily effective federal funds interest rate at which depository institutions lend balances to each other overnight as calculated and published by the Federal Reserve Bank of New York on such day, as determined by the Calculation Agent in its sole and absolute discretion.

**Performance Fee** means the amount, as determined by the Calculation Agent in its sole and absolute discretion on the Strategy End Date, payable by the Issuer to the Portfolio Manager pursuant to the Portfolio Management Agreement on the earlier to occur of (i) the Maturity Date, (ii) the Early Redemption Date, (iii) the Enforcement Date or (iv) the Optional Portfolio Unwind Date, subject to a minimum of zero, equal to:

- (i) the product of:
  - (a) 20 per cent.; and
  - (b) the Cash Balance (determined without the Performance Fee) on the Strategy End Date less the Performance Threshold on the Strategy End Date; minus
- (ii) the sum of all Portfolio Manager Cash Balance Excess Payments, each such Portfolio Manager Cash Balance Excess Payment valued at the future value from the date that such Portfolio Manager Cash Balance Excess Payment is paid to the Portfolio Manager to the Strategy End Date

provided that the Performance Fee may also be payable to the Portfolio Manager in the connection with clause 10.2 (*Removal without cause*), clause 10.3 (*Removal with cause*) and clause 10.4 (*Key Persons*) of the Portfolio Management Agreement and, in such circumstances, the determination of the Performance Fee will be modified as set out in the Portfolio Management Agreement and the Calculation Agent will amend any future Performance Fee in good faith and a commercially reasonable manner.

**Performance Swap** has the meaning given in paragraph 2 (*Performance Swap*) above.

**Performance Threshold** means an amount, as determined by the Calculation Agent in its sole and absolute discretion on the Strategy End Date, that is equal to the product of:

- (i) the Principal Amount minus the aggregate of all Notes Cash Balance Excess Payments and all Portfolio Manager Cash Balance Excess Payments made prior to that date, each such payment to be discounted to its present value from the date it was made back to the Issue Date at the Performance Threshold Target IRR; and
- (ii)  $(1 + \text{Performance Threshold Target IRR})^T$ ,

where  $T$  = number of days since Issue Date / 365.

**Performance Threshold Target IRR** means 12 per cent.

**Point Person** has the meaning set out in paragraph 13 (*Notification of Adjustments*) above.

**Portfolio** has the meaning given in paragraph 1 (*Overview*) above.

**Portfolio Addition** means the addition of a CDS to the CDS Portfolio, a TRS to the TRS Portfolio, a FXO to the FXO Portfolio or an EQO to the EQO Portfolio by way of the Issuer and Swap Counterparty notionally entering into the relevant CDS, TRS, FXO or EQO on the terms set out in the relevant Optional Portfolio Adjustment Notice, Mandatory Portfolio Adjustment Notice or Rebalancing Effect Notice, as applicable.

**Portfolio Adjustment Confirmation Notice** has the meaning set out in paragraph 5.1.3 (*Optional Portfolio Adjustment*).

**Portfolio Adjustment Criteria** has the meaning set out at Appendix 5 (Portfolio Conditions).

**Portfolio Adjustment Date** has the meaning set out in paragraph 5.1 (*Optional Portfolio Adjustment*).

**Portfolio Asset** means each CDS, TRS, FXO and EQO comprised in the Portfolio from time to time (together, the **Portfolio Assets**).

**Portfolio Asset Contractual Payments** means, in respect of any Portfolio Asset and any date, an amount that is equal to the aggregate of all contractually agreed amounts that are payable on or prior to such date in accordance with the terms of such Portfolio Asset, including (but not limited to) each of the following (howsoever described in the terms of the relevant Portfolio Asset): premium, initial payment, initial exchange, fixed amount, floating amount, final exchange, settlement amount, auction settlement amount, cash settlement amount and termination payments (other than any Portfolio Removal Payment).

**Portfolio Asset Notional Amount** means, on any day and as determined by the Calculation Agent, in respect of each Portfolio Asset:

- (i) in respect of each CDS, the floating rate payer calculation amounts in respect of such CDS;
- (ii) in respect of any Hard Currency denominated TRS, the relevant notional amount by reference to which the funding amounts that are paid by the total return receiver are calculated; and
- (iii) in respect of any Local Currency denominated TRS, the relevant notional amount by reference to which the funding amounts that are paid by the total return receiver are calculated,

in each case, if such amount is not denominated in USD on any day, the Calculation Agent shall convert such amount into USD using the Current Spot Rate.

**Portfolio Asset Template** means the form of documentation for the relevant Portfolio Asset as set out at Appendix 1 (*Form of TRS*), Appendix 2 (*Form of CDS*), Appendix 3 (*Form of EQO*) and Appendix 4 (*Form of FXO*) (each as amended and/or updated from time to time as agreed by the Swap Counterparty and Portfolio Manager without the need for the consent of any other party).

**Portfolio Asset Terms** has the meaning set out in paragraph 15 (*Portfolio Asset Terms*).

**Portfolio Conditions** shall have the meaning set out in Appendix 5 (Portfolio Conditions) hereto.

**Portfolio Loss** means, subject to Paragraph 9 (*Portfolio Manager Quotations*), at any time, an amount (expressed as a negative number) determined by the Calculation Agent, in its sole and absolute discretion, that is equal to the aggregate Value of all Portfolio Assets that are in-the-money to the Swap Counterparty.

**Portfolio Management Agreement** means the portfolio management agreement between, amongst others, the Portfolio Manager and the Issuer dated 12 May 2011.

**Portfolio Manager** means Tribridge Investment Partners Limited and any successor to its portfolio management business.

**Portfolio Manager Cash Balance Excess Amount** means, in respect of any Cash Balance Semi-Annual Determination Date, an amount equal to 20 per cent. of the relevant Cash Balance Excess Amount (subject to a maximum that is equal to what the Performance Fee would be if it was calculated on the relevant Cash Balance Semi-Annual Determination Date).

**Portfolio Manager Cash Balance Excess Payment** means, in respect of any Cash Balance Semi-Annual Determination Date, any Portfolio Manager Cash Balance Excess Amount that the Portfolio Manager exercises its right to receive pursuant to clause 3.5 (*Fees and Expenses*) of the Portfolio Management Agreement. Any such Portfolio Manager Cash Balance Excess Amount will be determined and payable on the second Business Day following the relevant Cash Balance Semi-Annual Determination Date.

**Portfolio Profit** means, subject to paragraph 9 (*Portfolio Manager Quotations*), at any time, an amount (expressed as a positive number) determined by the Calculation Agent, in its sole and absolute discretion, that is equal to the aggregate Value of all Portfolio Assets that are in-the-money to the Issuer.

**Portfolio Removal** means the removal in whole or in part of a CDS from the CDS Portfolio, a TRS from the TRS Portfolio, a FXO from the FXO Portfolio or an EQO from the EQO Portfolio by termination in whole or in part of the relevant CDS, TRS, FXO or EQO on the terms set out in the relevant Optional Portfolio Adjustment Notice, Mandatory Portfolio Adjustment Notice or Rebalancing Effect Notice.

**Portfolio Removal Payment** means, in respect of any Portfolio Asset, (i) any notional termination payment due from the Swap Counterparty to the Issuer as a result of a Portfolio Removal (each such payment expressed as a positive number) or (ii) any notional termination payment due from the Issuer to the Swap Counterparty as a result of a Portfolio Removal (each such payment expressed as a negative number), in each case, exchanged where relevant into USD at the Current Spot Rate on the date of such notional payment.

**Portfolio Trading Balance** has the meaning given in paragraph 4 (*Portfolio Trading Balance*) above.

**Portfolio Unwind Value** means, in respect of the Strategy End Date (or any other date on which the Portfolio Unwind Value is determined), the notional net proceeds, determined by the Calculation Agent in its sole and absolute discretion, resulting from the notional sale of the Portfolio using the opposite price (either bid or offer) to that which the Swap Counterparty notionally used when it notionally entered into the relevant Portfolio Asset, provided that (i) if such proceeds are a negative amount, and (ii) the absolute value of such negative amount is greater than the Cash Balance (excluding the Portfolio Unwind Value for the purposes of such determination), the Portfolio Unwind Value shall be a negative amount that is equal to the

Cash Balance (excluding the Portfolio Unwind Value for the purposes of such determination) and (notwithstanding the definition of Cash Balance in paragraph 3) the Cash Balance shall be deemed to be equal to zero at such time.

**Portfolio Value** means, subject to paragraph 9 (*Portfolio Manager Quotations*), at any time, an amount (expressed as a positive or negative number) determined by the Calculation Agent, in its sole and absolute discretion, that is equal to the aggregate Value of all Portfolio Assets. For the purpose of such determination, the Value of any Portfolio Asset that is in-the-money to the Issuer will be expressed as a positive amount and the value of any Portfolio Asset that is in-the-money to the Swap Counterparty will be expressed as a negative amount.

**Portfolio Value Proposed Adjusted Quote** means the average of the firm and tradable bid or offer side quotes, as applicable, received by the Portfolio Manager (subject to a minimum of three such quotes) from Eligible Dealers in respect of the relevant CDS, TRS, FXO or EQO. For the avoidance of doubt, any quote that is not firm and tradable will not be used in the determination of the Portfolio Value Proposed Adjusted Quote.

**Portfolio Value Quote Adjustment Notice** means a notice delivered by the Portfolio Manager to the Calculation Agent and the Swap Counterparty (substantially in the form set out in Schedule 10 (*Form of Portfolio Value Quote Adjustment Notice*) to the Portfolio Management Agreement) attaching details of one or more Portfolio Value Proposed Adjusted Quotes.

**Proposed Adjustment** has the meaning set out in paragraph 5.1.1 (*Optional Portfolio Adjustment*).

**Quotation** has the meaning set out in paragraph 9.1.1 (*Portfolio Manager Quotations*).

**Rebalancing Conditions** means all of the following:

- (a) the Portfolio Conditions being satisfied immediately following the relevant Proposed Adjustment(s) being effective (or if the Portfolio Conditions were not satisfied immediately prior to such Proposed Adjustment(s), that the extent of such non-satisfaction shall not be worsened);
- (b) the Required Reserve Excess Test being satisfied immediately following the relevant Proposed Adjustment(s) being effective; and
- (c) the relevant Rebalancing Event will not be continuing immediately following the Proposed Adjustment(s) being effective.

**Rebalancing Confirmation Notice** has the meaning given in paragraph 7 (*Rebalancing*) above.

**Rebalancing Date** has the meaning given in paragraph 7 (*Rebalancing*) above.

**Rebalancing Effect Notice** has the meaning given in paragraph 7 (*Rebalancing*) above.

**Rebalancing Event** means the occurrence on any date (as determined by the Calculation Agent, in its sole and absolute discretion) of the Reserve Amount on such date being less than the Required Reserve on such date.

**Rebalancing Event Notice** has the meaning given in paragraph 7 (*Rebalancing*) above.

**Reference Asset** means, as applicable:

- (i) in respect of a TRS, the relevant underlying reference asset;

- (ii) in respect of a CDS, each relevant underlying reference obligation; and
- (iii) in respect of an EQO, each relevant underlying share.

**Reference Entity** means, as applicable:

- (i) in respect of a TRS, the obligor of the underlying asset referenced in a TRS
- (ii) in respect of a CDS, each reference entity referenced in a CDS; and
- (iii) in respect of an EQO, each issuer of the underlying share(s) referenced by any EQO.

**Required Reserve** means, at any time, an amount determined by the Calculation Agent, in its sole and absolute discretion, that is equal to the aggregate of the Required Reserve Amounts in respect of all Portfolio Assets at such time.

**Required Reserve Amount** means, at any time, in respect of each Portfolio Asset, the amount determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the provisions of Appendix 6 (*Leverage Rules*).

**Required Reserve Excess Test** means, on the relevant Rebalancing Date, the Required Reserve is less than 95 per cent. of the Reserve Amount.

**Reserve Amount** means, at any time, an amount equal to the sum of (a) the Cash Balance at such time and (b) the Net Portfolio Loss at such time.

**Running Fixed Rate** means, in respect of a CDS, the fixed rate that would be applicable to such CDS if it was determined on an all-running basis with no up-front payment and no standardised coupons (notwithstanding that the terms of the CDS may include an up-front payment and standardised coupons).

**S&P** means Standard & Poor's, a division of the McGraw-Hill Companies, Inc. or any successor to its business of ascribing ratings.

**Short CDS** means a CDS where the Issuer is the protection buyer.

**Sovereign** means any state, political sub-division or government, or any agency, instrumentality, ministry, department or other authority (including without limiting the foregoing, the central bank) thereof.

**Specified Asset Swap Spread** shall have, in respect of a Hard Currency denominated Liquid TRS, the meaning as set out in Appendix 6 (*Leverage Rules*).

**Specified CDS Fixed Rate** shall have, in respect of a CDS, the meaning as set out in Appendix 6 (*Leverage Rules*).

**Specified Remaining Maturity** shall, in respect of a CDS or TRS, as the case may be, have the meaning as set out in Appendix 6 (*Leverage Rules*).

**Specified TRS Yield to Maturity** shall, in respect of a Local Currency TRS have the meaning as set out in Appendix 6 (*Leverage Rules*).

**Strategy** means the Portfolio Asset allocation strategy set out in this Annex 1.

**Strategy End Date** means the date that falls 2 Business Days prior to the earlier to occur of (i) the Maturity Date, (ii) the Early Redemption Date, (iii) the Enforcement Date or (iv) the Optional Portfolio Unwind Date.

**Structuring Upfront Fee** means, on the Issue Date, an amount that is notionally payable to the Swap Counterparty by the Issuer that is equal to one per cent. of the Principal Amount.

**Swap Counterparty** means Citigroup Global Markets Limited.

**Transaction Documents** means the Trust Deed, the Agency Agreement, the Dealer Agreement, the Portfolio Management Agreement and the Swap Agreement.

**TRS** means a notional total return swap transaction as agreed between the Swap Counterparty and the Portfolio Manager (on behalf of the Issuer) from time to time on the basis of the relevant Portfolio Asset Terms, pursuant to which the Swap Counterparty is the total return payer and the Issuer is the total return receiver. Such notional total return swap transaction shall notionally supplement and form a part of a 2002 ISDA Master Agreement (Multicurrency – Cross Border) and schedule thereto in the form of the schedule dated as of 23 February 2007 between the Issuer and the Swap Counterparty.

**TRS Asset Swap Spread** means, in respect of a Hard Currency denominated TRS, on any day the spread over USD LIBOR for a USD denominated Reference Asset, EURIBOR for a EUR denominated Reference Asset or JPY LIBOR for a JPY denominated Reference Asset taking into account any coupons, accrued interest and the clean price premium or discount of such Reference Asset compared to its par value, as determined by the Calculation Agent in its sole and absolute discretion on the relevant TRS Trade Date.

**TRS Liquidity Confirmation** has the meaning given in paragraph 6 (*Liquidity of Portfolio Assets*) above.

**TRS Portfolio** shall have the meaning given in paragraph 1 (*Overview*) above.

**TRS Trade Date** means, in respect of a TRS, the trade date specified in the relevant TRS confirmation.

**TRS Yield to Maturity** means, in respect of a Local Currency denominated TRS, on the relevant TRS Trade Date the percentage rate of return paid in relation to the underlying Reference Asset or Reference Assets of the TRS assuming that such Reference Asset or Reference Assets is or are held to its or their maturity date, next call date or next put date (as determined by the Calculation Agent in its sole and absolute discretion) and taking into account, *inter alia*, the relevant Portfolio Asset Notional Amount, the Initial FX Rate, the Termination Date and any relevant coupons of the Reference Asset or Reference Assets, as determined by the Calculation Agent in its sole and absolute discretion.

**Unwind Determination Date** has the meaning given in paragraph 8 (*Swap Counterparty Optional Portfolio Unwind*) above.

**Upfront Expenses** means, on the Issue Date, the upfront costs and expenses incurred and scheduled expenses to be incurred by the Arranger, Swap Counterparty and Portfolio Manager relating to the Notes and negotiation and execution of all Transaction Documents (as determined by the Calculation Agent in its sole and absolute discretion).

**Value** means, in respect of any Portfolio Asset and any date, the amount that would notionally be payable by the Swap Counterparty to the Issuer (expressed as a positive number) or by the Issuer to the Swap Counterparty (expressed as a negative number) pursuant to Section 6(e)(ii)(1) of the Swap Agreement as if (i) the Swap Counterparty was not the “Affected Party” (as defined in the Swap Agreement), (ii) the relevant Portfolio Asset was the only “Terminated Transaction” (as defined in the Swap Agreement) and (iii) the relevant Portfolio Asset was being terminated on the date of calculation.

## APPENDIX 1

### FORM OF TRS

The purpose of this [letter] (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "**Transaction**").

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 Master Agreement dated as of 23 February 2007 as amended and supplemented from time to time (the "**Agreement**") between Citigroup Global Markets Limited (the "**Swap Counterparty**") and Emerald Capital Limited (the "**Issuer**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The definitions and provisions contained in (i) the 2006 ISDA Definitions (the "**Swap Definitions**") and (ii) the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions (as so supplemented, the "**Credit Derivatives Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**®"), are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the Credit Derivatives Definitions, the Credit Derivatives Definitions will govern. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern. The Issuer and Swap Counterparty agree that the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement CDS Protocol shall not apply to the Transaction and the Transaction shall not be treated as a "Protocol Covered Transaction" for the purposes thereof.

<b>Party A:</b>	Citigroup Global Markets Limited.
<b>Party B:</b>	Emerald Capital Limited
<b>Reference Currency:</b>	<i>[insert currency in full letters]</i> ( <i>[insert currency symbol]</i> ), being the lawful currency of the Reference Jurisdiction, or if <i>[insert currency in full letters]</i> ceases to be the lawful currency of the Reference Jurisdiction, any other legal tender in effect in such jurisdiction.
<b>Reference Assets Principal Amount:</b>	<i>[Reference Currency]</i> [●].
<b>Funding Currency:</b>	<i>[Reference Currency]</i> [USD]
<b>Funding Notional Amount:</b>	<i>[Funding Currency]</i> [●].
<b>Trade Date:</b>	[●].
<b>Effective Date:</b>	[●].
<b>Termination Date:</b>	[●], subject to the "Early Termination and Adjustment Provisions" below.
<b>Reference Assets:</b>	An amount of <i>[bonds/loans]</i> issued by the Reference Entity on [●] with an original maturity date of [●] and an original face amount equal to the Reference Asset Principal Amount, as such <i>[bonds/loans]</i> may be amended from time to time (including without limitation any cash, securities, cash proceeds or other

assets into which such [bonds/loans] shall have been exchanged or converted from time to time provided that when determining whether any of the events or conditions that may be applicable to this Transaction have occurred, such determination shall be made by Party A with reference to the terms and conditions of the original Reference Assets and not such replacement securities or assets).

**Initial Exchange:**

Not Applicable.

**Total Return Amounts:**

**Total Return Payer:**

Party A.

**Total Return Amounts:**

All amounts, whether principal or interest (howsoever described) (each a “**Reference Assets Distribution**”), received by a Holder of the Reference Assets as per the terms of the Reference Assets, converted if applicable into the Payment Currency using the FX Rate, subject to the “Early Termination and Adjustment Provisions”.

**Total Return Payment Dates:**

The date that is three (3) Business Days after each date on which a Holder of the Reference Assets would receive the relevant Reference Assets Distribution as per the terms of the Reference Assets.

**Holder**

A holder of a nominal amount of the Reference Asset equal to the Reference Asset Principal Amount having the same taxation status as the Swap Counterparty.

**Funding Amounts:**

**Funding Payer:**

Party B.

**Funding Amount:**

An amount, payable by the Funding Payer on each Funding Payment Date, converted if applicable into the Payment Currency using the FX Rate and calculated by the Calculation Agent equal to:

Funding Notional Amount x (Funding Rate + Spread) x Funding Day Count Fraction

**Funding Payment Dates:**

Quarterly on [●], [●], [●], [●] and the Termination Date, subject to the "Early Termination and Adjustment Provisions".

**Funding Rate:**

[The rate determined in accordance with the terms of the Swap Definitions, based on the Floating Rate Option “[Insert agreed rate for the relevant Funding Currency]” and a Designated Maturity of [●] months.]<sup>1</sup>

---

<sup>1</sup> For floating Funding Amounts.



	[[●]% p.a.] <sup>2</sup>
<b>Linear Interpolation:</b>	[ ]
<b>Spread:</b>	[●]% p.a.
<b>Funding Day Count Fraction:</b>	The day count convention that is standard for the Funding Currency, as determined by the Calculation Agent.
<b>[Reset Days:</b>	The Trade Date and then two (2) Business Days prior to each Funding Rate Payment Dates.] <sup>3</sup>
<b>Compounding:</b>	Inapplicable.
<b><u>Final Exchange:</u></b>	
<b>Final Exchange Date:</b>	The Termination Date.
<b>Party A Final Exchange Amount:</b>	An amount calculated by the Calculation Agent equal to the Reference Assets Valuation Amount, converted if applicable into the Payment Currency using the FX Rate, subject to the "Early Termination and Adjustment Provisions".
<b>Party B Final Exchange Amount:</b>	An amount calculated by the Calculation Agent equal to the Funding Notional Amount, converted if applicable into the Payment Currency using the FX Rate, subject to the "Early Termination and Adjustment Provisions".
<b>Reference Assets Valuation Amount:</b>	The highest firm bid quotation that the Calculation Agent is able to obtain on the day that is two (2) Business Days prior to the Final Exchange Date from the Reference Dealers for the sale to the Reference Dealers of the Reference Assets in the Payment Currency payable outside the Reference Jurisdiction, provided that if none of the Reference Dealers provide such a firm quotation then the Reference Assets Valuation Amount shall be determined by the Calculation Agent in good faith and a commercially reasonable manner. The applicable Reference Assets Valuation Amount may be equal to zero.
<b><u>Early Termination and Adjustment Provisions:</u></b>	
<b>Alternate Settlement upon Declaration of Risk Event:</b>	If, at any time during the Event Determination Period, Party A determines that a Risk Event has occurred or exists during the Event Determination Period, then Party A may elect (without having any obligation to make any such election), to give written notice to Party B declaring that a Risk Event has occurred or exists, giving details of such Risk Event (the <b>Risk Event Notice</b> ).

---

<sup>2</sup> For fixed Funding Amounts.

<sup>3</sup> Only applicable for floating Funding Amounts.

Following such declaration of a Risk Event:

(i) the Termination Date shall be accelerated to be the date which is one Business Day following the Event Determination Date (irrespective of whether the relevant Risk Event is continuing); and

(ii) on the Termination Date, Party B shall pay the Party B Final Exchange Amount and the Funding Amount to Party A's specified account; and

(iii) subject to "Adjustment following a Regulatory Change Event", Party A shall pay to Party B's specified account the Alternate Redemption Amount on the Alternate Cash Payment Date.

**Risk Event:** Means the occurrence or existence of (a) a Credit Event or (b) an Additional Risk Event.

**Credit Event:** Means the occurrence or existence of any of the following:

Bankruptcy

Failure to Pay

Payment Requirement: USD 1,000,000 or its equivalent in the relevant obligation currency as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable

Repudiation/Moratorium

Obligation Acceleration

Restructuring

Default Requirement: USD 10,000,000 or its equivalent in the relevant obligation currency as of the occurrence of the relevant Credit Event

Multiple Holder Obligation: Not Applicable

each as defined in the Credit Derivatives Definitions, provided that (i) references to "Obligations" shall be deemed to be references to "Reference Assets" and (ii) "Notice Delivery Period" shall be deemed to be references to Event Determination Period.

**Additional Risk Event:** means the occurrence or existence of any of the following:

Inconvertibility Event

Ownership Restriction Event

Settlement/Custodial Event

each as defined in the Schedule below.

<b>Event Determination Period:</b>	The period from and including the Trade Date to and including the Termination Date.
<b>Event Determination Date:</b>	The date on which Party A declares that a Risk Event has occurred or exists pursuant to "Alternate Settlement upon Declaration of Risk Event" above.
<b>Alternate Cash Payment Date:</b>	The date which is 30 calendar days after the Event Determination Date.
<b>Alternate Redemption Amount:</b>	An amount in the Payment Currency equal to the Recovery Value determined by the Calculation Agent on the date selected by the Calculation Agent from and including the Event Determination Date to and including the Alternate Cash Payment Date (the <b>Valuation Date</b> ).
<b>Recovery Value:</b>	The highest firm bid quotation that the Calculation Agent is able to obtain on the Valuation Date from the Reference Dealers for the sale to the Reference Dealers of the Reference Assets in the Payment Currency payable outside the Reference Jurisdiction, provided that if none of the Reference Dealers provide such a firm quotation then the Recovery Value shall be determined by the Calculation Agent in good faith and a commercially reasonable manner. The applicable Recovery Value may be equal to zero.
<b>Reference Dealers:</b>	Such leading dealers, banks or banking corporations, which are not resident in the Reference Jurisdiction and which deal in obligations of the type of the Reference Assets as are selected by the Calculation Agent in order to determine the Reference Assets Valuation Amount or the Recovery Value as applicable.
<b>Adjustment following a Regulatory Change Event:</b>	If Party A determines at any time on or prior to the latest of the Termination Date and the Alternate Cash Payment Date, if applicable, that a Regulatory Change Event has occurred or exists, then any payment due from Party A to Party B shall be reduced by an amount in the Payment Currency that is equal in value to the allocable proportion of the Regulatory Change Cost, as determined by Party A.
<b>Potential Risk Event:</b>	If on the Termination Date or on any Total Return Payment Date Party A determines that a Risk Event may exist or may have occurred at any time during the Event Determination Period (but Party A has not provided a Risk Event Notice in respect thereof), Party A shall not pay the Party A Final Exchange Amount and/or the relevant Fixed Amount, as the case may be, until the earlier of (i) the date on which Party A determines that a Risk Event has not so occurred or existed; or (ii) the date which is 30 calendar days after the Termination Date or the relevant Total Return Payment Date, as the case may be (the <b>Cut-Off Date</b> ), provided that if Party A determines, on or before the Cut-Off Date, that a Risk Event occurred or existed during the Event Determination Period and Party A gives written notice

to Party B declaring that a Risk Event had so occurred or existed, then Party A's obligations under the Transaction shall be as set out in paragraph (iii) of "Alternate Settlement upon Declaration of Risk Event" save that the "Alternate Cash Payment Date" shall be the date which is 30 calendar days following the Cut-Off Date.

**Other Terms:**

- Reference Custodian:** [●].
- Payment Currency:** United States Dollars (**USD**).
- Reference Entity:** [●] [(acting through [●])].
- Reference Jurisdiction:** [●].
- Reference Investor:** Any person that holds the Reference Assets, which may include Party A and/or any of its Affiliates (including, without limitation any trust, special purpose vehicle or account through which Party A or any of its Affiliates may hold Reference Assets in the Reference Jurisdiction).
- Calculation Agent:** Citigroup Global Markets Limited.
- Determinations, Elections and Calculations:** All determinations, elections and calculations under this Transaction shall be made by the relevant party in its sole and absolute discretion acting in good faith and shall be binding in the absence of manifest error.
- FX Rate Set Date:** The date selected by the Calculation Agent to determine the FX Rate.
- FX Rate:** The rate, determined by the Calculation Agent on the FX Rate Set Date, at which a non-resident of the Reference Jurisdiction can purchase the Payment Currency against delivery of the Reference Currency for value on the Value Date.
- Value Date:** The relevant Total Return Payment Date, the relevant Funding Payment Date, the Termination Date, the Alternate Cash Payment Date or the Cut-Off Date as applicable.
- Business Days:** London, New York and [●].
- Business Day Convention:** Following, which shall apply to any date on which a payment or delivery would otherwise be due to be made by the relevant party that is not a Business Day.
- Governing Law:** The governing law specified in the ISDA Master Agreement, in the absence of which English law.
- Delivery Taxes and Expenses:** All expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, and/or other taxes or duties arising from the delivery and/or

transfer of Reference Assets or any other assets in connection with the performance of this Transaction, shall be for the account of Party B and shall be deducted from payments or deliveries to be made by Party A to Party B under this Transaction, but without duplication of any adjustments made pursuant to the terms of "Adjustment following a Regulatory Change Event" above.

## SCHEDULE

### 1. ADDITIONAL RISK EVENTS:

**Inconvertibility Event** means the occurrence after the Trade Date of any event or existence of any condition that has the effect of it being impossible, illegal or impracticable for, or has the effect of prohibiting, restricting or materially delaying the ability of, any Reference Investor (1) to convert the Reference Currency into the Payment Currency through customary legal channels; or (2) to effect currency transactions on terms as favourable as those available to residents of the Reference Jurisdiction; or (3) to freely and unconditionally transfer or repatriate any funds (in the Payment Currency or the Reference Currency) from accounts inside the Reference Jurisdiction to accounts outside the Reference Jurisdiction or between accounts inside the Reference Jurisdiction; or (4) to receive the full value of any cash payment (when converted to the Payment Currency) made under the Reference Assets due to the introduction by any Governmental Authority (as defined in the Credit Derivatives Definitions) of a new currency regime (including the introduction after the Trade Date of a dual currency regime) or the imposition of currency exchange limitations.

**Ownership Restriction Event** means the occurrence after the Trade Date of any event or existence of any condition that has the effect of it being illegal, impossible or impracticable for, or has the effect of prohibiting, restricting or materially delaying the ability of, any Reference Investor to purchase, hold, receive, sell, freely transfer or remain the owner of any Reference Asset or any amount received in respect thereof.

**Settlement/Custodial Event** means (1) the occurrence after the Trade Date of any event, the existence of any condition or the taking of any action that results, or may result with the passage of time, in the Bankruptcy (as defined in the Credit Derivatives Definitions as if references to "Reference Entity" were changed to "Custodian" for these purposes) of any Custodian; or (2) in respect of the Reference Assets owned by such Reference Investor or any amount received in respect thereof, a Custodian (i) fails to perform in a timely manner any or all of its obligations owed to a Reference Investor under any Reference Custodial/Settlement Arrangement, or (ii) fails to take any action when instructed to do so by a Reference Investor pursuant to the terms of any Reference Custodial/Settlement Arrangement, or (iii) takes any action which is contrary to the terms of any Reference Custodial/Settlement Arrangement; in each case that affects or may affect, in the determination of Party A, the hedging arrangements of Party A and/or any of its Affiliates in respect of Party A's obligations with respect to the Transaction.

### 2. OTHER EVENTS:

**Market Disruption Event** means the occurrence of any event or existence of any condition that has the effect of (1) the failure or suspension of normal trading on any recognized securities, futures or other exchange on which the Reference Assets or futures thereon are traded; or (2) any Reference Asset becoming ineligible for clearance or settlement through the principal clearing system or by the relevant settlement procedure for the Reference Assets.

**Regulatory Change Event** means:

- (i) the adoption of, change in or change in the interpretation or administration of, any law, rule, directive, decree or regulation in the Reference Jurisdiction [or Hong Kong

SAR]<sup>4</sup> after the Trade Date by any Governmental Authority (as defined in the Credit Derivatives Definitions); and/or

- (ii) the compliance by a Reference Investor with any request or directive of any Governmental Authority (as defined in the Credit Derivatives Definitions, provided that such term shall also include any taxing authority), which in any such case:
  - (A) would, in respect of any amount of Reference Assets (and/or any amount received in respect thereof) which a Reference Investor could have held during the Term of the Transaction, impose, modify or apply any tax, charge, duty, reserve, special deposit, insurance assessment or any other requirement on such Reference Investor (and this results in additional costs to a Reference Investor); and/or
  - (B) increases in any other way the actual or potential cost to a Reference Investor of hedging the obligations of Party A with respect to the Transaction at any time during the term of the Transaction.

### 3. **ADDITIONAL DEFINITIONS:**

**Affiliate** means, in respect of any designated person, any person that directly or indirectly controls or is controlled by or is under common control with such designated person. For the purposes of this definition, control (including with correlative meanings, the terms controlled by and under common control with), as used with respect to any person, shall mean the possession, directly, or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities or by contract or otherwise.

**Custodian** means any custodian (including the Reference Custodian), sub-custodian, depository, settlement system, bank or clearing house (or any agent or delegate of any of the foregoing) or any exchange used by a Reference Investor as part of any Reference Custodial/Settlement Arrangement entered into from time to time.

**Regulatory Change Cost** means in respect of a Regulatory Change Event, an amount, determined by Party A, equal to the cost which a Reference Investor would have incurred in respect of such Regulatory Change Event had it purchased, received, held, transferred or sold the Reference Assets (and/or any related amount received in respect thereof) at any time during the Term of the Transaction.

**Reference Custodial/Settlement Arrangement** means any formal or informal (express or implied) arrangement, method, means or account type through which a Reference Investor may hold, directly or indirectly, an interest (including a beneficial interest) in the Reference Assets and/or any amount received in respect thereof.

### 4. **DISCLOSURE:**

**Exposure.** Neither Party A nor its Affiliates nor its agents will be obligated to hold any Reference Assets (including without limitation the Reference Assets) or pursue any remedies they may have with respect thereto (even if Party A transfers Reference Assets to Party B or refers to their market value in connection with the satisfaction of Party A's obligations following the declaration of a Risk Event as described above). The terms of this Transaction shall apply irrespective of the existence or amount of Party A and/or any Affiliate of Party A's

---

<sup>4</sup> Only applicable for CNH-denominated Reference Assets.

credit exposure to the Reference Entity, and Party A and/or its Affiliates shall not be required to suffer any loss or provide evidence of any loss as a result of the occurrence or existence of a Risk Event.

**Reference Assets.** Citigroup or any of its Affiliates may or may not hold (legally or beneficially) the Reference Assets at any time and none of Citigroup or any of its Affiliates undertakes any obligation to hold the Reference Assets. Each of Citigroup and its Affiliates do not undertake any obligation to provide information it receives, if any, from the Reference Entity in relation to the Reference Assets. Citigroup or any of its Affiliates may have acted as the initial lender, arranger, underwriter or in some other capacity in relation to the Reference Assets, and may as a result have an ongoing business relationship with the Reference Entity. As a result of such relationship with the Reference Entity, Citigroup or any of its Affiliates may in the future receive information relating to the Reference Entity or the Reference Assets that it is not able to pass on to Party B and none of Citigroup or any of its Affiliates have undertaken any obligation to do so. Citigroup or any of its Affiliates may have interests in the Reference Entity or Reference Assets that diverge from those of Party B. Citigroup is under no obligation to exercise any rights, including voting rights, in any particular way or at the direction of Party B. If the Reference Assets is transferred to Party B, under the settlement mechanics of this Transaction or otherwise, Party B may receive interest payments thereon net of withholding tax. Neither Citigroup nor any of its Affiliates or agents has made any representation whatsoever with respect to the Reference Entity or the Reference Assets on which Party B is relying or is entitled to rely.

**Emerging Markets.** This Transaction may relate to Reference Assets that are emerging market instruments and to a Reference Entity that is an emerging market issuer and Party B has the requisite knowledge and experience to evaluate the merits and special risks of transactions involving such instruments and issuers including, among other risks, the risk that political and economic uncertainties that may be greater than in other countries, the risk that many emerging markets countries do not have fully developed or clear legal, judicial, regulatory or settlement infrastructures, the risk that accounting standards may differ markedly and that the relevant markets may be far less liquid or transparent than in more developed markets and the risks that Party B may not have any right under the law of any applicable jurisdiction to enforce the terms of or obtain remedies related to the Reference Assets.



## APPENDIX 2

### FORM OF CDS

[Confirmation for use with the Credit Derivatives Physical Settlement Matrix (version 17 – March 16, 2011)<sup>1</sup>]

The purpose of this [letter] (this “Confirmation”) is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the “Transaction”).

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 Master Agreement dated as of 23 February 2007 as amended and supplemented from time to time (the “**Agreement**”) between Citigroup Global Markets Limited (the “**Swap Counterparty**”) and Emerald Capital Limited (the “**Issuer**”). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by each of the May 2003 Supplement and the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives Definitions (as so supplemented, the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**®”), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

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

#### 1. General Terms

Transaction Type <sup>2</sup> :	[       ]
Trade Date:	[       ]
Effective Date:	[       ]
Scheduled Termination Date:	[       ] <sup>3</sup>
Floating Rate Payer:	[       ]
Fixed Rate Payer:	[       ]
Calculation Agent:	Swap Counterparty
Reference Entity:	[       ] <sup>4</sup>
[Reference Obligation(s)]:	The obligation(s) identified as follows: Primary Obligor: [Guarantor: [       ]] Maturity: [       ] Coupon: [       ] CUSIP/ISIN: [       ] <sup>5</sup>

---

<sup>1</sup> This Confirmation template may be used for confirming Credit Derivative Transactions that are governed by the terms of the Credit Derivatives Physical Settlement Matrix. This Confirmation template has been designed for use with the Credit Derivatives Physical Settlement Matrix (version 17 – March 16, 2011).

<sup>2</sup> The parties should include any of the Transaction Types identified in the Credit Derivatives Physical Settlement Matrix that applies to the Credit Derivative Transaction transacted between the parties.

<sup>3</sup> If the Transaction Type is either STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN, STANDARD NEW ZEALAND SOVEREIGN, STANDARD SINGAPORE CORPORATE, STANDARD ASIA CORPORATE, STANDARD SINGAPORE SOVEREIGN, STANDARD ASIA SOVEREIGN, STANDARD SUKUK CORPORATE or STANDARD SUKUK SOVEREIGN, the Scheduled Termination Date must be either March 20, June 20, September 20 or December 20 of the year of maturation.

<sup>4</sup> The Reference Entity may be identified by its legal name, or alternatively by quoting the Markit™ RED™ CDS Database and the RED™ code for such Reference Entity.

<sup>5</sup> The Reference Obligation may be identified by its CUSIP, coupon and maturity, or alternatively by quoting the Markit™ RED™ CDS Database and the RED™ code for such Reference Obligation.

## 2. Fixed Payments

Fixed Rate Payer Payment Date(s): [ ]<sup>6</sup>  
Fixed Rate: [ ]<sup>7</sup>  
[Initial Payment Payer: [Party A/Party B]

Initial Payment Amount: [ ]<sup>8</sup>

[Initial Fixed Rate Payer

Calculation Period: Notwithstanding Section 2.9 of the 2003 Definitions, the initial Fixed Rate Payer Calculation Period shall commence on, and include, the Fixed Rate Payer Payment Date falling on or immediately prior to the calendar day immediately following the Trade Date.

For purposes of this provision, Section 2.10 of the Credit Derivatives Definitions shall be deemed amended by deleting the words "during the term of the Transaction."<sup>9</sup>

## 3. Floating Payment

Floating Rate Payer Calculation Amount: [ ]

## 4. Settlement Terms<sup>10</sup>

Settlement Method: Auction Settlement.

Fallback Settlement Method: Cash Settlement.

### Terms Relating to Cash Settlement if the Fallback Settlement Method of Cash Settlement

---

<sup>6</sup> If the Transaction Type is either STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN, STANDARD NEW ZEALAND SOVEREIGN, STANDARD SINGAPORE CORPORATE, STANDARD ASIA CORPORATE, STANDARD SINGAPORE SOVEREIGN, STANDARD ASIA SOVEREIGN, STANDARD SUKUK CORPORATE or STANDARD SUKUK SOVEREIGN, the Fixed Rate Payer Payment Dates must be March 20, June 20, September 20 and December 20.

<sup>7</sup> If the Transaction Type is STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN, STANDARD NEW ZEALAND SOVEREIGN, STANDARD SINGAPORE CORPORATE, STANDARD ASIA CORPORATE, STANDARD SINGAPORE SOVEREIGN, STANDARD ASIA SOVEREIGN, STANDARD SUKUK CORPORATE or STANDARD SUKUK SOVEREIGN, the Fixed Rate must be either 1.00% or 5.00%.

<sup>8</sup> Include Initial Payment Payer and Initial Payment Amount if Transaction Type is STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN, STANDARD NEW ZEALAND SOVEREIGN, STANDARD SINGAPORE CORPORATE, STANDARD ASIA CORPORATE, STANDARD SINGAPORE SOVEREIGN, STANDARD ASIA SOVEREIGN, STANDARD SUKUK CORPORATE or STANDARD SUKUK SOVEREIGN, and otherwise exclude unless the parties have agreed an Initial Payment Amount.

<sup>9</sup> Include only if Transaction Type is either STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN, STANDARD NEW ZEALAND SOVEREIGN, STANDARD SINGAPORE CORPORATE, STANDARD ASIA CORPORATE, STANDARD SINGAPORE SOVEREIGN, STANDARD ASIA SOVEREIGN, STANDARD SUKUK CORPORATE or STANDARD SUKUK SOVEREIGN, unless otherwise agreed between the parties.

<sup>10</sup> Include only if the parties intend to specify the Additional Provisions for Fixed Recovery CDS Transactions (September 24, 2010) or the Additional Provisions for Recovery Lock Credit Derivative Transactions (March 2, 2011) as Applicable.

**Applies:**

Cash Settlement Amount: Notwithstanding Section 7.3 of the Credit Derivatives Definitions, the aggregate of the Selected Valuation Obligation Loss Amounts determined for each Selected Valuation Obligation in the Valuation Portfolio.

Cash Settlement Date: [ 3 ] Business Days following the Calculation Date.

Selected Valuation Obligation Loss Amounts: In respect of a Selected Valuation Obligation in respect of which a Final Price has been calculated, the greater of:

(a) (100% - Final Price) multiplied by the relevant Selected Valuation Obligation Balance (or, if any Selected Obligation Balance is not denominated in the Settlement Currency, the equivalent Currency Amount of any such amount); and

(b) zero.

Calculation Date: The Business Day on which the Final Price can first be determined in respect of all Selected Valuation Obligations in the relevant Valuation Portfolio.

Final Price: Notwithstanding Section 7.4 of the Credit Derivatives Definitions, in respect of each Selected Valuation Obligation, the price of such Selected Valuation Obligation, expressed as a percentage, determined in accordance with the Valuation Method (treating such Selected Valuation Obligation as the Reference Obligation for such purpose and for purposes of other relevant provisions of Article VII of the Credit Derivatives Definitions).

Valuation Portfolio: In respect of the Reference Entity, a portfolio selected by the Swap Counterparty comprising one or more Valuation Obligations in respect of which the sum of the related Selected Valuation Obligation Balances (or, if any Selected Valuation Obligation Balance is not denominated in the Settlement Currency, the equivalent Currency Amount of any such amount) is approximately equal to, but not greater than, the Floating Rate Payer Calculation Amount.

The Swap Counterparty will notify the Issuer and the Calculation Agent of the Valuation Portfolio (such notice a "**Valuation Obligation Notice**") on or prior the Notification Cut-Off Date (the date on which such Valuation Obligation Notice is effectively delivered, the "**Notification Date**").

From time to time, the Swap Counterparty may, by notice to the Issuer and Calculation Agent, replace in whole or in part one or more Valuation Obligations specified in the Valuation Obligation Notice (provided that the first Valuation Date has not occurred in respect of the relevant Valuation Obligation as of the date that such notice of replacement is effective) (each such notice being an "**Valuation Obligation Amendment Notice**", each such replaced Valuation Obligation being a "**Replaced Valuation Obligation**" and each such replacement Valuation Obligation being a "**Replacement Valuation Obligation**").

Notification Cut-Off Date:	The final date on or prior to which an effective Notice of Physical Settlement would be delivered pursuant to Section 3.2(c) of the Credit Derivative Definitions if Physical Settlement was the Fallback Settlement Method (instead of Cash Settlement).
Valuation Obligation:	<p>In respect of the Reference Entity, (i) the Reference Obligation (if any) and (ii) any Obligation of such Reference Entity described by the Valuation Obligation Category and having the Valuation Obligation Characteristics (but excluding any obligation that is specified as an Excluded Deliverable Obligation).</p> <p>For the purposes of identifying Valuation Obligations, the following terms used in the Credit Derivatives Definitions will be construed in the following manner:</p> <p>"Deliverable Obligation" will be construed as "Valuation Obligation";</p> <p>"Deliverable Obligation Category" will be construed as "Valuation Obligation Category";</p> <p>"Deliverable Obligation Characteristics" will be construed as "Valuation Obligation Characteristics"; and</p> <p>"Deliverable Date" and "Physical Settlement Date" will be construed as the "applicable Valuation Date", except the reference to "Delivery Date" in Section 2.20(b)(i) which will be construed as a reference to the "Notification Date".</p>
Excluded Deliverable Obligation:	[●]
Selected Valuation Obligation Balance:	In respect of a Selected Valuation Obligation, a notional amount of such Selected Valuation Obligation in the currency of denomination of that Selected Valuation Obligation (the <b>Selected Valuation Obligation Currency</b> ) specified as such by the Swap Counterparty to the Calculation Agent and the Issuer on the Notification Date.
Selected Valuation Obligation:	In respect of a Reference Entity, each Valuation Obligation in the related Valuation Portfolio.
Quotations:	Exclude Accrued Interest.
Quotation Method:	<p>In respect of any Transaction where the Swap Counterparty is the Buyer, Bid.</p> <p>In respect of any Transaction where the Swap Counterparty is the Seller, Offer.</p>
Quotation Amount:	In respect of a Selected Valuation Obligation, an amount determined by the Swap Counterparty up to the related Selected Valuation Obligation Balance (rounded up or down to the nearest amount that is determined by the Calculation Agent to be customary for the purposes of obtaining such quotations).
Valuation Method:	<p>In respect of any Transaction where the Swap Counterparty is the Buyer, Highest.</p> <p>In respect of any Transaction where the Swap Counterparty</p>

is the Seller, Lowest.

For this purpose "Lowest" means the lowest Quotation obtained by the Calculation Agent (or in accordance with Section 7.7(b) of the Applicable Definitions) with respect to the Valuation Date.

Valuation Date:

Single Valuation Date:

Any date selected by the Swap Counterparty from and including the Notification Date to and including the date that is 120 Business Days following the Notification Date.

Valuation Time:

11:00 a.m. in the Calculation Agent City.

Dealers:

As determined by the Calculation Agent.

Currency Amount:

In respect of:

(a) a Valuation Obligation specified in a Valuation Obligation Notice that is denominated in a currency other than the Settlement Currency, an amount converted to the Settlement Currency using a conversion rate determined by reference to the Currency Rate; and

(b) a Replacement Valuation Obligation specified in a Valuation Obligation Amendment Notice, an amount converted to the Settlement Currency (or, if applicable, back into the Settlement Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Valuation Obligation specified in each Valuation Obligation Amendment Notice with respect to that portion of the Credit Derivative Transaction into the currency of denomination of the relevant Replacement Valuation Obligation.

Currency Rate:

In respect of:

(a) a Valuation Obligation specified in the Valuation Obligation Notice or any Valuation Obligation Amendment Notice, as applicable, the rate of conversion between the Settlement Currency and the currency in which the Valuation Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner; and

(b) a Replacement Valuation Obligation specified in a Valuation Obligation Amendment Notice, the Revised Currency Rate.

Revised Currency Rate:

In respect of a Replacement Valuation Obligation specified in any Valuation Obligation Amendment Notice, the rate of conversion between the currency in which the Replaced Valuation Obligation is denominated and the currency in which such Replacement Valuation Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or

(b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner.

Next Currency Fixing Time: Means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Valuation Obligation Notice or relevant Valuation Obligation Amendment Notice, as applicable, is effective.

Currency Rate Source: Means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

Quotation: The second sentence of Section 7.7(b) (Quotation) of the Credit Derivatives Definitions will be amended by deleting the words “and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day” and replacing them with the following:

“and:

- (i) in respect of any Transaction where the Swap Counterparty is the Buyer, a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day; and
- (ii) in respect of any Transaction where the Swap Counterparty is the Seller, a quotation deemed to be 100 per cent. for the balance of the Quotation Amount for which firm quotations were not obtained on such day.”.

[Additional Provisions for Fixed Recovery CDS Transactions (September 24, 2010):

[Applicable]]<sup>11</sup>

[Final Price:

[•]]<sup>12</sup>

[Additional Provisions for Recovery Lock Credit Derivative Transactions (March 2, 2011):

[Applicable]]<sup>13</sup>

[Reference Price:

[•]]<sup>14</sup>

---

<sup>11</sup> Include only if the parties intend to specify the Additional Provisions for Fixed Recovery CDS Transactions (September 24, 2010) as Applicable.

<sup>12</sup> Include only if the Additional Provisions for Fixed Recovery CDS Transactions (September 24, 2010) are specified as Applicable.

<sup>13</sup> Include only if the parties intend to specify the Additional Provisions for Recovery Lock Credit Derivative Transactions (March 2, 2011) as Applicable. Do not include if the Transaction Type is AUSTRALIA CORPORATE, NEW ZEALAND CORPORATE, AUSTRALIA SOVEREIGN, NEW ZEALAND SOVEREIGN, STANDARD EUROPEAN CORPORATE, STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN or STANDARD NEW ZEALAND SOVEREIGN.

<sup>14</sup> Include only if the Additional Provisions for Recovery Lock Credit Derivative Transactions (March 2, 2011) are specified as Applicable. Do not include if the Transaction Type is AUSTRALIA CORPORATE, NEW ZEALAND CORPORATE, AUSTRALIA SOVEREIGN, NEW ZEALAND SOVEREIGN, STANDARD EUROPEAN CORPORATE, STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN or STANDARD NEW ZEALAND SOVEREIGN.

[Fixed Settlement: [Applicable] [Not Applicable]]<sup>15</sup>

[[6]. Notice and Account Details:

Notice and Account Details for  
Party A:

Notice and Account Details for  
Party B:]

[7]. [Offices:]  
[Seller:] [ ]  
[Buyer] [ ]

[[8]. Additional Terms: ]

---

<sup>15</sup> Include only if the Additional Provisions for Recovery Lock Credit Derivative Transactions (March 2, 2011) are specified as Applicable. Do not include if the Transaction Type is U.S. MUNICIPAL FULL FAITH AND CREDIT, U.S. MUNICIPAL GENERAL FUND, U.S. MUNICIPAL REVENUE OBLIGATION, EUROPEAN CORPORATE, AUSTRALIA CORPORATE, NEW ZEALAND CORPORATE, AUSTRALIA SOVEREIGN, NEW ZEALAND SOVEREIGN, STANDARD EUROPEAN CORPORATE, STANDARD AUSTRALIA CORPORATE, STANDARD NEW ZEALAND CORPORATE, STANDARD AUSTRALIA SOVEREIGN or STANDARD NEW ZEALAND SOVEREIGN. Do not include if the Transaction Type is NORTH AMERICAN CORPORATE or STANDARD NORTH AMERICAN CORPORATE where Restructuring is applicable.

**APPENDIX 3**

**FORM OF EQO**

**TEMPLATE 1: SHARE OPTION**

The purpose of this [letter] (this "Confirmation") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "Transaction").

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 Master Agreement dated as of 23 February 2007 as amended and supplemented from time to time (the "**Agreement**") between Citigroup Global Markets Limited (the "**Swap Counterparty**") and Emerald Capital Limited (the "**Issuer**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

The particular Transaction to which the Confirmation relates is an Option, the terms of which are as follows:

**General Terms:**

Trade Date:

Option Style:

Option Type:

Seller:

Buyer:

Shares:

Number of Options:

Strike Price:

Premium:

Premium Payment Date:

Exchange:

Related Exchange:

**Procedures for Exercise:**

Expiration Time: The Valuation Time

Expiration Date: [ ]

Automatic Exercise: Applicable



Multiple Exercise: [Applicable][Not Applicable]<sup>16</sup>

**Valuation:**

Valuation Time: As provided in Section 6.1 of the Equity  
Definitions

Valuation Date: The Exercise Date

**Settlement Terms:**

Cash Settlement:

Settlement Currency:

***[INSERT IF FX APPLICABLE]***

[Option Cash Settlement Amount:]

[As provided in Section 8.2 (b) of the Equity  
Definitions, converted to USD at the FX Rate.]

***[INSERT IF FX APPLICABLE]***

[FX Rate:]

[The exchange rate between [●] and USD as  
determined by CGML at such time on or after the  
Valuation Date as CGML may determine in its sole  
and absolute discretion based on the actual FX rate  
at which CGML executes its FX hedge transaction]

Cash Settlement Payment Date: [ ] Currency Business Days after the Valuation  
Date

Settlement Method Election: Not Applicable

**Adjustments:**

Method of Adjustment: Calculation Agent Adjustment

**Extraordinary Events:**

Consequences of Merger Events:

(a) Share for Share: Calculation Agent Adjustment

(b) Share for Other: Calculation Agent Adjustment

(c) Share for Combined: Calculation Agent Adjustment

Determining Party: CGML

**Tender Offer:** Applicable

Consequences of Tender Offers:

(a) Share for Share: Calculation Agent Adjustment

---

<sup>16</sup> Applicable for American Options and Not Applicable for European Options

(b) Share for Other:	Calculation Agent Adjustment
(c) Share for Combined:	Calculation Agent Adjustment
Determining Party:	CGML
Composition of Combined Consideration:	Not Applicable
Nationalization, Insolvency or Delisting Event:	Cancellation and Payment (Calculation Agent Determination)

**Additional Disruption Events:**

[Change in Law:]	[Applicable.
------------------	--------------

Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words:

“‘Change in Law’ means that, on or after the Trade Date of this Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to this Transaction to hold, acquire or dispose of Hedge Positions relating to this Transaction, provided that this Section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party could have taken reasonable steps to avoid such illegality.” ]

Insolvency Filing:	Applicable
--------------------	------------

Determining Party:	CGML
--------------------	------

**Other Terms:**

Calculation Agent:	CGML. Section 1.40 of the Equity Derivatives Definitions shall apply to this Transaction provided that all determinations and calculations by the Calculation Agent will be binding in the absence of manifest error. For the purposes of this Transaction, this Calculation Agent provision replaces in its entirety any other provision previously agreed between the parties.
--------------------	--

Non-Reliance:	Applicable
---------------	------------

Agreements and Acknowledgments Regarding Hedging Activities:	Applicable
--	------------

Additional Acknowledgments:	Applicable
Method of Adjustment:	<p>Calculation Agent Adjustment. In its determinations of the existence and extent of any dilutive or concentrative effect on the theoretical value of the Shares of any Potential Adjustment Event, and any related adjustments to the terms of the Transaction, the Calculation Agent shall take into account any amounts of Local Taxes that would, in the determination of the Calculation Agent, be withheld from or paid or otherwise incurred by an Offshore Investor in connection with such Potential Adjustment Event.</p> <p>Where:</p> <p>"Local Taxes" shall mean taxes, duties, and similar charges imposed by the taxing authority of the Local Jurisdiction.</p> <p>"Offshore Investor" shall mean a holder of Shares who is a person not resident in the Local Jurisdiction for the purposes of the tax laws and regulations of the Local Jurisdiction.</p> <p>"Local Jurisdiction" means the jurisdiction of the Issuer.</p>
Change in Law:	<p>Applicable. Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words: "Change in Law' means that, on or after the Trade Date of the Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to the Transaction or its Affiliate(s) to hold, acquire or dispose of Hedge Positions relating to the Transaction, provided that this Section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party or its Affiliate(s) could have taken reasonable steps to avoid such illegality."</p>
Hedge Position:	<p>The definition of Hedge Positions in 13.2(b) of the Equity Definitions shall be amended by inserting the following at the end thereof:</p> <p>"provided that such arrangements shall include arrangements entered into by Affiliate(s) of a party that are attributed by the Calculation Agent to the hedging of this Transaction."</p>
Affiliate:	<p>Means any person or entity controlled, directly or indirectly, by the relevant party, any entity that controls, directly or indirectly, the relevant party or any entity directly or indirectly under common control with the relevant party. For this purpose, "control" of</p>

EM Risk Event:

any entity or person means ownership of a majority of the voting power of the entity or person.

Means any one or more of the events set forth below in paragraphs (a) to (e):

- (a) A Hedging Party or its Affiliate(s) is materially restricted, after using commercially reasonable efforts, from:
  - (i) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations in respect of or (in the case of a Hedging Party's Affiliate(s)) connected to the Transaction;
  - (ii) freely realizing, recovering, receiving, repatriating, remitting or transferring the proceeds of Hedge Positions or the Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction;
  - (iii) determining a rate at which any currency relevant to the Transaction or Hedge Positions can be exchanged; or
  - (iv) converting any currency relevant to the Transaction or Hedge Positions into another currency relevant to the Transaction or Hedge Positions through customary legal channels, including, but not exclusively, where one currency rate cannot be directly converted into another.
- (b) Any currency exchange rate relevant to the Transaction or Hedge Positions splits into dual or multiple exchange rates.
- (c) (i) A Hedging Party or its Affiliate(s) would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to perform its obligations in respect of or (in the case of a Hedging Party's Affiliate(s)) connected to the Transaction ("Increased Cost of Transaction Obligations"), including where the determination of a rate at which any currency relevant to the Transaction or Hedge Positions can be exchanged, or such rate itself, is subject to material charges or deductions, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party or such Affiliate shall not be deemed an Increased Cost of Transaction Obligation; and (ii) in respect of (i) above, when such Increased Cost of Transaction Obligations is as a result of a materially increased amount of tax or duty, the determination of such materiality shall be made

by the Hedging Party in its sole discretion.

(d) The occurrence of any event in a jurisdiction relating to Hedge Positions beyond the control of the Hedging Party or its Affiliate(s) which makes it materially more difficult for the Hedging Party or its Affiliate(s) to fulfil its obligations in respect of or (in the case of a Hedging Party's Affiliate(s)) connected to the Transaction.

(e) (i) The occurrence in a jurisdiction relating to Hedge Positions of (1) a Change in Tax Law (as defined in the 2002 ISDA Master Agreement as published by ISDA), or (2) the imposition of a new or changed governmental, revenue or taxing authority practice, or in the application or official interpretation of any law, or the removal or amendment of any concession in each case in relation to Hedge Positions (a "Change in Tax Practice"), or (ii) where there is a substantial likelihood of a change in Tax Law or a Change in Tax Practice, save in each case in relation to Taxes or Stamp Taxes (as defined in the 2002 ISDA Master Agreement as published by ISDA) which the parties have agreed in writing shall be excluded for the purposes of this definition of EM Risk Event.

Hedging Party:

Consequences of an EM Risk Event:

CGML

Upon the occurrence of an EM Risk Event the Calculation Agent may:

(a) make such consequential adjustments to any of the terms of this Transaction as it determines appropriate to account for the economic effect on the Hedging Party's or its Affiliate(s) in respect of, or (in the case of the Hedging Party's Affiliate(s)) connected to, the Transaction, or in respect of any relevant Hedge Positions. Possible adjustments include (but are not in any way limited to):

(i) payment of amounts payable by either party under the Transaction in the currency in which any Hedge Positions are denominated rather than the Settlement Currency;

(ii) a change to any such amounts by an amount equal to any applicable tax, charge or deduction or non payment of any such amounts until the relevant EM Risk Event has ceased;

(iii) determination of the relevant exchange rate by the Calculation Agent taking into consideration all available information that it deems relevant;

(iv) (where legally permissible) Physical Settlement rather than Cash Settlement; and/or

(v) postponement of settlement.

The Calculation Agent shall determine the effective date of any such adjustment; and/or

(b) terminate this Transaction by giving notice and

then determine the date of such termination, any amounts payable in respect of such termination, the date upon which any such amounts shall be paid and the party which shall pay such amounts.

Where the EM Risk Event is also an Additional Disruption Event, these “Consequences of an EM Risk Event” provisions shall prevail over the relevant Additional Disruption Event provisions.

<b><i>[Insert if Realisation Disruption Event is applicable.]</i></b>	
Realisation Disruption Event:	If CGML and/or an Affiliate has effected (or intends to effect) Hedge Positions (whether directly or indirectly) in respect of this Transaction, it shall be a “ <b>Realisation Disruption Event</b> ” if, CGML determines acting in good faith and in a commercially reasonable manner that:
	(a) any restrictions, taxes, charges or deductions have been imposed by any applicable governmental, judicial or regulatory body on any dealing by CGML and/or its relevant Affiliate in any Relevant Instruments, or on any transactions relating to such Relevant Instruments, such that:
	(i) CGML and/or its relevant Affiliate is or would be materially restricted from continuing to purchase, sell or otherwise deal in such Relevant Instruments (or to enter into, continue or complete such transactions) and/or is or would be materially restricted from exercising its rights, or performing its obligations in respect of any relevant Hedge Positions; and/or  (ii) CGML is materially restricted from performing its obligations under this Transaction or is, or is likely to, incur a materially increased cost in performing such obligations under this Transaction and/or in respect of any Hedge Positions; and/or
	(b) an event has occurred or circumstances exist (including without limitation any restrictions, charges or deductions imposed by any applicable governmental, judicial or regulatory body):
	(i) that materially restricts CGML and/or its relevant Affiliate ability to (1) exchange or convert the currency in which any Relevant Instruments are denominated (“Local Currency”) into the Settlement Currency through customary legal channels; (2) deliver the Settlement Currency or the Local

	<p>Currency or transfer the proceeds of Relevant Instruments (or any transaction relating to a Relevant Instrument) to accounts outside the country of the Local Currency or to a party that is a non-resident of any such country;</p> <p>(ii) such that CGML and/or its relevant Affiliate is or would be materially restricted from transferring amounts payable in respect of this Transaction between any of the country of the Local Currency, the jurisdiction of CGML and/or its relevant Affiliate and the jurisdiction of the parties to this Transaction; and/or</p> <p>(iii) such that the Calculation Agent's ability to determine a rate at which the Local Currency can be exchanged for the Settlement Currency, for any reason becomes restricted, or such determination is otherwise impracticable or such rate is subject to material charges or deductions.</p>
	<p>For the purposes of this Transaction, "<b>Relevant Instruments</b>" means exchange listed and/or traded positions or contracts on securities, options, futures, derivatives or foreign exchange which relate to this Transaction or any Hedge Positions.</p>
<p>Consequences of Realisation Disruption Event:</p>	<p>Upon the occurrence and continuation of any Realisation Disruption Event on or before the final Cash Settlement Payment Date, notwithstanding such event also constituting an Additional Disruption Event, the Calculation Agent may either:</p>
	<p>(i) make such consequential adjustments to any of the terms of this Transaction as it determines appropriate to account for the economic effect on Citigroup and/or its relevant Affiliate under this Transaction, or in respect of any relevant Hedge Positions, of such Realisation Disruption Event. Possible adjustments include (but are not in any way limited to) payment of amounts payable by CGML under the Transaction in Local Currency rather than Settlement Currency, a reduction to any such amounts by an amount equal to any applicable charge or deduction, non-payment of any such</p>

	<p>amounts until the relevant Realisation Disruption Event has ceased, determination of the relevant exchange rate by the Calculation Agent taking into consideration all available information that it deems relevant and/or (where legally permissible) Physical Settlement rather than Cash Settlement. The Calculation Agent shall determine the effective date of any such adjustment; and/or</p> <p>(ii) 'terminate this Transaction by giving notice to the Counterparty, whereupon the Calculation Agent shall determine, and provide the other party with a notice (a "Determination Notice") containing, the date of such termination, any amounts payable in respect of such termination, the date upon which any such amounts shall be paid and the other party which shall pay such amounts'.</p>
Affiliate (in relation to CGML):	<p>For the purposes of this Transaction, "<b>Affiliate</b>" means any person or entity controlled, directly or indirectly, by CGML, any entity that controls, directly or indirectly, CGML or any entity directly or indirectly under common control with CGML. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.</p>

**Account Details:**

Payments to CGML:

To be advised prior to payment

Payments to Counterparty:

Please advise to expedite payment



**APPENDIX 3**

**FORM OF EQO**

**TEMPLATE 2: INDEX OPTION**

The purpose of this [letter] (this "Confirmation") is to confirm the terms and conditions of the Credit Derivative Transaction entered into between us on the Trade Date specified below (the "Transaction").

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 Master Agreement dated as of 23 February 2007 as amended and supplemented from time to time (the "**Agreement**") between Citigroup Global Markets Limited (the "**Swap Counterparty**") and Emerald Capital Limited (the "**Issuer**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the "Equity Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Equity Definitions and this Confirmation, this Confirmation will govern.

The particular Transaction to which the Confirmation relates is an Option, the terms of which are as follows:

**General Terms:**

Trade Date:

Option Style:

Option Type:

Seller:

Buyer:

Index:

Number of Options:

Strike Price:

Premium:

Premium Payment Date:

Exchange:

Related Exchange:

**Procedures for Exercise:**

Expiration Time:

The Valuation Time

Expiration Date:

[ ]

***[Insert if Futures price is applicable.]***

[Valuation Date (expected to be [ ]), subject to adjustment in accordance with Section 6.8 (e) of the Equity Definitions.]

Automatic Exercise: Applicable

Multiple Exercise: [Applicable][Not Applicable]<sup>17</sup>

**Valuation:**

Valuation Time: As provided in Section 6.1 of the Equity Definitions

***[Insert only if Futures price is not applicable.]***

[Valuation Date:] [The Exercise Date]

**[OR]**

***[Insert only if Futures price is applicable.]***

[Futures Price Valuation: Applicable.

Valuation Time: The time at which the Official Settlement Price is published by the relevant Exchange, and, in the event that Section 6.8 (e) of the Equity Definitions applies, the close of the regular trading session on the relevant Exchange.

Valuation Date: As provided in Section 6.8 of the Equity Definitions

Adjustment to Section 6.8: Section 6.8 (b) (ii) and 6.8 (d) of the Equity Definitions are amended by replacing the terms "Exchange" with the terms "Related Exchange"

Exchange-traded Contract: The options or futures contract on the Index traded on the Related Exchange with an expiry date of [MONTH & YEAR].]

**Settlement Terms:**

Cash Settlement:

Settlement Currency:

Cash Settlement Payment Date: [ ] Currency Business Days after the Valuation Date

***[INSERT IF FX APPLICABLE]***

[Option Cash Settlement Amount:] [As provided in Section 8.2 (b) of the Equity Definitions, converted to USD at the FX Rate.]

***[INSERT IF FX APPLICABLE]***

[FX Rate:] [The exchange rate between [●] and USD as determined by CGML at such time on or after the Valuation Date as CGML may determine in its sole

---

<sup>17</sup> Applicable for American Options and Not Applicable for European Options

and absolute discretion based on the actual FX rate at which CGML executes its FX hedge transaction]

**Index Adjustments Event:**

- (a) Index Cancellation: Cancellation and Payment (Calculation Agent Determination)
- (b) Index Modification: Calculation Agent Adjustment
- (c) Index Disruption: Calculation Agent Adjustment

**Additional Disruption Events:**

Change in Law: Applicable. Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words: “Change in Law’ means that, on or after the Trade Date of this Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to this Transaction to hold, acquire or dispose of Hedge Positions relating to this Transaction, provided that this Section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party could have taken reasonable steps to avoid such illegality.”

Determining Party: CGML

**Other Terms:**

Calculation Agent: CGML. Section 1.40 of the Equity Derivatives Definitions shall apply to this Transaction provided that all determinations and calculations by the Calculation Agent will be binding in the absence of manifest error. For the purposes of this Transaction, this Calculation Agent provision replaces in its entirety any other provision previously agreed between the parties.

Non-Reliance: Applicable

Agreements and Acknowledgments Regarding Hedging Activities: Applicable

Additional Acknowledgments: Applicable

Index Disclaimer: Applicable

Change in Law:	Applicable. Section 12.9(a)(ii) of the Equity Definitions is replaced in its entirety by the words: “Change in Law’ means that, on or after the Trade Date of the Transaction (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal for a party to the Transaction or its Affiliate(s) to hold, acquire or dispose of Hedge Positions relating to the Transaction, provided that this Section 12.9(a)(ii) shall not apply if the Calculation Agent determines that such party or its Affiliate(s) could have taken reasonable steps to avoid such illegality.”
Hedge Position:	The definition of Hedge Positions in 13.2(b) of the Equity Definitions shall be amended by inserting the following at the end thereof: “provided that such arrangements shall include arrangements entered into by Affiliate(s) of a party that are attributed by the Calculation Agent to the hedging of this Transaction.”
Affiliate:	Means any person or entity controlled, directly or indirectly, by the relevant party, any entity that controls, directly or indirectly, the relevant party or any entity directly or indirectly under common control with the relevant party. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.
EM Risk Event:	Means any one or more of the events set forth below in paragraphs (a) to (e): (a) A Hedging Party or its Affiliate(s) is materially restricted, after using commercially reasonable efforts, from: <ul style="list-style-type: none"> <li>(i) acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk (or any other relevant price risk including, but not limited to, the currency risk) of entering into and performing its obligations in respect of or (in the case of a Hedging Party’s Affiliate(s)) connected to the Transaction;</li> <li>(ii) freely realizing, recovering, receiving, repatriating, remitting or transferring the proceeds of Hedge Positions or the Transaction between accounts within the jurisdiction of the Hedge Positions (the "Affected Jurisdiction") or from accounts within the Affected Jurisdiction to accounts outside of the Affected Jurisdiction;</li> <li>(iii) determining a rate at which any currency relevant to the Transaction or Hedge</li> </ul>

- Positions can be exchanged; or
- (iv) converting any currency relevant to the Transaction or Hedge Positions into another currency relevant to the Transaction or Hedge Positions through customary legal channels, including, but not exclusively, where one currency rate cannot be directly converted into another.
- (b) Any currency exchange rate relevant to the Transaction or Hedge Positions splits into dual or multiple exchange rates.
- (c) (i) A Hedging Party or its Affiliate(s) would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to perform its obligations in respect of or (in the case of a Hedging Party's Affiliate(s)) connected to the Transaction ("Increased Cost of Transaction Obligations"), including where the determination of a rate at which any currency relevant to the Transaction or Hedge Positions can be exchanged, or such rate itself, is subject to material charges or deductions, provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party or such Affiliate shall not be deemed an Increased Cost of Transaction Obligation; and (ii) in respect of (i) above, when such Increased Cost of Transaction Obligations is as a result of a materially increased amount of tax or duty, the determination of such materiality shall be made by the Hedging Party in its sole discretion.
- (d) The occurrence of any event in a jurisdiction relating to Hedge Positions beyond the control of the Hedging Party or its Affiliate(s) which makes it materially more difficult for the Hedging Party or its Affiliate(s) to fulfil its obligations in respect of or (in the case of a Hedging Party's Affiliate(s)) connected to the Transaction.
- (e) (i) The occurrence in a jurisdiction relating to Hedge Positions of (1) a Change in Tax Law (as defined in the 2002 ISDA Master Agreement as published by ISDA), or (2) the imposition of a new or changed governmental, revenue or taxing authority practice, or in the application or official interpretation of any law, or the removal or amendment of any concession in each case in relation to Hedge Positions (a "Change in Tax Practice"), or (ii) where there is a substantial likelihood of a change in Tax Law or a Change in Tax Practice, save in each case in relation to Taxes or Stamp Taxes (as defined in the 2002 ISDA Master Agreement as published by ISDA) which the parties have agreed in writing shall be excluded for the purposes of this definition of EM Risk Event.

Hedging Party:

CGML

Consequences of an EM Risk Event:

Upon the occurrence of an EM Risk Event the

Calculation Agent may:

- (a) make such consequential adjustments to any of the terms of this Transaction as it determines appropriate to account for the economic effect on the Hedging Party's or its Affiliate(s) in respect of, or (in the case of the Hedging Party's Affiliate(s)) connected to, the Transaction, or in respect of any relevant Hedge Positions. Possible adjustments include (but are not in any way limited to):
  - (vi) payment of amounts payable by either party under the Transaction in the currency in which any Hedge Positions are denominated rather than the Settlement Currency;
  - (vii) a change to any such amounts by an amount equal to any applicable tax, charge or deduction or non payment of any such amounts until the relevant EM Risk Event has ceased;
  - (viii) determination of the relevant exchange rate by the Calculation Agent taking into consideration all available information that it deems relevant;
  - (ix) (where legally permissible) Physical Settlement rather than Cash Settlement; and/or
  - (x) postponement of settlement.

The Calculation Agent shall determine the effective date of any such adjustment; and/or

- (b) terminate this Transaction by giving notice and then determine the date of such termination, any amounts payable in respect of such termination, the date upon which any such amounts shall be paid and the party which shall pay such amounts.

Where the EM Risk Event is also an Additional Disruption Event, these "Consequences of an EM Risk Event" provisions shall prevail over the relevant Additional Disruption Event provisions.

<b><i>[Insert if Realisation Disruption Event is applicable.]</i></b>	
Realisation Disruption Event:	If CGML and/or an Affiliate has effected (or intends to effect) Hedge Positions (whether directly or indirectly) in respect of this Transaction, it shall be a “ <b>Realisation Disruption Event</b> ” if, CGML determines acting in good faith and in a commercially reasonable manner that:
	(a) any restrictions, taxes, charges or deductions have been imposed by any applicable governmental, judicial or regulatory body on any dealing by CGML and/or its relevant Affiliate in any Relevant Instruments, or on any transactions relating to such Relevant Instruments, such that:
	<p>(i) CGML and/or its relevant Affiliate is or would be materially restricted from continuing to purchase, sell or otherwise deal in such Relevant Instruments (or to enter into, continue or complete such transactions) and/or is or would be materially restricted from exercising its rights, or performing its obligations in respect of any relevant Hedge Positions; and/or</p> <p>(ii) CGML is materially restricted from performing its obligations under this Transaction or is, or is likely to, incur a materially increased cost in performing such obligations under this Transaction and/or in respect of any Hedge Positions; and/or</p>
	(b) an event has occurred or circumstances exist (including without limitation any restrictions, charges or deductions imposed by any applicable governmental, judicial or regulatory body):
	(j) that materially restricts CGML and/or its relevant Affiliate ability to (1) exchange or convert the currency in which any Relevant Instruments are denominated (“Local Currency”) into the Settlement Currency through customary legal channels; (2) deliver the Settlement Currency or the Local Currency or transfer the proceeds of Relevant Instruments (or any transaction relating to a Relevant Instrument) to accounts outside the country of the Local Currency or to a party that is a non-resident of any such country;

	<p>(ii) such that CGML and/or its relevant Affiliate is or would be materially restricted from transferring amounts payable in respect of this Transaction between any of the country of the Local Currency, the jurisdiction of CGML and/or its relevant Affiliate and the jurisdiction of the parties to this Transaction; and/or</p> <p>(iii) such that the Calculation Agent's ability to determine a rate at which the Local Currency can be exchanged for the Settlement Currency, for any reason becomes restricted, or such determination is otherwise impracticable or such rate is subject to material charges or deductions.</p>
	<p>For the purposes of this Transaction, "<b>Relevant Instruments</b>" means exchange listed and/or traded positions or contracts on securities, options, futures, derivatives or foreign exchange which relate to this Transaction or any Hedge Positions.</p>
<p>Consequences of Realisation Disruption Event:</p>	<p>Upon the occurrence and continuation of any Realisation Disruption Event on or before the final Cash Settlement Payment Date, notwithstanding such event also constituting an Additional Disruption Event, the Calculation Agent may either:</p>
	<p>(i) make such consequential adjustments to any of the terms of this Transaction as it determines appropriate to account for the economic effect on Citigroup and/or its relevant Affiliate under this Transaction, or in respect of any relevant Hedge Positions, of such Realisation Disruption Event. Possible adjustments include (but are not in any way limited to) payment of amounts payable by CGML under the Transaction in Local Currency rather than Settlement Currency, a reduction to any such amounts by an amount equal to any applicable charge or deduction, non-payment of any such amounts until the relevant Realisation Disruption Event has ceased, determination of the relevant exchange rate by the Calculation Agent taking into consideration all available information that it deems relevant and/or (where legally permissible) Physical Settlement</p>



	<p>rather than Cash Settlement. The Calculation Agent shall determine the effective date of any such adjustment; and/or</p> <p>(ii) 'terminate this Transaction by giving notice to the Counterparty, whereupon the Calculation Agent shall determine, and provide the other party with a notice (a "Determination Notice") containing, the date of such termination, any amounts payable in respect of such termination, the date upon which any such amounts shall be paid and the other party which shall pay such amounts'.</p>
<p>Affiliate (in relation to CGML):</p>	<p>For the purposes of this Transaction, "<b><u>Affiliate</u></b>" means any person or entity controlled, directly or indirectly, by CGML, any entity that controls, directly or indirectly, CGML or any entity directly or indirectly under common control with CGML. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.</p>

**[MULTIPLE EXCHANGE INDEX ANNEX - where the Multiple Exchange Index Annex applies to an Index, the following provisions shall apply in relation to such Index:]**

Exchange:	In respect of each Component Security, the Exchange is the stock exchange on which that Component Security is principally traded.
Component Security:	Each component security of the Index.
Amendment to Section 6.8(e):	The words "the level of the relevant Index at the close of the regular trading session on the relevant Exchange" on lines 4 and 5 of Section 6.8(e) of the Equity Definitions shall be deleted and replaced with the words "the official closing level of the Index as calculated and published by the Index Sponsor".
Scheduled Trading Day:	Any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
Exchange Business Day:	Any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.
Valuation Time:	(i) For the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.
Market Disruption Event:	Either:
	(i) (a) the occurrence or existence, in respect of any Component Security, of:
	(1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
	(2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; OR
	(3) an Early Closure; AND
	(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR
	(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation

	Time in respect of the Related Exchange; or (c) an Early Closure.
	For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if a Market Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".
Trading Disruption:	Any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.
Exchange Disruption:	Any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.
Early Closure:	The closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.
Disrupted Day:	Any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

**[DIVIDED ANNEX – the following provisions may be agreed in respect of Transactions where Total Return is specified as applicable and the underlying Index is a “price return” Index]**

[Determination of Dividend Amount:

"Dividend Amount" means, in respect of a Dividend Period and the related Dividend Payment Date, an amount in the Settlement Currency, determined by the Calculation Agent in accordance with the following formula:

$$\frac{\text{Equity Notional Amount}}{\text{Initial Price}} \times \sum_t \sum_i \frac{n_i \times d_i}{D_t}$$

where:

" $t$ " means each weekday (each a "**Relevant Day**,"") in the relevant Dividend Period;

" $i$ " means, in respect of each Relevant Day <sub>$t$</sub> , each share (each a "**Share <sub>$i$</sub>** ") that is comprised in the Index on such Relevant Day <sub>$t$</sub> ;

" $d_i$ " means, in respect of each Share <sub>$i$</sub>  and a Relevant Day <sub>$t$</sub> :

- (a) if an Ex-Dividend Date in respect of such Share <sub>$i$</sub>  falls on such Relevant Day <sub>$t$</sub> , an amount equal to the Relevant Dividend in respect of such Share <sub>$i$</sub>  and such Relevant Day <sub>$t$</sub> ; or
- (b) otherwise, zero (0);

" $n_i$ " means, in respect of each Share <sub>$i$</sub>  and a Relevant Day <sub>$t$</sub> , the number of free-floating shares relating to Share <sub>$i$</sub>  comprised in the Index, as calculated and published by the Index Sponsor on such Relevant Day <sub>$t$</sub> , subject to "Failure to Publish" below;

" $D_t$ " means, in respect of each Relevant Day <sub>$t$</sub> , the Official Index Divisor, as calculated and published by the Index Sponsor on such Relevant Day <sub>$t$</sub> , subject to "Failure to Publish" below;

"Official Index Divisor":

is the value, calculated by the Index Sponsor, necessary to ensure that the numerical value of the Index remains unchanged after a change in the composition of the Index. The value of the Index after any change in its composition is divided by the Official Index Divisor to ensure that the value of the Index returns to its normalised value.

"Relevant Dividend":

in respect of each Share <sub>$i$</sub>  and each Relevant Day <sub>$t$</sub>  in a Dividend Period:

(a) the Declared Cash Dividend Percentage specified above of any Declared Cash Dividend; and/or

(b) the Declared Cash Equivalent Dividend Percentage specified above of any Declared Cash Equivalent Dividend,

excluding:

dividends in relation to which the Index Sponsor makes an adjustment to the Index. Where the Index Sponsor has adjusted the Index for part of a dividend, this Relevant Dividend provision shall apply only to the unadjusted part.

"Declared Cash Dividend" means in respect of a Relevant Dividend of Share <sub>$i$</sub> , an amount per Share <sub>$i$</sub>  as declared by the issuer of such Share <sub>$i$</sub>  where the Ex-Dividend Date falls on such Relevant Day <sub>$t$</sub> , before the withholding or deduction of taxes at source by or on behalf of any applicable authority having power to tax in respect of such a dividend (an "Applicable Authority"), and shall exclude:

- (a) any imputation or other credits, refunds or deductions granted by an Applicable Authority (together, the "Credits"); and
- (b) any taxes, credits, refunds or benefits imposed, withheld, assessed or levied on the Credits referred to in a) above.

"Declared Cash Equivalent Dividend" means in respect of a Relevant Dividend of Share<sub>i</sub>, an amount per Share being the cash value of any stock dividend (whether or not such stock dividend comprises of shares that are not the ordinary shares of the issuer) declared by the issuer of such Share<sub>i</sub> where the Ex-Dividend Date falls on such Relevant Day<sub>t</sub> (or, if no cash value is declared by the relevant issuer, the cash value of such stock dividend as determined by the Calculation Agent, calculated by reference to the opening price of such ordinary shares on the Ex-Dividend Date applicable to that stock dividend).

If holders of record of Share<sub>i</sub> may elect between receiving a Declared Cash Dividend or a Declared Cash Equivalent Dividend, the dividend shall be deemed to be a Declared Cash Dividend for the purposes of this Transaction.

Where any Relevant Dividend is declared in a currency other than the Settlement Currency, then the Calculation Agent shall convert such Relevant Dividend into the Settlement Currency at the rate declared by the issuer where any such rate is available or, if no such rate is available, at a rate determined by the Calculation Agent.

"Ex-Dividend Date":

means in respect of a Relevant Dividend the date that Share<sub>i</sub> is scheduled to commence trading ex-dividend on the primary exchange or quotation system for such Share<sub>i</sub> as determined by the Calculation Agent.

"Failure to Publish":

if, for the purposes of determining  $n_{i_t}$  or  $D_t$  on any Relevant Day<sub>t</sub>, the Index Sponsor fails (for whatever reason including without limitation, an Index Disruption) to calculate and publish the number of free-floating shares in respect of any Share<sub>i</sub> or the Official Index Divisor, then the Calculation Agent shall determine the number of free-float shares in respect of such Share<sub>i</sub> or the Official Index Divisor (as the case may be) in respect of such Relevant Day<sub>t</sub>.

In making any such determination, the Calculation Agent may (but shall not be obliged to) make reference to the formula for and method of calculating the number of free-float shares or the Official Index Divisor (as the case may be) last in effect prior to the failure by the Index Sponsor to make the relevant calculation or publication.

"Corrections":

in the event that an Official Index Divisor or number of free floating shares calculated and published by the Index Sponsor (or determined by the Calculation Agent pursuant to the provisions above relating to "Failure to Publish") and utilized for any calculation or determination made under this Transaction is subsequently corrected (or, where there has been a Failure to Publish, published by the Index Sponsor) and the correction is published (or, where there has been a Failure to Publish, publication is made) by the Index Sponsor within five Scheduled Trading Days after the original publication, either party may notify the other party of that correction and the Calculation Agent will adjust the Dividend Amount, as required, to take into account such correction *provided that* if such correction or subsequent publication occurs after the relevant Dividend Payment Date, the Calculation Agent may (but need not) determine any appropriate repayment to be made by a party to account for such correction or subsequent publication, as the case may be, and determine the date any such repayment should be made, together with interest on such repayment amount as determined by the Calculation Agent. The parties expressly acknowledge and agree that the provisions of this section (*Corrections*) shall apply and remain in full force and effect notwithstanding the fact that the Termination Date has occurred.

"Dividend Recovery":

if: (i) the amount actually paid or delivered by an issuer to holders of record of the relevant Share<sub>i</sub> in respect of any Relevant Dividend declared by such issuer (a "**Declared Dividend**") to holders of

record of such Share<sub>i</sub> is not equal to such Declared Dividend (a "**Dividend Mismatch Event**"); or (ii) such issuer fails to make any payment or delivery in respect of such Declared Dividend by the third Currency Business Day following the relevant due date, then the Calculation Agent may (but shall not be obliged to) determine: (a) any appropriate adjustment or repayment to be made by a party to account for such Dividend Mismatch Event or non-payment or non-delivery, as the case may be; (b) the date any such repayment should be made; and (c) any interest on such repayment amount, if any. The parties expressly acknowledge and agree that the provisions of this section (*Dividend Recovery*) shall apply and remain in full force and effect notwithstanding that the Termination Date may have occurred.

"Settlement Currency": as specified above]

## APPENDIX 4

### FORM OF FXO

The purpose of this [letter] (this "Confirmation") is to confirm the terms and conditions of the transaction entered into between us on the Trade Date specified below (the "**Transaction**").

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 Master Agreement dated as of 23 February 2007 as amended and supplemented from time to time (the "**Agreement**") between Citigroup Global Markets Limited (the "**Swap Counterparty**") and Emerald Capital Limited (the "**Issuer**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The definitions and provisions contained in the [2000]/[2006] ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (the "**Swap Definitions**"), and in the 1998 FX and Currency Option Definitions, as published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and The Foreign Exchange Committee (the "**1998 Definitions**" and, together with the Swap Definitions, the "**Definitions**"), are incorporated into this Confirmation. In the event of any inconsistency between the Swap Definitions and the 1998 Definitions, the 1998 Definitions will govern. In the event of any inconsistency between either set of Definitions and this Confirmation, this Confirmation will govern.

1. The terms of the Deliverable Currency Option Transaction to which this Confirmation relate are as follows:

Trade Date:	[insert date]
Date of Annex A:	
Premium:	[insert amount]
Premium Payment Date:	[insert date]
Buyer:	Issuer
Seller:	Swap Counterparty
Currency Option Style:	
Currency Option Type:	[insert currency] [Put]/[Call]
Call Currency and Call Currency Amount:	[insert currency] [insert amount]
Put Currency and Put Currency Amount:	[insert currency] [insert amount]
Strike Price:	
Reference Currency:	
Settlement Currency:	

Settlement Rate Option:	
Expiration Date/Exercise Date:	Valuation Date
Expiration Time:	[10:00am New York]/[insert time]
Automatic Exercise:	Inapplicable
Settlement:	Non-Deliverable
Settlement Date:	[●], subject to adjustment if the Scheduled Valuation Date is adjusted in accordance with the Following Business Day Convention or if Valuation Postponement applies, and in each such case, the Settlement Date shall be as soon as practicable, but in no event later than two Business Day after the date on which the Spot Rate is determined.
Valuation Date:	[●]. ("Scheduled Valuation Date"), subject to adjustment in accordance with the Preceding Business Day Convention; and in the event of an Unscheduled Holiday, subject to adjustment in accordance with the Following Business Day Convention.
Relevant City for Business Day for Valuation Date:	
Relevant City for Business Day for Settlement Date:	
Disruption Events:	
Disruption Fallbacks:	
Business Day:	[insert financial centres]
Unscheduled Holiday:	"Unscheduled Holiday" means that a day is not a Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9.00a.m. local time in the Principal Financial Center(s) of the Reference Currency two (2) Business Days prior to the Scheduled Valuation Date.
"Deferral Period" for Unscheduled Holiday:	In the event the Scheduled Valuation Date becomes subject to the Following Business Day Convention, and if the Valuation Date has not occurred on or before the 14th consecutive day after the Scheduled Valuation Date (any such period being a "Deferral Period"), then the next day after the Deferral Period that would have been a



Business Day but for the Unscheduled Holiday, shall be deemed to be the Valuation Date.

"Valuation Postponement" for

Price Source Disruption:

"Valuation Postponement" means, for purposes of obtaining a Settlement Rate, that the Spot Rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Valuation Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the Spot Rate will be determined on the next Business Day after the Maximum Days of Postponement in accordance with the next applicable Disruption Fallback.

"Fallback Survey Valuation Postponement":

"Fallback Survey Valuation Postponement" means that, in the event that the Fallback Reference Price is not available on or before the 3rd Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day. For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

Cumulative Events:

Except as provided below, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, then such day shall be deemed to be a Valuation Date, and (y) if, upon the lapse of any such 14 day

period, a Price Source Disruption shall have occurred or be continuing on the day following such period on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

Maximum Days of Postponement: 14 calendar days.

Calculation Agent: CGML

Offices: The Office for Citibank for this Transaction is [●]

The Office for Counterparty for this Transaction is [●]

Governing Law: The governing law of the Agreement or, if no such governing law is specified, English law.

2. Each party hereby confirms (i) it is not relying on any advice, statements or recommendations (written or oral) of the other party concerning this Transaction and it has the capacity to understand, and is willing to accept, the terms, conditions and risks of this Transaction and (ii) it is an "eligible contract participant" within the meaning of Section 1(a)(12) of the Commodity Exchange Act, as amended and (iii) this Transaction will not be executed or traded on a "trading facility" within the meaning of Section 1(a)(33) of the Commodity Exchange Act, as amended.

## APPENDIX 5

### PORTFOLIO CONDITIONS

Capitalised terms used but not otherwise defined in this Appendix will have the meanings given to such term in Annex 1 (*Strategy*).

**Portfolio Conditions:** The Portfolio Adjustment Criteria must be satisfied on the Issue Date and on each relevant Rebalancing Date, Portfolio Adjustment Date and any other date when an Adjustment is effected:

Additionally, on every Business Day prior to the Strategy End Date:

- (i) **Concentration Limits** - the Concentration Limits must be satisfied; and
- (ii) **Notional Cap** - the aggregate of the Portfolio Asset Notional Amount in respect of all Portfolio Assets (except for Short CDS, EQO and FXO) will not be larger than 5 times the Reserve Amount.

**Portfolio Adjustment Criteria:** The Portfolio Adjustment Criteria means (as determined by the Calculation Agent):

- (i) **CDS, TRS, EQO** - the relevant Reference Entity must be registered in, incorporated in, resident in or otherwise originate from an APAC Country or the relevant Reference Asset must be denominated in an APAC Currency.
- (ii) **FXO** – one or both of the Call Currency (as defined in the terms of the FXO) or the Put Currency (as defined in the terms of the FXO) must be an APAC Currency.

**APAC Country:** Means any of the following countries:

Australia, China, Hong Kong, India, Indonesia, Macau, Malaysia, Mongolia, New Zealand, Papua New Guinea, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand or Vietnam.

**APAC Currency:** At any time, the legal currency of any APAC Country.

**Concentration Limits:** Each of the following Concentration Limits must be satisfied on every Business Day prior to the Strategy End Date:

1. The aggregate of the Usage Ratios in respect of all Portfolio Assets that are allocated to a single Reference Entity cannot exceed 5 per cent. on the relevant date.
2. The aggregate of the Usage Ratios in respect of all Portfolio Assets that are allocated to one single APAC Country cannot

exceed 20 per cent. on the relevant date.

3. The aggregate of the Usage Ratios in respect of all Portfolio Assets that are allocated to a single Industry Group cannot exceed 20 per cent. on the relevant date except that, on any date, the aggregate of the Usage Ratios in respect of all Portfolio Assets that are allocated to one or more Sovereign Reference Entities may be 100 per cent.
4. The aggregate of the Usage Ratios of all Portfolio Assets in respect of which either:
  - (i) the rating of the relevant Reference Entity and/or Reference Asset is Sub-Investment Grade; or
  - (ii) the relevant Reference Entity and/or Reference Asset is unrated,cannot exceed 50 per cent. on the relevant date.
5. The aggregate of the Usage Ratios of all Portfolio Assets (other than CDS and TRS in respect of which the Reference Asset is a convertible bond) in respect of which the relevant Reference Entity and/or Reference Asset is unrated cannot exceed 10 per cent. on the relevant date.
6. The aggregate of the Usage Ratios in respect of all Short CDS cannot exceed 30 per cent. on the relevant date.
7. The aggregate of the Usage Ratios in respect of all EQO cannot exceed 30 per cent. on the relevant date.
8. The aggregate of the Usage Ratios in respect of all FXO cannot exceed 30 per cent. on the relevant date.
9. The aggregate of the Usage Ratios in respect of all CDS and TRS in respect of which the Reference Asset is a convertible bond shall not exceed 10 per cent. on the relevant date.
10. The maximum principal amount of the Reference Asset referenced by one or more TRS cannot exceed 10 per cent. of the total aggregate outstanding principal amount of such Reference Asset (as determined by the Calculation Agent in its sole and absolute discretion) on the relevant date.

For the purpose of making the allocations and determinations set out above:

- (i) a TRS, EQO and CDS will be allocated to an APAC Country if the relevant Reference Entity is registered in, incorporated in, resident in or otherwise originates from such APAC Country;
- (ii) a FXO will be allocated to an APAC Country if one or both of the Call Currency (as defined in the terms of the FXO) or the Put Currency (as defined in the terms of the FXO) is the APAC Currency in respect of that APAC Country; and
- (iii) a Portfolio Asset will be allocated to an Industry Group on the basis of the industry classification customarily assigned to the relevant Reference Entity from time to time in accordance with the definition of "Industry Group" (below),

in each case as determined by the Calculation Agent in its sole and absolute discretion. For the avoidance of doubt, a Portfolio Asset may only be allocated to one APAC Country or Industry Group. If more than one APAC Country or Industry Group is relevant to any Portfolio Asset, the Calculation Agent will select which such APAC Country or Industry Group, as applicable, will be used for the purpose of determining the relevant Concentration Limit.

**Usage Ratio:**

Means, in respect of a Portfolio Asset and any date, an amount (expressed as a percentage) that is equal to:

- (i) the relevant Required Reserve Amount in respect of such Portfolio Asset on such date; and
- (ii) the Reserve Amount in respect of such date, as determined by the Calculation Agent in its sole and absolute discretion.

**Industry Group:**

<b>Industry Group</b>	<b>Industry Classification</b>
Aerospace, Autos and Transportation	Aerospace & Defence, Air transport, Automotive, Surface transport and Rail Industries;
Banking, Finance and Insurance	Brokers, Dealers & Investment houses, Equipment Leasing, Financial Intermediaries and Insurance;
Consumer Products (defensive)	Beverage & Tobacco, Food/Drug Retailers, Drugs, Food Products, Food Service and Health Care;
Property	Building & Development;
Basic Manufacturing	Containers & Glass Products, Conglomerates, Industrial Equipment and Clothing/Textiles;
Energy, Industrial and Utilities	Chemical & Plastics, Nonferrous Metals/Minerals, Oil & Gas, Steel and Utilities;
Land Products	Ecological Services & Equipment, Farming/Agriculture and Forest Products;
Consumer Services and Retail	Cosmetics/Toiletries, Home Furnishings, Lodging & Casinos, Retailers (except Food & Drug) and Leisure Goods/Activities/Movies;
TMT + Electronics	Radio & Television, Cable & Satellite Television, Electronics/Electrical, Telecommunication and Publishing
Other	Business Equipment and Services

**Sub-Investment Grade:**

Means, in respect of any date and a Reference Entity or Reference Asset, a senior unsecured debt rating below either:

- (i) Baa3/Prime-3 from Moody's;
- (ii) BBB / A-3 from S&P; or
- (iii) the equivalent rating from any other internationally recognised credit rating agency (as determined by the Calculation Agent).

In the event that any Reference Entity or Reference Asset benefits from a rating from both S&P and Moody's, the lower rating shall be applied.

**APPENDIX 6**

**LEVERAGE RULES**

**Required Reserve Amounts and Leverage Factors:**

The relevant Required Reserve Amounts and Leverage Factors shall be calculated as follows:

**Liquid CDS (other than a Short CDS):**

Required Reserve Amount in respect of a Liquid CDS (other than a Short CDS):

An amount that is equal to the Portfolio Asset Notional Amount of the relevant Liquid CDS (other than a Short CDS) divided by the relevant Leverage Factor.

Liquid CDS (other than Short CDS) Leverage Factors:

Each Liquid CDS (other than Short CDS) Leverage Factor shall be the applicable Leverage Factor given to the combination set out in the table below if (i) the Running Fixed Rate of such CDS matches a Specified CDS Fixed Rate in the table below and (ii) the actual remaining maturity of such CDS matches a Specified Remaining Maturity in the table below:

**Specified CDS Fixed Rate**

	<b>0</b>	<b>100</b>	<b>200</b>	<b>1000</b>
<b>Specified Remaining Maturity</b>				
<b>0Y</b>	10.5	10.5	10.0	2.0
<b>3Y</b>	10.0	10.0	9.5	1.8
<b>5Y</b>	8.0	8.0	7.0	1.4
<b>7Y</b>	5.5	5.5	5.0	1.1
<b>10Y</b>	3.5	3.5	3.0	1.0

Where the actual remaining maturity of a Liquid CDS (other than a Short CDS) is between one Specified Remaining Maturity and another Specified Remaining Maturity and/or the Running Fixed Rate is between one Specified CDS Fixed Rate and another Specified CDS Fixed Rate, the Leverage Factor shall be the number calculated on the basis of linear interpolation, as determined by the Calculation Agent in good faith and a commercially reasonable manner.

Notwithstanding the above, the Leverage Factor in respect of a Liquid CDS (other than a Short CDS) with a Running Fixed Rate greater than 1000 basis points or with a remaining maturity greater than 10 years will be 1.0.

**Liquid CDS that is a Short CDS**

Required Reserve Amount in respect of a Liquid CDS that is a Short CDS:

Subject to the provisions set out at “Negative Basis Packages” below, the Required Reserve Amount for a Liquid CDS that is a Short CDS will be calculated as the product of:

- (i) 50%; and
- (ii) the difference between (x) the current value of the CDS

Portfolio Asset and (y) the value that the CDS Portfolio Asset would have assuming interest rates and the CDS spread of the relevant Reference Entity or index, as applicable, were both equal to zero on that day, as calculated by the Calculation Agent.

**Illiquid CDS Required Reserve Amount**

In respect of an Illiquid CDS, the Required Reserve Amount will be equal to the notional amount of the relevant Illiquid CDS, as determined by the Calculation Agent in its sole and absolute discretion.

**Local Currency denominated Liquid TRS**

Required Reserve Amount in respect of a Local Currency denominated Liquid TRS:

Subject to the provisions set out at “Convertible Bonds” below, an amount that is equal to the Portfolio Asset Notional Amount of the relevant Local Currency denominated Liquid TRS divided by the relevant Leverage Factor.

Local Currency denominated Liquid TRS Leverage Factor:

Each Local Currency denominated Liquid TRS Leverage Factor shall be the applicable Leverage Factor given to the combination set out in the table below if (i) the TRS Yield to Maturity matches a Specified TRS Yield to Maturity in the table below, and (ii) the actual remaining maturity of such TRS matches a Specified Remaining Maturity in the table below:

**Specified TRS Yield To Maturity**

	<b>0</b>	<b>6</b>	<b>8</b>	<b>25</b>
<b>Specified Remaining Maturity</b> <b>0Y</b>	6.2	6.2	4.5	1.4
<b>3Y</b>	5.7	5.7	4.2	1.2
<b>5Y</b>	3.6	3.6	3.5	1.1
<b>7Y</b>	2.7	2.7	2.6	1.1
<b>10Y</b>	1.8	1.8	1.2	1.0
<b>20Y</b>	1.5	1.5	1.1	1.0

Where the actual remaining maturity of a Local Currency denominated Liquid TRS is between one Specified Remaining Maturity and another Specified Remaining Maturity and/or the TRS Yield to Maturity is between one Specified Yield to Maturity and another Specified Yield to Maturity, the Leverage Factor shall be the number calculated on the basis of linear interpolation, as determined by the Calculation Agent in good faith and a commercially reasonable manner. Notwithstanding the above, the Leverage Factor in respect of a Local Currency denominated Liquid TRS with a TRS Yield To Maturity greater than 25 per cent. or with a remaining maturity greater than 20 years shall be 1.0.



**Hard Currency denominated Liquid TRS:**

Required Reserve Amount in respect of a Hard Currency denominated Liquid TRS:

Subject to the provisions set out at “Negative Basis Packages” below and “Convertible Bonds” below, an amount that is equal to the Portfolio Asset Notional Amount of the relevant Hard Currency denominated Liquid TRS divided by the relevant Leverage Factor.

Hard Currency denominated Liquid TRS Leverage Factors:

Each Hard Currency denominated Liquid TRS Leverage Factor shall be the applicable Leverage Factor given to the combination set out in the table below if (i) the relevant TRS Asset Swap Spread matches a Specified Asset Swap Spread in the table below and (ii) the actual remaining maturity of such TRS matches a Specified Remaining Maturity in the table below:

		<b><u>Specified Asset Swap Spread</u></b>			
		<b>0</b>	<b>100</b>	<b>200</b>	<b>1000</b>
<b>Specified Remaining Maturity</b>	<b>0Y</b>	7.0	7.0	6.0	1.5
	<b>3Y</b>	6.5	6.5	5.5	1.4
	<b>5Y</b>	4.5	4.5	4.0	1.2
	<b>7Y</b>	3.5	3.5	3.0	1.1
	<b>10Y</b>	2.2	2.2	1.8	1.0
	<b>20Y</b>	1.8	1.8	1.4	1.0
	<b>30Y</b>	1.4	1.4	1.0	1.0

Where the actual remaining maturity of a Hard Currency denominated Liquid TRS is in between one Specified Remaining Maturity and another Specified Remaining Maturity and/or the TRS Asset Swap Spread is between one Specified Asset Swap Spread and another Specified Asset Swap Spread, the Leverage Factor shall be the number calculated on the basis of linear interpolation, as determined by the Calculation Agent in good faith and a commercially reasonable manner.

Notwithstanding the above, the Leverage Factor in respect of a Hard Currency denominated Liquid TRS with a TRS Asset Swap Spread greater than 1000 basis points or with a remaining maturity greater than 30 years shall be 1.0.

**Illiquid TRS Required Reserve Amount**

In respect of an Illiquid TRS, the Required Reserve Amount will be equal to the notional amount of the relevant Illiquid TRS, as determined by the Calculation Agent in its sole and absolute discretion.

**Negative Basis Packages**

Negative Basis Packages:

If the Portfolio contains a Hard Currency denominated Liquid TRS and a Liquid CDS that is a Short CDS, for which:

- (i) the Reference Asset in respect of the Hard Currency denominated Liquid TRS is a Deliverable Obligation (as defined in the terms of the relevant CDS) under such Short CDS;
- (ii) the currencies of denomination are the same;
- (iii) in respect of the Hard Currency denominated Liquid TRS, the funding amounts paid by the total return receiver are based on a fixed rate or the total return amounts paid by the total return payer are based on a floating interest rate (plus a spread if applicable);
- (iv) the Portfolio Asset Notional Amount of such Short CDS and the principal amount of the Reference Asset of the Hard Currency denominated TRS are exactly the same; and
- (v) the maturity of such Short CDS is the standard ISDA CDS maturity immediately after the maturity of the Reference Asset in respect of the Hard Currency denominated TRS,

then, so long as the CDS Portfolio does not contain any CDS (other than Short CDS) in respect of the same Reference Entity, each such combination (each a “**Negative Basis Package**”) will be treated for the purpose of these Leverage Rules as a Negative Basis Package.

Required Reserve Amount for a Negative Basis Package

An amount that is equal to the Portfolio Asset Notional Amount in respect of the Liquid CDS that is a Short CDS divided by the relevant Leverage Factor

Negative Basis Package Leverage Factor

Each Negative Basis Package Leverage Factor shall be the applicable Leverage Factor given to the combination set out in the table below if (i) the relevant Actual Net Basis (as defined below) matches a Net Basis (as defined below) in the table below and (ii) the actual remaining maturity of the Liquid CDS that is a Short CDS comprised in such Negative Basis Package matches a Remaining Maturity in the table below:

		Net Basis (bps)			
		<=0	100	200	1000
Remaining Maturity	0Y	7.0	7.0	6.0	1.5
	3Y	6.5	6.5	5.5	1.4
	5Y	4.5	4.5	4.0	1.2
	7Y	3.5	3.5	3.0	1.1
	10Y	2.2	2.2	1.8	1.0

Where the actual remaining maturity of the Liquid CDS that is a Short CDS comprised in such Negative Basis Package is between one Remaining Maturity and another Remaining Maturity and/or the Actual Net Basis is between one Net Basis and another Net Basis, the Leverage Factor shall be the number calculated on the basis of linear interpolation, as determined by the Calculation Agent in good faith and a commercially reasonable manner.

The Leverage Factor for a Negative Basis Package with either an Actual Net Basis higher than 1,000 basis points or an actual

remaining maturity of the Hard Currency denominated TRS comprised in such Negative Basis Package of more than 10 years, shall be 1.0.

Actual Net Basis In respect of a Negative Basis Package, the TRS Asset Swap Spread in respect of the Hard Currency denominated TRS minus the Running Fixed Rate in respect of the relevant Short CDS.

**Convertible Bonds**

Convertible Bonds Required Reserve Amount: In respect of any TRS in respect of which the Reference Asset is a convertible bond, the Required Reserve Amount will be determined as follows:

- (i) such convertible bond will be deemed to be divided into:
  - (a) an EQO that contain provisions that are economically equivalent to the equity linked provisions of such convertible bond (the “**Deemed EQO**”); and
  - (b) an equivalent bond that is not convertible and does not have the equity linked provisions that are allocated to the Deemed EQO in (a) above (the “**Deemed Straight Bond**”);
- (ii) the Required Reserve Amount will be equal to:
  - (a) the Required Reserve Amount that would be determined for a TRS in respect of which the Reference Asset is the Deemed Straight Bond; plus
  - (b) the current value of an EQO that is equivalent to the Deemed EQO, as determined by the Calculation Agent in its sole and absolute discretion.

**FXO Required Reserve Amount:** In respect of an FXO, the Required Reserve Amount will be equal to the current value of the relevant FXO as determined by the Calculation Agent in its sole and absolute discretion.

**EQO Required Reserve Amount:** In respect of an EQO, the Required Reserve Amount will be equal to the current value of the relevant EQO as determined by the Calculation Agent in its sole and absolute discretion.

Rounding: All amounts calculated in accordance with this Appendix 6 (*Leverage Rules*) shall be rounded to the nearest two decimal points.

## APPENDIX 7

### POINT PERSONS

#### Calculation Agent and Swap Counterparty

Name: Ashish Sekhri  
Address: 50/F Citibank Tower, Citibank Plaza  
3 Garden Road  
Hong Kong  
Telephone: +852 2501 2655  
Facsimile: +852 3018 7823  
Email: ashish.sekhri@citi.com

Name: Bruno Rauis  
Address: 50/F Citibank Tower, Citibank Plaza  
3 Garden Road  
Hong Kong  
Telephone: +852 2501 2991  
Facsimile: +852 2501 8123  
Email: bruno.rauis@citi.com

Name: Melony Jones  
Address: 50/F Citibank Tower, Citibank Plaza  
3 Garden Road  
Hong Kong  
Telephone: +852 2501 8389  
Facsimile: +852 3018 7823  
Email: melony.jones@citi.com

#### Portfolio Manager

Name: Janet Kwong  
Address: 2301-02 Tower Two, Lippo Centre, 89 Queensway, Hong Kong  
Telephone: +852 2818 7938  
Facsimile: +852 2537 5888

Email: [janet.kwong@tribridgecap.com](mailto:janet.kwong@tribridgecap.com)

Name: Eugene Kim

Address: 2301-02 Tower Two, Lippo Centre, 89 Queensway, Hong Kong

Telephone: +852 2818 7794

Facsimile: +852 2537 5888

Email: [eugene@tribridgecap.com](mailto:eugene@tribridgecap.com)

**ANNEX 2**  
**DESCRIPTION OF THE MORTGAGED PROPERTY**

**Security Arrangements**

Subject as set out below, the obligations of the Issuer are secured pursuant to the Trust Deed by (i) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Swap Agreement, the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Swap Guarantee and the Dealer Agreement and in respect of any sums received thereunder; and (ii) a first fixed charge in favour of the Trustee of any sums held by the Issuing and Paying Agent and/or the Registrar to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Agency Agreement, the Portfolio Management Agreement, the Dealer Agreement, the Notes and/or the Swap Agreement; and any sums received by the Issuing and Paying Agent under the Swap Agreement or the Swap Guarantee (the "**Mortgaged Property**").

**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 due and any other amount in respect thereof that is due.**

### **ANNEX 3 THE SWAP AGREEMENT**

*The following sets out the terms which will apply to the Swap Agreement. The Issuer will enter into a Swap Agreement with the Swap Counterparty on the Issue Date in respect of the Notes. The Swap Agreement will be entered into on the terms set out below.*

*Reference in this Section to "Transaction" or to a "Confirmation" are to the Swap Agreement and the confirmation relating thereto. References in this section to a "Schedule" are to the corresponding Schedule to the Swap Agreement, the form of which is set out in this section of the Series Prospectus and references to "the Swap Agreement" are references to the Swap Agreement entered into in respect of the Notes. Capitalised terms which are used in this section and are not defined elsewhere in this Series Prospectus shall have the meanings given to them in the 2002 ISDA Master Agreement (Multicurrency - Cross Border). In the event of any inconsistency between the terms used in this section and the terms used elsewhere in this Series Prospectus, for the purposes of this section, the terms used herein shall prevail.*

*The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement relating to the Notes and is qualified by reference to the detailed provisions of the Swap Agreement. The following summary does not purport to be complete, and investors must refer to the Swap Agreement for detailed information regarding the Swap Agreement.*

#### **Termination of the Swap Agreement**

Except as stated in the following paragraphs, the Swap Agreement shall terminate on the Maturity Date of the Notes.

The Swap Agreement may be terminated, 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 (in the case of the Swap Counterparty) perform any obligation, under the Swap Agreement; or
- (iii) if withholding taxes are imposed on payments made either by the Issuer or by the Swap Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement (see "Transfer to avoid Termination Event" below).

In addition to the foregoing, the Swap Agreement may also be terminated upon the occurrence of certain other events with respect to either party, including insolvency, or, in respect of the Swap Counterparty, a merger without an assumption of the obligations or a Tax Event Upon Merger.

#### **Consequences of Early Termination in Whole**

Upon any early termination of the Swap Agreement in the circumstances set out in sub-paragraphs (i) to (iii) in the immediately succeeding paragraph above, the Swap Counterparty shall make a payment to the Issuer in accordance with the Swap Agreement and no other amount shall be payable to either party under section 6(e) of the Swap Agreement in respect of such early termination (regardless, if applicable, of which of such parties may have caused such termination).

#### **General**

Except as stated under "Transfer to avoid Termination Event" 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 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 are imposed on payments made by it under the Swap Agreement.

### **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:

- (i) 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 Portfolio Management Agreement and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, as would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such deduction or withholding) or to which the Swap Counterparty would be entitled to make payments free from the relevant deduction or withholding and/or not 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
- (ii) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee and subject to prior written notice to the Portfolio Manager.

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.





International Swaps & Derivatives Association, Inc.

SCHEDULE  
to the  
2002 Master Agreement

dated as of 23 February 2007

between

**Citigroup Global Markets Limited**  
("Party A")

established as a limited company with  
company number 1763297 under the  
laws of England and Wales

and

**Emerald Capital Limited**  
("Party B")

established as an exempted  
company with limited liability with  
company number 433859 under the  
laws of Ireland

**Part 1**

**Termination Provisions**

In this Agreement:-

1. **Specified Entity.** "Specified Entity" has no meaning for the purposes of the Agreement.
2. **Breach of Agreement; Repudiation of Agreement.** The "Breach of Agreement" provisions of Section 5(a)(ii)(1) will apply to Party A but will not apply to Party B. The "Repudiation of Agreement" provisions of Section 5(a)(ii)(2) will apply to both Parties.
3. **Credit Support Default.** The "Credit Support Default" provision of Section 5(a)(iii) will apply to Party A but will not apply to Party B.
4. **Misrepresentation.** The "Misrepresentation" provisions of Section 5(a)(iv) will apply to Party A but will not apply to Party B.
5. **Default Under Specified Transaction.** "Specified Transaction" is not applicable to Party A or Party B for any purpose and the "Default Under Specified Transaction" provision of Section 5(a)(v) shall accordingly not apply to Party A or to Party B.

6. **Cross Default.** The "Cross Default" provision of Section 5(a)(vi) shall not apply to Party A or to Party B.
7. **Bankruptcy.** The "Bankruptcy" provision of Section 5(a)(vii) shall apply to Party A and to Party B, but with respect to Party B shall be amended as follows:
  - 7.1 Section 5(a)(vii)(2) shall be deleted;
  - 7.2 Section 5(a)(vii)(3) shall take effect with the words "the Noteholders" substituted for "its creditors";
  - 7.3 Section 5(a)(vii)(3) shall be amended by adding the words "other than an assignment of the Security to the Trustee pursuant to the Trust Deed" at the end of Section 5(a)(vii)(3);
  - 7.4 Section 5(a)(vii)(6) shall (i) be amended by deleting the words "seeks or" and "trustee, custodian" and (ii) take effect with the words "assets on which the liabilities of Party B under the relevant Transaction are secured pursuant to the Trust Deed" substituted for "all or substantially all its assets";
  - 7.5 Section 5(a)(vii)(7) shall take effect with the words "assets on which the liabilities of Party B under the relevant Transaction are secured pursuant to the Trust Deed" substituted for "all or substantially all its assets";
  - 7.6 Section 5(a)(vii)(8) shall take effect with reference to the other clauses of Section 5(a)(vii) as so amended; and
  - 7.7 Section 5(a)(vii)(9) shall be disappplied.
8. **Merger Without Assumption.** The "Merger Without Assumption" provision of Section 5(a)(viii) will apply to Party A and to Party B.
9. **Credit Event Upon Merger.** The "Credit Event Upon Merger" provision of Section 5(b)(v) will not apply to either Party.
10. **Automatic Early Termination.** The "Automatic Early Termination" provision of Section 6(a) will not apply to either Party A or Party B.
11. **Termination Currency.** "Termination Currency" means the currency selected by the party which is not the Defaulting Party or the Affected Party, as the case may be, or where there is more than one Affected Party the currency agreed by Party A and Party B. However, the Termination Currency shall be U.S. dollars or one of the currencies in which payments are required to be made in respect of Transactions. If the currency selected is not freely available, or where there are two Affected Parties and they cannot agree on a Termination Currency, the Termination Currency shall be U.S. dollars.
12. **Additional Termination Event.** If any Notes become due and repayable in whole or in part at any time prior to their maturity (an "**Early Redemption Event**"), such Early Redemption Event shall constitute an Additional Termination Event in respect of the Transaction for which Party B shall be the sole Affected Party.

For the avoidance of doubt, if an event or circumstance which would otherwise constitute or give rise to an Additional Termination Event above, 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.

All Transactions affected by an Additional Termination Event shall be Affected Transactions and, in relation to such Transactions, Party B shall be the sole Affected Party.

13. **Separate Agreements.** Section I(c) shall be deleted and replaced with the following:

"Notwithstanding anything to the contrary in this Agreement, each Transaction is entered into on the basis that the provisions of this Agreement are incorporated by reference into the Confirmation relating to that Transaction so that this Agreement and each Confirmation entered into in relation to the same Series of Notes shall form a single agreement with respect to the Transactions documented by such Confirmations. It is understood that the parties would not enter into any Transaction except on the foregoing terms. References to this "Agreement" mean, with respect to a Transaction entered into in relation to a Series of Notes, this document together with the Confirmation or Confirmations, as the case may be, relating to that Transaction (or, where there is more than one Transaction entered into in relation to the same Series of Notes, those Transactions)."

14. **Affected Transactions.** Section 6(a) will be amended by deleting from the fifth and sixth lines the words "all outstanding Transactions", and inserting in each case the words "the Transaction in connection with which such Event of Default has occurred" and the definition of "Affected Transactions" in Section 14 shall be replaced with the following:

"**Affected Transactions**" means with respect to a Termination Event, all Transactions in respect of which such Termination Event has occurred."

## Part 2

### Tax Representations

1. **Payer Tax Representations.** For the purpose of Section 3(e), each of Party A and Party B makes the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any withholding or deduction for or on account of any Tax from any payment (other than interest under Section 6(d)(ii), 6(e) or 9(h) of this Agreement) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- 1.1 the accuracy of any representations made by the other party pursuant to Section 3(f);
- 1.2 the satisfaction of the agreement of the other party contained in Section 4(a)(i) or 4(a)(iii) and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii); and
- 1.3 the satisfaction of the agreement of the other party contained in Section 4(d);

except that it will not be a breach of this representation where reliance is placed on Clause 1.2 above, and the other party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

2. **Payee Tax Representations.** For the purpose of Section 3(f),
  - 2.1 Party A makes no Payee Tax Representations;
  - 2.2 Party B makes no Payee Tax Representations.

**Part 3**

**Agreement to Deliver Documents**

Each party agrees to deliver the following documents as applicable:-

1. For the purpose of Section 4(a)(i), tax forms, documents or certificates to be delivered are:-

<b>Party required to deliver document</b>	<b>Form/Document/ Certificate</b>	<b>Date by which to be delivered</b>	<b>Covered by Section 3(d) Representation</b>
Not applicable	Not applicable	Not applicable	Not applicable

2. For the purpose of Section 4(a)(ii), other documents to be delivered are:-

<b>Party required to deliver document</b>	<b>Form/Document/ Certificate</b>	<b>Date by which to be delivered</b>	<b>Covered by Section 3(d) Representation</b>
Party A and Party B	Evidence reasonably satisfactory to the other party as to the names, true signatures and authority of the officers or officials signing this Agreement or any Confirmation on its behalf	Upon execution of this Agreement and, if requested, upon execution of any Confirmation	Yes
Party B	A certified copy of Party B's Memorandum and Articles of Association, a copy of the Board Minutes of Party B approving the relevant Transaction and a copy of an opinion from the Irish legal advisers to Party B in respect of Party B in form and substance satisfactory to Party A	On or prior to the Effective Date in respect of the relevant Transaction	Yes
Party B	A certified copy of the Principal Trust Deed and the Agency Agreement and a copy of the Base	Upon execution of this Agreement	Yes

Prospectus and the  
Issuer Disclosure  
Annex

**Part 4**

**Miscellaneous**

1. **Addresses for Notices.** For the purpose of Section 12(a):-

1.1 Address for notices or communications to Party A:-

Address: Citigroup Centre Attention: Emerging Markets  
Canada Square Credit Derivatives  
Canary Wharf  
London  
E14 5LB

Telephone No: +44 20 7986 9515 Fax No: +44 20 7986 1902 /  
0207 192 3085

Email: steven.halford@citigroup.com / virginia.laird@citigroup.com

with a copy to Citigroup Inc.:

Address: 399 Park Avenue, Attention: Treasurer  
New York, New York  
10043

Fax No: +1 212 816 2250

Email: joseph.martinelli@citigroup.com

with a copy to Structured Credit Middle Office:

Address: Citigroup Centre Attention: Trevor Eden  
Canada Square  
Canary Wharf  
London  
E14 5LB

Fax No: +44 20 8043 1210

Email: trevor.eden@citigroup.com

1.2 Address for notices or communications to Party B:-

Address: C/O TMF Attention: The Directors  
Administration  
Services Ltd, 85  
Merrion Square,  
Dublin 2, Ireland

Telephone No: +353 1614 6240 Fax No: +353 1 614 6250

2. **Process Agent.** For the purpose of Section 13(c):-  
  
Party B appoints as its Process Agent Citigroup Global Markets Limited at its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England.
3. **Offices.** The provisions of Section 10(a) will apply to Party A but will not apply to Party B.
4. **Multibranch Party.** For the purpose of Section 10(c):-  
  
Party A is a Multibranch Party.  
  
Party B is not a Multibranch Party.
5. **Notices.** Section 12(a) shall be amended by deleting from the second and third lines thereof the words "(except that a notice or other communication under Section 5 or 6 may not be given by electronic messaging system or e-mail)".
6. **Calculation Agent.** The Calculation Agent is Party A unless otherwise agreed in a Confirmation in relation to the relevant Transaction.
7. **Credit Support Document.** Details of any Credit Support Document:  
  
Party A: To be specified, where relevant,, in the Confirmation for the relevant Transaction.  
  
Party B: None.
8. **Credit Support Provider**  
  
Credit Support Provider means in relation to Party A: To be specified, where relevant, in the Confirmation for the relevant Transaction.  
  
Credit Support Provider means in relation to Party B: None.
9. **Governing Law.** This Agreement will be governed by and construed in accordance with English law.
10. **Affiliate.** For the purposes of this Agreement, the parties shall be deemed to have no Affiliates.
11. **Netting of Payments.** "Multiple Transaction Payment Netting" will not apply for the purpose of Section 2(c) of this Agreement, except where there is more than one Transaction entered into in relation to the same Series of Notes, in which case Multiple Transaction Payment Netting will apply to those Transactions for the purposes of Section 2(c).



## Part 5

### Other Provisions

1. **Additional Definitions.** Terms defined in the principal trust deed dated 5 October 2006 (the "**Principal Trust Deed**") and the supplemental trust deed relating to the relevant Series of Notes (the "**Supplemental Trust Deed**" and, together with the Principal Trust Deed, the "**Trust Deed**") between, among others, Party B and Citicorp Trustee Company Limited (the "**Trustee**") shall have the same meanings in this Agreement and any Confirmation between the Parties unless otherwise defined herein or therein.
2. **Representations as to Trust Deed.** There shall be inserted after the words "this Agreement" where they appear in the first, second and fourth lines of Section 3(a)(ii), where they first appear in the second line of Section 3(a)(iv) and where they appear in the first line of Section 3(a)(v), the words "and the Trust Deed" and there shall be inserted after the words "this Agreement" where they last appear in the third line of Section 3(a)(ii) and where they appear in the second line of Section 3(a)(iv), the words "or the Trust Deed".
3. **No Agency.** The provisions of Section 3(g) will apply to this Agreement.
4. **Additional Representations.** There shall be inserted in Section 3 after paragraph (g) the following additional representations:
  - "(h) Party B represents that it is the beneficial owner (subject to the charge created by the Trust Deed) of all Collateral and it has taken all steps necessary or advisable to create and perfect the security interests required to be created pursuant to the Trust Deed in the Mortgaged Property (including the Collateral) (as defined in the Trust Deed), and such security interests have been validly created and perfected. Party B further represents that, except for the security interest in favour of the Noteholders (as defined in the Trust Deed) and Party A, no person has or will have any right, title, claim or interest (by way of lien, mortgage, pledge, charge, security interest or other encumbrance, or otherwise) in, against, or to the Mortgaged Property.
  - (i) Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):
    - (a) *Non-Reliance.* It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction, it being understood that information and explanations related to the terms and conditions of a Transaction will not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party will be deemed to be an assurance or guarantee as to the expected results of that Transaction.
    - (b) *Assessment and understanding.* It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that

Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

- (c) *Status of Parties.* The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.
- (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."

5. **Enforcement.** Only the Trustee may enforce the rights of Party A against Party B, whether the same arise under general law, the Trust Deed or otherwise, and Party A shall not be entitled to proceed directly against Party B unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so.

6. **Change of Account.** Section 2(b) of this Agreement is hereby amended by the addition of the following after the word "delivery" in the first line thereof:-

"to another account in the same legal and tax jurisdiction as the original account".

7. **Limited Recourse.** In relation to each Transaction, each party confirms that it is bound by the terms of the Trust Deed and that the terms of such Trust Deed prevail to the extent they conflict with terms relating to such Transaction. Party A agrees that its recourse against Party B in respect of the relevant Transaction is limited to the assets on which the liabilities of Party B under the relevant Transaction are secured pursuant to the Trust Deed and that its right to enforce the Security created by Party B over those assets is limited as provided in the Trust Deed. If the net proceeds of realisation of the Security are insufficient to meet all claims secured thereon, the obligations of Party B in respect thereof will be limited to such net proceeds and accordingly no debt shall be owed by Party B in respect of any shortfall remaining after realisation of the Security and application of the proceeds in accordance with the Trust Deed. Party A agrees that it shall not be entitled to institute, or join with any other person in bringing, instituting or joining any bankruptcy, winding up, reorganisation, examinership, arrangement or other insolvency proceedings (whether court based or otherwise) in relation to Party B to recover such shortfall. Without limiting the foregoing, Party A shall not be entitled to petition or take any other step for the winding up of Party B, except as provided in the Trust Deed.

8. **No Gross Up.** Party B will not in any circumstances be required to pay additional amounts in respect of any Indemnifiable Tax, or be under any obligation to pay to the other any amount in respect of any liability of such other for or on account of any Tax, and accordingly Section 2(d)(i)(4) and Section 2(d)(ii) shall not apply to payments made by Party B under the Transaction. Section 2(d)(ii) shall not apply to Party B in respect of payments made by Party A.

9. **Tax Event.** The "Tax Event" provisions of Section 5(b)(iii) will apply to Party A and Party B, as amended in the case of Party B by inserting the words "(or would, but for the effect of Part 5(8) (No Gross Up) of the Schedule)" after the word "will" in both instances where "will" appears on the fourth line of Section 5(b)(iii).

10. **Tax Event Upon Merger.** The "Tax Event Upon Merger" provision of Section 5(b)(iv) will apply where Party A is the Affected Party. The "Tax Event Upon Merger" provisions of Section 5(b)(iv) will not apply where Party B is the Affected Party.

11. **Trustee and paying agency consent.** Section 6(b)(ii), third paragraph will be amended by the addition of the following words at the end of such paragraph:

", the prior written consent of the Trustee and the prior written confirmation of the relevant rating agency that the rating of the Notes will not be adversely affected.

12. **Transfer to Avoid Tax Event.** In addition, the following provision shall be inserted as Section 6(b)(v):

"(v) **Transfer to Avoid Tax Event.** If a Tax Event or a Tax Event Upon Merger occurs with respect to Party A or Party B, Party A shall, unless specified otherwise in the Series Prospectus in respect of the relevant Transaction, have the right to require Party B:

- (i) to transfer all of its interests and obligations under this Agreement and the relevant Transaction, together with its interests and obligations under the Collateral, the Notes, the Dealer Agreement, the Trust Deed and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as Party B, which would not have any obligation to withhold or deduct (if Party B is or would be required to make such withholding or deduction), subject to obtaining the prior written consent of the Trustee and, if the Transaction relates to rated Notes, subject to obtaining the confirmation of the relevant rating agency that their then current rating of the Notes will not be adversely affected; or
- (ii) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee and, if the Transaction relates to rated Notes, subject to obtaining the confirmation of the relevant rating agency that their then current rating of the Notes will not be adversely affected.

If Party B 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 day following the date of imposition of such withholding taxes or, if earlier, the 10th day prior to the first day on which either party would otherwise be required to make a payment net of withholding taxes, Party A may, notwithstanding Section 6(b)(iv), designate a day not earlier than such day as an Early Termination Date in respect of the Transaction."

13. **Early Redemption.**

- 13.1 If any Early Termination Date is designated with respect to the Transaction by reason of the occurrence of an Additional Termination Event which is an Early Redemption Event with respect to the Transaction, the Early Termination Date to be designated pursuant to Section 6(b)(iv) shall be the date of early redemption of the Collateral or redemption or purchase of the Notes, as the case may be, (the "**Early Redemption Date**") PROVIDED that if such date has already occurred at the date that notice designating an Early Termination Date has been given under Section 6(b), an Early Termination Date will be deemed to have occurred upon the Early Redemption Date, and the amount determined under Section 6(e)(i) shall be subject to such adjustments as are appropriate and permitted by law to reflect any payments made by one party to the other under this Agreement in relation to the Transaction (and retained by such other party) during the period from the Early Termination Date to the date for payment determined under Section 6(d)(ii).

- 13.2 Notwithstanding any other provision of this Agreement, if the Early Termination Date with respect to the Transaction is designated by reason of an Early Redemption Event with

respect to the Transaction and less than all the outstanding Collateral are to be redeemed or Notes are to be redeemed or purchased:

- (i) the Party A Notional Amount, the Party A Final Exchange Amount and/or Party A Fixed Amounts or Party A Floating Amounts and/or Currency Amounts (as the case may be) and the Party B Notional Amount, the Party B Final Exchange Amount and/or Party B Fixed Amounts or Party B Floating Amounts and/or Currency Amounts (as the case may be) shall each be reduced by the proportion which the face amount of the Collateral being redeemed or the Notes being redeemed or purchased bear to the original amount as reduced from time to time of the Collateral or the Notes respectively and the Transaction shall continue in effect as so adjusted; and
  - (ii) the Settlement Amount in respect of the Early Termination Date shall be calculated in accordance with the terms of this Agreement by reference to a swap transaction in all respects similar to the Transaction entered into hereunder except that the Party A Notional Amount, the Party A Final Exchange Amount and/or Party A Fixed Amounts or Party A Floating Amounts and/or Currency Amounts (as the case may be) and the Party B Notional Amount, the Party B Final Exchange Amount and/or Party B Fixed Amounts or Party B Floating Amounts and/or Currency Amounts (as the case may be) shall be equal to the respective amounts of the reduction in paragraph 13.2(i) above and the rights of the parties under Section 2(a) with respect to such amounts shall cease.
14. **Set-off.** Section 6(e) shall be amended to delete the words "and will be subject to Section 6(f)" from the initial paragraph. Section 6(f) shall be deleted and replaced with the following:
- "Notwithstanding any right to set-off, counterclaim or withhold payment between Party A on the one hand, and Party B on the other, whether now or hereafter in existence, each party agrees that all payments required to be made by it under any Transaction shall be made without set-off, withholding or counterclaim and that it shall not withhold payment or delivery under any Transaction in respect of any default by the other party under any agreement or any amount relating to any agreement between the other party on the one hand and it on the other."
15. **Transfer.** The following shall be added after paragraph (b) in Section 7.
- "(c) Party B shall be entitled to assign any or all of its rights under this Agreement to the Trustee pursuant to the Trust Deed."
16. **Amendment.** The following shall be added to the end of Section 9(b).
- "and where any Notes are rated by a rating agency notice of such amendment is provided to the rating agency."
17. **Issuing and Paying Agent.** Party A hereby undertakes with Party B that, unless otherwise provided in the Confirmation, and until duly requested, it will make payment of all sums payable to Party B under the Confirmation direct to the Issuing and Paying Agent in respect of the Series of Notes to which such Confirmation relates.

In witness whereof the parties have executed this Agreement on the respective dates specified below with effect from the date specified on the front cover of this Agreement.

### **Swap Guarantor**

The obligations of the Swap Counterparty under the Swap Agreement will be guaranteed by Citigroup Inc. ("**Citigroup**").

Citigroup is a global diversified financial services holding company whose businesses provide consumers, corporations, governments and institutions with a broad range of financial products and services. Citigroup has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citigroup is a bank holding company within the meaning of the U.S. Bank Holding Company Act of 1956 registered with, and subject to examination by, the Board of Governors of the Federal Reserve System. Some of Citigroup's subsidiaries are subject to supervision and examination by their respective federal and state authorities. At 31 December 2010, Citigroup had approximately 260,000 full-time employees worldwide.

Citigroup's purpose is to "engage in any lawful act or activity for which a corporation may be organised under the General Corporation Law of Delaware", as stated in Article THIRD of Citigroup's Restated Certificate of Incorporation. Citigroup currently operates, for management reporting purposes, via two primary business segments: Citicorp, which consists of Regional Consumer Banking (in North America, Europe, the Middle East and Africa, Asia and Latin America) and the Institutional Clients Group (Securities and Banking, including the Private Bank, and Transaction Services); and Citi Holdings, which consists of Brokerage and Asset Management, Local Consumer Lending, and a Special Asset Pool. There is also a third segment, Corporate/Other.

Citigroup is a holding company and services its obligations primarily with dividends and advances that it receives from subsidiaries. Citigroup's subsidiaries that operate in the banking and securities businesses can only pay dividends if they are in compliance with the applicable regulatory requirements imposed on them by federal and state bank regulatory authorities and securities regulators in the United States. Citigroup's subsidiaries may be party to credit agreements that also may restrict their ability to pay dividends. Citigroup currently believes that none of these regulatory or contractual restrictions on the ability of its subsidiaries to pay dividends will affect the Citigroup's ability to service its own debt.

Under the regulations of The Board of Governors of the Federal Reserve System, a bank holding company is expected to act as a source of financial strength for its subsidiary banks. As a result of this regulatory policy, the Federal Reserve might require Citigroup to commit resources to its subsidiary banks when doing so is not otherwise in the interests of Citigroup or its shareholders or creditors.

The principal offices for Citigroup are located at 399 Park Avenue, New York, NY 10043, and its telephone number is (212) 559-1000. Citigroup was established as a corporation incorporated in Delaware on 8 March 1988 with perpetual duration pursuant to the Delaware General Corporation Law with file number 2154254. Citigroup's authorised capital stock consists of 60 billion shares of common stock and 30 million shares of preferred stock. As at 31 January 2011, there were 29,056,025,228 fully paid common stock shares outstanding. A common stock share carries one vote, and no pre-emptive or other subscription rights or conversion rights. A preferred stock share carries no general voting rights. Citigroup's shares are listed on the New York Stock Exchange.

No shareholder, or associated group of shareholders acting together, owns enough shares of Citigroup's common stock to directly or indirectly exercise control over Citigroup.

## DIRECTORS AND EXECUTIVE OFFICERS OF CITIGROUP INC.

The members of the board of directors of Citigroup are:

<b>Board of Directors</b>	<b>Title</b>	<b>Main duties outside Citigroup</b>
Alain J.P. Belda		Managing Director, Warburg Pincus
Timothy C. Collins		CEO and Senior Managing Director, Ripplewood Holdings L.L.C.
Jerry A. Grundhofer		Chairman Emeritus, U.S. Bancorp.
Robert L. Joss, Ph.D.		Professor of Finance and Former Dean, Stanford University Graduate School of Business.
Andrew N. Liveris		Chairman and CEO, The Dow Chemical Company.
Michael E. O'Neill		Former Chairman and CEO, Bank of Hawaii Corporation.
Vikram S. Pandit	CEO	–
Richard D. Parsons	Chairman	Special Advisor, Providence Equity Partners Inc.
Lawrence R. Ricciardi		Senior Advisor, IBM Corporation, Jones Day and Lazard Frères & Co.
Judith Rodin		President, Rockefeller Foundation.
Robert L. Ryan		Chief Financial Officer, Retired, Medtronic Inc.
Anthony M. Santomero		Former President, Federal Reserve Bank of Philadelphia.
Diana L. Taylor		Managing Director, Wolfensohn Fund Management, L.L.P.
William S. Thompson, Jr.		CEO, Retired, Pacific Investment Management Company (PIMCO).
Ernesto Zedillo		Director, Center for the Study of Globalization and Professor in the Field of International Economics and Politics, Yale University

The executive officers of Citigroup are: Shirish Apte, Stephen Bird, Don Callahan, Michael L. Corbat, John C. Gerspach, John Havens, Michael S. Helfer, Lewis B. Kaden, Edward J. Kelly, III, Brian Leach, Eugene M. McQuade, Manuel Medina-Mora, William J. Mills, Alberto J. Verme, Jeffrey R. Walsh and Vikram S. Pandit.

The business address of each director and executive officer of Citigroup in such capacities is 399 Park Avenue, New York, New York 10043.

Citigroup is not aware of any conflicts of interest between the private interests of its senior management and the interests of Citigroup that would be material in the context of any issuance of Notes.

Citigroup is in compliance with the laws and regulations of the United States relating to corporate governance.

### **Committees of the Board of Directors**

The standing committees of Citigroup's board of directors are:

*The audit committee*, which assists the board in fulfilling its oversight responsibility relating to (i) the integrity of Citigroup's consolidated financial statements and financial reporting process and Citigroup's systems of internal accounting and financial controls; (ii) the performance of the internal audit function — Audit and Risk Review; (iii) the annual independent integrated audit of Citigroup's consolidated financial statements and internal control over financial reporting, the engagement of the independent registered public accounting firm and the evaluation of the Independent Auditors' qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by Citigroup with legal and regulatory requirements, including Citigroup's disclosure controls and procedures; and (vi) the fulfilment of the other responsibilities set out in its charter, as adopted by the board.

The board has determined that each of Messrs. Collins, Ricciardi, Ryan and Santomero qualifies as an "audit committee financial expert" as defined by the SEC and, in addition to being independent according to the board's independence standards as set out in its Corporate Governance Guidelines, is independent within the meaning of applicable SEC rules, the corporate governance rules of the NYSE, and the FDIC guidelines.

*The Citi Holdings oversight committee*, which is responsible for overseeing the management of the company's Citi Holdings business segment, which consists of Brokerage and Asset Management, Local Consumer Lending and the Special Asset Pool. The committee monitors management's strategy for the timely and economically efficient disposition or optimisation of Citi Holdings' assets and businesses, and monitors management's execution of that strategy through appropriate milestones and metrics. Periodically, the committee will review and discuss with management the company's risk exposures with respect to Citi Holdings' assets and the steps management has taken to monitor and control such exposures.

*The nomination and governance committee*, which is responsible for identifying individuals qualified to become board members and recommending to the board the director nominees for the next annual meeting of stockholders. It leads the board in its annual review of the board's performance and makes recommendations as to the composition of the committees for appointment by the board. The committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the board the Corporate Governance Guidelines and monitoring Citigroup's compliance with these policies and the Guidelines. The committee is responsible for reviewing and approving all related party transactions involving directors or an immediate family member of a director and any related party transaction involving an executive officer or immediate family member of an executive officer, if the transaction is valued at U.S.\$50 million or more. The committee, as part of its executive succession planning process, evaluates and nominates potential successors to the CEO and provides an annual report to the board on CEO succession. The committee also reviews director compensation and benefits, Citigroup's Code of Conduct, the Code of Ethics for Financial Professionals and other internal policies to monitor that the principles contained in the Codes are being incorporated into Citigroup's culture and business practices. The nomination and governance committee may also exercise all powers of the executive committee of the board of directors between meetings of the board.

With respect to regular succession of the CEO and senior management, Citigroup's board evaluates internal, and, when appropriate, external, candidates. To find external candidates, Citigroup seeks input from the members of the board and senior management and/or from recruiting firms. To

develop internal candidates, Citigroup engages in a number of practices, formal and informal, designed to familiarise the board with Citigroup's talent pool. The formal process involves an annual talent review conducted by senior management at which the board studies the most promising members of senior management. The board learns about each person's experience, skills, areas of expertise, accomplishments and goals. This review is conducted at a regularly scheduled board meeting on an annual basis. On an informal basis, members of senior management are periodically asked to make presentations to the board at board meetings and at the board strategy sessions. These presentations are made by senior managers at the various business units as well as those who serve in corporate functions. The purpose of the formal review and informal interaction is to ensure that board members are familiar with the talent pool inside Citigroup from which the board would be able to choose successors to the CEO and evaluate succession for other senior managers as necessary from time to time.

The board has determined that, in addition to being independent according to the board's independence standards as set out in its Corporate Governance Guidelines, each of the members of the nomination and governance committee is independent according to the corporate governance rules of the NYSE. Each of such directors is a "non-employee director," as defined in Section 16 of the Exchange Act, and is an "outside director," as defined by Section 162(m) of the U.S. Internal Revenue Code of 1986.

*The personnel and compensation committee*, which is responsible for determining the compensation for the CEO, and approving the compensation structure for senior management, including the management executive committee, members of the senior leadership committee, the most senior managers of corporate staff, and other highly paid professionals in accordance with guidelines established by the committee from time to time. The committee annually reviews and discusses the Compensation Discussion and Analysis with management.

The committee regularly reviews Citigroup's management resources, succession planning and development activities, as well as the performance of senior management. The committee is also charged with monitoring Citigroup's performance toward meeting its goals on employee diversity.

The committee is responsible for evaluating the performance of, and determining the compensation for, the CEO and approving the compensation for the management executive committee. The committee also approves the compensation structure for senior management, including members of the senior leadership committee, the most senior managers of corporate staff and other highly paid professionals, in accordance with guidelines established by the committee from time to time. The committee regularly reviews the design and structure of Citigroup's compensation programs to ensure that management's interests are aligned with stockholders and that the compensation programs are aligned with Citigroup's strategic priorities.

In order to ensure uninterrupted operation of Citigroup in the event of the unplanned departure or unavailability of Citigroup's CEO, Citigroup's personnel and compensation committee evaluates a number of individuals who could be asked to assume the CEO's duties in the event of an unexpected vacancy. The committee then discusses the list with the board which then formalises its choices of one or more of such individuals. This process is conducted at a regularly scheduled board meeting on an annual basis.

The committee also has the authority to retain and/or engage special consultants or experts to advise the committee, as the committee may deem appropriate or necessary in its sole discretion, and receives funding from Citigroup to engage such advisors. The committee has retained Independent Compensation Committee Adviser, LLC (**ICCA**) to provide the committee with advice on Citigroup's compensation programs for senior management. ICCA reports solely to the committee and the committee has sole authority to retain, terminate, and approve the fees of ICCA. ICCA does no other



work for Citigroup. For 2009, no other compensation consultant was engaged by the personnel and compensation committee.

The board has determined that in addition to being independent according to the board's independence standards as set out in its Corporate Governance Guidelines, each of the members of the personnel and compensation committee is independent according to the corporate governance rules of the NYSE. Each of such directors is a "non-employee director," as defined in Section 16 of the Exchange Act, and is an "outside director," as defined by Section 162(m) of the U.S. Internal Revenue Code of 1986.

*The public affairs committee*, which is responsible for reviewing Citigroup's policies and programs that relate to public issues of significance to Citigroup and the public at large and reviewing relationships with external constituencies and issues that impact Citigroup's reputation. The committee also has responsibility for reviewing public policy and reputation issues facing Citigroup, reviewing political and charitable contributions made by Citigroup and the Citi Foundation, reviewing Citigroup's policies and practices regarding supplier diversity, reviewing Citigroup's business practices, particularly as they relate to preserving the good reputation of the company, and reviewing Citigroup's sustainability policies and programmes, including environmental policies and human rights.

*The risk management and finance committee*, which has the primary responsibility for (1) oversight of Citigroup's risk management framework, including the significant policies, procedures and practices used in managing credit, market and certain other risks and (2) oversight of Citigroup's policies and practices relating to Treasury matters, including capital, liquidity and financing, as well as merger, acquisition, and divestiture activity (M&A). The committee reports to the board regarding Citigroup's risk profile, as well as its enterprise risk management framework, including the significant policies, procedures, and practices employed to manage risks in Citigroup's businesses, as well as the overall adequacy of the Risk Management function. The committee's role is one of oversight, recognising that management is responsible for executing Citigroup's risk management, Treasury and M&A policies.

### **Swap Counterparty**

The Swap Counterparty under the Swap Agreement is Citigroup Global Markets Limited (**CGML**).

The Company is a wholly-owned indirect subsidiary of Citigroup Inc. and is authorised by the Financial Services Authority (**FSA**) under the Financial Services and Markets Act 2000. It is a broker and dealer in fixed income and equity securities and related products in the international capital markets and an underwriter and provider of corporate finance services, operating globally from the UK and through its branches in Western Europe and the Middle East.

CGML was incorporated under the laws of England and Wales and its registered address is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.

**ANNEX 4**  
**FORM OF PERFORMANCE SWAP CONFIRMATION**

*The Issuer will enter into a swap agreement in the form of the following Swap Confirmation with the Swap Counterparty on the Issue Date.*

*Capitalised terms which are used in this section and are not defined elsewhere in this Series Prospectus shall have the meanings given to them in the 2002 ISDA Master Agreement (Multicurrency - Cross Border) or the 2006 ISDA Definitions, as the case may be. In the event of any inconsistency between the terms used in this section and the terms used elsewhere in this Series Prospectus, for the purposes of this section, the terms used herein shall prevail.*

Date: 12 May 2011  
To: Emerald Capital Limited  
From: Citigroup Global Markets Limited  
Re: Series 2011-001 USD32,000,000 Non-Principal Protected Asia Pacific Credit Dynamic Leverage Secured Limited Recourse Notes due 2016 (the "**Notes**").

Dear Sirs,

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "Confirmation" as referred to in the 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 constitutes a "Confirmation" as referred to in, and supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated 23 February 2007 and the Schedule thereto dated as of 23 February 2007, as amended and supplemented from time to time (the "**Agreement**") between Citigroup Global Markets Limited ("**Party A**") and Emerald Capital Limited ("**Party B**"). All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Capitalised terms used but not otherwise defined herein have the meanings given to such terms in the terms and conditions of the Notes (the "**Conditions**").

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.

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

**1 General Terms**

Trade Date:	Issue Date
Effective Date:	Issue Date
Termination Date:	The earlier to occur of (i) the Maturity Date in respect of the Notes, (ii) the Early Redemption Date in respect of the Notes, (iii) the Optional Portfolio Unwind Date in respect of

the Notes, and (iv) the Enforcement Date (as defined in paragraph 5(iii) below).

Calculation Agent: Party A  
Calculation Agent City: London  
Business Days: London, Hong Kong and New York.  
Business Day Convention: Following

## 2 Initial Exchange

Party B Initial Exchange Payment Date: The Effective Date.  
Party B Initial Exchange Amount: The Principal Amount

## 3 Interim Exchanges

Party A Interim Exchange Payment Dates: Each Cash Balance Excess Payment Date.  
Party A Interim Exchange Amount: The relevant Notes Cash Balance Excess Payment.

## 4 Final Exchange

Party A Final Exchange Payment Date: The Maturity Date.  
Party A Final Exchange Amount: The Final Exchange Amount.

## 5 Additional Amounts Payable

- (i) If an Early Redemption Date occurs in respect of the Notes, Party A shall pay an amount that is equal to the Cash Balance (determined 2 Business Days prior to the Early Redemption Date) to Party B on such Early Redemption Date and no other amounts shall be payable by either party in respect of the termination of this Transaction (except in respect of paragraph 5(v) below and Section 11 (*Expenses*)).
- (ii) If an Optional Portfolio Unwind Date occurs in respect of the Notes, Party A shall pay an amount that is equal to the Cash Balance (determined 2 Business Days prior to the Optional Portfolio Unwind Date) to Party B on such Optional Portfolio Unwind Date and no other amounts shall be payable by either party in respect of the termination of this Transaction (except in respect of paragraph 5(v) below and Section 11 (*Expenses*)).
- (iii) If the Trustee institutes proceedings against the Issuer to enforce the terms of the Trust Deed in accordance with Condition 12 (*Enforcement*), Party A shall pay an amount that is equal to the Cash Balance (determined 2 Business Days prior to the Enforcement Date) (the **Enforcement Amount**) to Party B as directed by the Trustee in accordance with the provisions of the Trust Deed (such date of payment, the **Enforcement Date**) and no other amounts shall be payable by either party in respect of the termination of this Transaction (except in respect of paragraph 5(v) below and Section 11 (*Expenses*)).
- (iv) For the avoidance of doubt, no amount shall be payable to either party under Section 6 (*Early Termination*) of the Swap Agreement.

- (v) Party A shall pay to Party B (i) an amount that is equal to each relevant Portfolio Manager Cash Balance Excess Payment on each Cash Balance Excess Payment Date; (ii) an amount equal to the Base Management Fee on each Base Management Fee Payment Date and (iii) an amount equal to the Performance Fee on the Maturity Date, the Early Redemption Date, the Enforcement Date or the Optional Portfolio Unwind Date, or any other date on which the Performance Fee is payable to the Portfolio Manager pursuant to the terms of the Portfolio Management Agreement, as the case may be.

## **6 Other Provisions**

- (a) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be USD.
- (b) Part 5, paragraph 9.1 (*Tax Event*) of the Schedule shall be deleted in its entirety for the purposes of the Transaction and replaced by the following:

“Due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the date on which a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (y) a Change in Tax Law, a party (which will be the Affected Party) would (but for the provisions of Part 5(8) of the Schedule) or there is a substantial likelihood that a party would (but for the provisions of Part 5(8) of the Schedule), on the next succeeding Scheduled Payment Date (1) (but for the provisions of Part 5(8) of the Schedule) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) or (2) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 2(e), 6(d)(ii) or 6(e)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));”
- (c) Notwithstanding Part 1, paragraph 8 (*Merger Without Assumption*) of the Schedule, the “Merger Without Assumption” provision (Section 5(a)(viii)) will apply to Party A but shall not apply to Party B.
- (d) The “Breach of Agreement” provisions of Section 5(a)(ii) of the Agreement shall apply to Party A but shall not apply to Party B.
- (e) The “Misrepresentation” provisions of Section 5(a)(iv) of the Agreement shall apply to Party A but shall not apply to Party B.
- (f) Section 5(a)(vii)(2) of the Agreement shall be amended by the deletion of the words, “becomes insolvent or”.
- (g) Section 5(a)(vii)(6) of the Agreement shall be amended by the deletion of the words, “seeks or”, “trustee” and “custodian”.
- (h) References to secured party in Section 5(a)(vii)(7) of the Agreement shall not include the Trustee.
- (i) The “Tax Event Upon Merger” provisions of Section 5(b)(iv) of the Agreement will not apply where Party B is the Affected Party.

## **7 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.

## **8 Account Details**

Account details of Party A: JP Morgan Chase, New York  
ABA#: 021-000-021  
Swift: CHASUS33  
A/C of: CGML  
Swift: SBILGB2L  
Account No: 9301035789

Account details of Party B: Correspondent Bank: Citibank, N.A. New York  
Swift Code: CITIUS33  
ABA No: 021000089  
Beneficiary Bank: Citibank, N.A. London  
Swift Code: CITIGB2L  
Beneficiary Account Name: Emerald 2011-01  
Beneficiary Account number: 11773704

This Confirmation shall be governed by and construed in accordance with English law.

Citigroup Global Markets Limited is authorised and regulated by the Financial Services Authority. 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.

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,

### **CITIGROUP GLOBAL MARKETS LIMITED**

By:

Name:

Title:

Confirmed on the date first above written:

### **EMERALD CAPITAL LIMITED**

By:

Name:

Title:

**ANNEX 5**  
**DESCRIPTION OF PORTFOLIO MANAGEMENT AGREEMENT**

**Appointment, Duties, Powers and Fees of the Portfolio Manager**

***Appointment***

The Issuer has appointed the Portfolio Manager to provide the services set out in the Portfolio Management Agreement (the “**Portfolio Manager Services**”) and the Portfolio Manager has agreed to provide such Portfolio Manager Services, including, without limitation:

- (a) selecting, assessing and monitoring the performance of the Portfolio in accordance with the Strategy, making Adjustments on behalf of the Issuer and carrying out all obligations and duties as set out in the Strategy, in each case with the objective of maximising the value of the Final Exchange Amount and the Cash Balance Excess Amount in respect of the Notes; and
- (b) preparing and distributing the Portfolio Manager Reports,

all in accordance with the terms of the Portfolio Management Agreement and the Conditions.

***Standard of care***

Notwithstanding anything in the Portfolio Management Agreement to the contrary, the Portfolio Manager has agreed to perform the functions set out in the Portfolio Management Agreement with reasonable skill, care and diligence in accordance with the provisions of the Portfolio Management Agreement and (subject thereto) in a manner consistent with practices and procedures (a) followed by prudent institutional investment managers of international standing and which are managing assets of the nature and character of the Portfolio and (b) used by it (and its Affiliates) to manage assets of the nature and character of the Portfolio for other customers and with a level of skill, care and diligence no less than that which the Portfolio Manager exercises in respect of similar assets which it manages for other customers, itself and its Affiliates, and in each case without fraud, bad faith, wilful misconduct or negligence. The Portfolio Manager covenants and agrees that it will perform its duties or obligations under the Portfolio Management Agreement in a commercially reasonable manner and in good faith in accordance with the terms of the Portfolio Management Agreement.

**Fees**

***Base Management Fee***

Provided that the appointment of the Portfolio Manager has not terminated in accordance with the terms of the Portfolio Management Agreement and the Portfolio Management Agreement has not terminated and subject to the provisions contained in Clause 10.6 (*Removal of Portfolio Manager*) of the Portfolio Management Agreement, the Issuer shall pay the Base Management Fee to the Portfolio Manager on each Base Management Fee Payment Date.

***Performance Fee***

Provided that the appointment of the Portfolio Manager has not terminated in accordance with the terms of the Portfolio Management Agreement and the Portfolio Management Agreement has not terminated, the Issuer shall pay to the Portfolio Manager on the Maturity Date, the Early Redemption Date, the Enforcement Date or the Optional Portfolio Unwind Date (as the case may be) the Performance Fee.

***Portfolio Manager Cash Balance Excess Payment***

Provided that the appointment of the Portfolio Manager has not terminated in accordance with the terms of the Portfolio Management Agreement and the Portfolio Management Agreement has not terminated, following a request by notice in writing from the Portfolio Manager to the Issuer, the Issuer shall pay to the Portfolio Manager on the second Business Day following the relevant Cash Balance Semi-Annual Determination Date (the Portfolio Manager Excess Payment Date) an amount equal to the Portfolio Manager Cash Balance Excess Amount (if any).

## **Indemnities**

### ***Indemnity of the Portfolio Manager***

Without prejudice to any other remedy available under law, the Portfolio Manager shall indemnify and hold harmless the Issuer, the Swap Counterparty, the Calculation Agent, the Trustee (for itself and for the benefit of the Noteholders) and their respective directors, members, officers, attorneys, partners, employees and agents (each an “**Indemnified Person**”) from and against any and all losses, claims, damages, judgments, assessments, costs, fees, charges, amounts paid in settlement or other liabilities properly incurred (including, without limitation, reasonable legal fees, costs and reasonable expenses incurred in connection with investigating or defending any claim or action) (a “**Loss**”) arising out of its breach of the Portfolio Management Agreement or as a result of the fraud, bad faith, wilful misconduct or negligence of the Portfolio Manager or any of its directors, employees, agents or delegates thereunder, except to the extent that the same is due to a breach by the Indemnified Person of the Portfolio Management Agreement, or to the fraud, bad faith, wilful misconduct or negligence of the Indemnified Person.

The parties to the Portfolio Management Agreement acknowledge and agree that, for the purposes of determining and assessing the amount of any Losses incurred by the Issuer, account shall be taken of the full amount of those Losses (including, but not limited to, Losses incurred by way of a reduction in payment obligations owed to the Issuer under the Swap Agreement or by way of an increase in payment obligations owed by the Issuer under the Swap Agreement) without having regard to or taking into account the effect of (a) any corresponding reduction in the Issuer's own payment obligations to its creditors (including, without limitation, the Noteholders) under the terms of its indebtedness or (b) any limited recourse provisions reducing the amounts payable by the Issuer to, or recoverable by, its creditors (including, without limitation, the Noteholders), provided that, save where such Losses are incurred as a result of the fraud, bad faith, wilful misconduct or any negligence within the actual control of the Portfolio Manager, the recourse of the Issuer pursuant to this indemnity shall be limited to the fair market value of the Notes immediately preceding the relevant breach or other action resulting in the claim hereunder, as determined by the Calculation Agent in a commercially reasonable manner.

The above provision of the Portfolio Management Agreement shall survive the termination of the Portfolio Management Agreement.

### ***Indemnity of the Issuer***

Subject to the limited recourse and non-petition provisions in the Portfolio Management Agreement, the Issuer shall indemnify and hold harmless the Portfolio Manager, the Swap Counterparty and the Calculation Agent, their respective directors, members, officers, attorneys, partners, employees and agents (each an “**Indemnified Person**”) from and against any and all losses, claims, damages, judgments, assessments, costs, fees, charges, amounts paid in settlement or other liabilities properly incurred (including, without limitation, legal fees, costs and reasonable expenses incurred in connection with investigating or defending any claim or action) (a “**Loss**”) arising out of the Portfolio Management Agreement, its breach or as a result of the fraud, bad faith, negligence or wilful misconduct of the Issuer or any of its directors, attorneys or agents except to the extent that the same

is due to a breach by the Indemnified Person of the Portfolio Management Agreement, or to the fraud, bad faith, negligence or wilful misconduct of the Indemnified Person.

### **Change of Portfolio Manager**

#### ***Resignation on Notice***

Subject to and in accordance with Clause 10.5 of the Portfolio Management Agreement, the Portfolio Manager may at any time resign without cause upon 90 days' prior written notice to the Issuer, the Swap Counterparty, the Calculation Agent and the Trustee (the date for resignation specified in such notice, the **Resignation Date**). Upon receipt thereof, the Issuer shall, as soon as practicable, give notice (in accordance with the Conditions) thereof to the Noteholders. The Portfolio Manager shall continue to carry out its obligations in accordance with the Portfolio Management Agreement, the Conditions and the other Transaction Documents until its removal is effective as set out in Clause 10.5 of the Portfolio Management Agreement.

In the event that the Portfolio Manager resigns in accordance with Clause 10.1 of the Portfolio Management Agreement, the Portfolio Manager shall pay to the Issuer or Swap Counterparty (as applicable):

- (a) any fees, costs and expenses relating to legal, tax, accounting or any other professional advisers incurred by the Issuer as a result of such resignation and/or the appointment of a Successor Manager;
- (b) any listing fees incurred by the Issuer as a result of such resignation;
- (c) the commissions, fees and expenses in respect of the services of the Agents under the Agency Agreement (including any taxes required to be paid) and the fees, costs, charges, expenses and liabilities incurred by the Trustee under the Trust Deed (including any taxes required to be paid and the costs of enforcement of any security), in each case, as a result of such resignation and/or in connection with the appointment of a Successor Manager;
- (d) any fees, costs and expenses (including in relation to legal and other professional advisers) reasonably incurred by the Swap Counterparty as a result of such resignation and/or the appointment of a Successor Manager.

In the event that the Portfolio Manager resigns, no Performance Fee will be payable to the Portfolio Manager.

#### ***Removal without cause***

Subject to and in accordance with Clause 10.5 of the Portfolio Management Agreement, the Portfolio Manager may be removed without cause at any time upon 30 days' prior written notice by the Issuer (acting on the direction of the Swap Counterparty) or by the Trustee (acting on the direction of the Noteholders representing at least 66⅔ per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)).

In the event that the Portfolio Manager is removed in accordance with this clause, the Issuer shall notionally pay to the Swap Counterparty (pursuant to the mechanics of the Performance Swap) and the Swap Counterparty shall pay to the Portfolio Manager an amount equal to any fees, costs and expenses (including in relation to legal and other professional advisers) reasonably incurred by the Portfolio Manager as a result of such removal.

In the event that the Portfolio Manager is removed without cause, the Issuer will pay the Performance Fee to the Portfolio Manager. In such circumstances, the Performance Fee will be determined as set



out at Annex 1 (*Strategy*) of the Series Prospectus as if the Strategy End Date was the effective date of such removal.

**Removal with cause**

The Portfolio Manager may be removed with cause forthwith by the Issuer, the Swap Counterparty or the Trustee (in the case of the Trustee, acting on the direction of the Noteholders representing at least 66⅔ per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)) upon written notice of the same being given to the Portfolio Manager (the date for removal specified in such notice, the **Removal Date**).

In the event that the Portfolio Manager is removed with cause, the Issuer will pay the Performance Fee to the Portfolio Manager. In such circumstances, the Performance Fee will be determined as set out at Annex 1 (*Strategy*) of the Series Prospectus:

- (i) as if the Strategy End Date was the Removal Date; and
- (ii) such amount will be reduced by the aggregate of:
  - (a) any fees, costs and expenses relating to legal, tax, accounting or any other professional advisers incurred by the Issuer as a result of such removal and/or the appointment of a Successor Manager;
  - (b) any listing fees incurred by the Issuer as a result of such removal;
  - (c) the commissions, fees and expenses in respect of the services of the Agents under the Agency Agreement (including any taxes required to be paid) and the fees, costs, charges, expenses and liabilities incurred by the Trustee under the Trust Deed (including any taxes required to be paid and the costs of realising any security), in each case, as a result of such removal and/or in connection with the appointment of a Successor Manager;
  - (d) any fees, costs and expenses (including in relation to legal and other professional advisers) reasonably incurred by the Swap Counterparty as a result of such removal and/or the appointment of a Successor Manager,

subject to a minimum of zero.

For such purposes, “**cause**” will mean:

- (a) the Portfolio Manager wilfully breaches, or takes any action which it knows breaches any provision of the Portfolio Management Agreement, the Conditions or any other Transaction Document applicable to it;
- (b) (a) the Portfolio Manager breaches or causes the Issuer to breach any material provision applicable to it of the Portfolio Management Agreement, the Conditions or any other Transaction Document and such breach has, or could reasonably be expected to have, a material adverse effect on the Noteholders or the Issuer; and (b) the Portfolio Manager fails to cure the same within 5 Business Days of the Portfolio Manager becoming aware of, or receiving notice from the Issuer, the Swap Counterparty, the Calculation Agent or the Trustee of, such breach;
- (c) the Portfolio Manager:
  - (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
  - (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
  - (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition:
    - (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
    - (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
  - (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
  - (vi) seeks, or becomes subject to, the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets which has not been dismissed, discharged, stayed or restrained, in each case within 30 days of the appointment thereof;
  - (vii) takes steps with a view to obtaining a moratorium in respect of indebtedness;
  - (viii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
  - (ix) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (i) to (viii) (inclusive); or
  - (x) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;
- (d) the occurrence of an act by the Portfolio Manager or any Key Person that constitutes fraud or criminal activity in the performance of its obligations under the Portfolio Management Agreement or the Portfolio Manager or any Key Person has been charged with a criminal offence related to its primary business;
  - (e) any representation or warranty made by the Portfolio Manager in the Portfolio Management Agreement or in any other agreement or deed in relation to the Notes of the Portfolio shall have been incorrect when made and the Portfolio Manager fails to cause it to be correct in all material respects within 5 Business Days after notice of failure is given by the Issuer, the Swap Counterparty, the Calculation Agent or the Trustee to the Portfolio Manager or the Portfolio Manager has actual knowledge that the representation or warranty is not correct in all material respects, whichever is earlier such that, in the reasonable opinion of the Issuer, the Swap Counterparty, the Calculation Agent and the Trustee (in the case of the Trustee, acting on the direction of the Noteholders representing at least 66⅔ per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio

Manager or its Affiliates for its or their own account)), as a result of such breach the Portfolio Manager no longer has the capacity or the competence to perform its obligations as Portfolio Manager;

- (f) a material change in the business operations of the Portfolio Manager has occurred and is continuing, such that, in the reasonable opinion of the Issuer, the Swap Counterparty, the Calculation Agent and the Trustee (in the case of the Trustee, acting on the direction of the Noteholders representing at least 66⅔ per cent. of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)), as a result of such change the Portfolio Manager no longer has the capacity or the competence to perform its obligations as Portfolio Manager;
- (g) the Portfolio Manager ceases to be authorised such that, as a result of such change, the Portfolio Manager no longer has the capacity or competence to perform its obligations as Portfolio manager thereunder;
- (h) (i) the Portfolio Manager breaches any law or regulation applicable to the performance of its obligations or its provision of portfolio management services in respect of the Portfolio Management Agreement, the Conditions or any other Transaction Document and such breach has, or could reasonably be expected to have, a material adverse effect on the Noteholders or the Issuer; and (ii) the Portfolio Manager fails to cure the same within 5 Business Days of the Portfolio Manager becoming aware of, or receiving notice from the Issuer, the Swap Counterparty, the Calculation Agent or the Trustee of, such breach; or
- (i) the provision of services by the Portfolio Manager under the Portfolio Management Agreement, the Conditions or any Transaction Document has created a liability to any tax for the Issuer (or there is a substantial likelihood that such liability will arise).

If any of the events described under the headings "Resignation on Notice", "Removal without cause" or "Removal with cause" shall occur, the Portfolio Manager shall, as soon as practicable, upon becoming aware of the occurrence of such event give prompt notice thereof to the Issuer, the Swap Counterparty, the Calculation Agent and the Trustee. Upon receipt thereof, the Issuer shall, as soon as practicable, give notice (in accordance with the Conditions) thereof to the Noteholders.

### **Key Persons**

If Eugene Kim (the **Key Person**) is no longer employed by the Portfolio Manager or ceases to be employed in or ceases to be actively involved in the Portfolio Manager's role as Portfolio Manager, the Portfolio Manager shall give prompt written notice thereof to the Issuer, the Swap Counterparty, the Calculation Agent and the Trustee upon the Portfolio Manager becoming aware of the occurrence of such event.

In the period from (and including) the date that the Key Person ceases to be employed or ceases to be actively involved in the Portfolio Manager's role as Portfolio Manager to (but excluding) the 60th day following such date (such day, the **Key Person Cut-Off End Date**), the Portfolio Manager shall use its reasonable endeavours to appoint a replacement Key Person, of an equivalent or higher degree of capacity and competence (in the reasonable opinion of the Swap Counterparty and the Portfolio Manager).

On the Key Person Cut-Off End Date, in the event that no Key Person is employed by the Portfolio Manager, the Portfolio Manager shall promptly notify the Issuer thereof and the Issuer shall notify the Portfolio Manager, the Swap Counterparty, the Calculation Agent, the Trustee and the Noteholders of the removal of the Portfolio Manager with immediate effect.

The Portfolio Manager shall continue to carry out its obligations in accordance with the Portfolio Management Agreement, the Conditions and the other Transaction Documents until its removal is effective as set out in Clause 10.5 of the Portfolio Management Agreement.

In the event that the Key Person is replaced in accordance with the Portfolio Management Agreement, from and including the date of such replacement such replacement person shall be deemed to be the Key Person for the purposes of the Portfolio Management Agreement. In the event that the Portfolio Manager is removed in such circumstances, the Issuer will pay the Performance Fee to the Portfolio Manager. In such circumstances, the Performance Fee will be determined as set out at Annex 1 (*Strategy*) of the Series Prospectus:

- (i) as if the Strategy End Date was the effective date of removal; and
- (ii) such amount will be reduced by the aggregate of:
  - (a) any fees, costs and expenses relating to legal, tax, accounting or any other professional advisers incurred by the Issuer as a result of such removal of the Portfolio Manager and/or the appointment of a Successor Manager;
  - (b) any listing fees incurred by the Issuer as a result of such removal;
  - (c) the commissions, fees and expenses in respect of the services of the Agents under the Agency Agreement (including any taxes required to be paid) and the fees, costs, charges, expenses and liabilities incurred by the Trustee under the Trust Deed (including any taxes required to be paid and the costs of realising any security), in each case, as a result of such removal and/or the appointment of a Successor Manager;
  - (d) any fees, costs and expenses (including in relation to legal and other professional advisers) reasonably incurred by the Swap Counterparty as a result of such removal of the Portfolio Manager and/or appointment of a Successor Manager,subject to a minimum of zero.

### ***Successor Manager***

Upon the date of receipt of a Resignation Notice and while any of the Notes are outstanding, the Issuer, the Swap Counterparty and the Trustee (and in the case of the Trustee, acting on the direction of the Noteholders representing at least 66 $\frac{2}{3}$  per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)) shall use reasonable efforts to appoint a replacement portfolio manager in the period from (and including) such date to (but excluding) the Resignation Date (i) which has demonstrated an ability to perform, professionally and competently, duties similar to those imposed upon the Portfolio Manager under the Portfolio Management Agreement; (ii) which is of at least equal standing in the market; (iii) whose appointment will not have a material adverse effect on the Issuer; and (iv) which is legally qualified and has the capacity to act and has agreed to act as Portfolio Manager under the Portfolio Management Agreement, as successor to the Portfolio Manager thereunder in the assumption of all the duties, responsibilities and obligations of the Portfolio thereunder and under the other Transaction Documents to which the Portfolio Manager was a party for so long as the Notes are outstanding and all necessary regulatory consents and approvals have been obtained in order for it to do so (the “**Successor Manager**”).

If (i) no Successor Manager has been appointed by the Resignation Date, (ii) a Removal Date has occurred or (iii) there is no Key Person employed by the Portfolio Manager on the Key Person Cut-Off End Date, as the case may be:

- (a) the resignation or removal of the Portfolio Manager shall be effective from such date; and
- (b) the Issuer, the Swap Counterparty and/or the Trustee (and in the case of the Trustee, acting on the direction of the Noteholders representing at least 66⅔ per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)) shall declare the Portfolio to be static on such date.

While any of the Notes are outstanding, the Issuer, the Swap Counterparty and/or the Trustee (and in the case of the Trustee, acting on the direction of the Noteholders representing at least 66⅔ per cent of the then Nominal Amount Outstanding of the Notes (excluding for such purpose any Notes held by the Portfolio Manager or its Affiliates for its or their own account)) may appoint a Successor Manager. In the event that the appointment of the Portfolio Manager is terminated and a Successor Manager is appointed, the Issuer, the Trustee, the Swap Counterparty and the Portfolio Manager shall agree in writing the name of the new Key Person in respect of the Successor Manager and such new Key Person shall be deemed to replace the Key Person from and including the date of such replacement.

#### ***Removal of Portfolio Manager***

Upon the effective date of resignation or removal of the Portfolio Manager, the Portfolio Manager shall not be entitled to any compensation for further services under the Portfolio Management Agreement, but shall be entitled to receive (i) all Base Management Fees accrued prior and up to the date of termination, resignation or removal, as applicable, on a *pro rata* basis; (ii) in the event of the removal of the Portfolio Manager any Performance Fees payable; and (iii) any indemnity provided to it in the Portfolio Management Agreement, provided that the right to such indemnity arose prior to the date of such termination, resignation or removal.

#### ***Governing Law***

The Portfolio Management Agreement and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of England and Wales.

#### **Definitions**

The terms set out below shall have the following meanings in this section:

**“Affiliate”** means, in relation to any person, any entity (including any trust, fund, or other person) 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 such purposes, “control” of any entity or person means (i) ownership of a majority of the voting power of the entity or person or (ii) providing investment advice or management services to the entity or person).

**“Monthly Reporting Date”** means the 20th day of each month.

**“Portfolio Manager Report”** means the monthly report prepared by the Portfolio Manager containing the information set out in Appendix A hereto.

## **Appendix A**

### **Portfolio Manager Reports**

Each Portfolio Manager Report shall contain the following information:

- i. Monthly Performance
- ii. Performance Summary and Analysis
- iii. Monthly Commentary
- iv. General Note Details
- v. An overview of the Adjustments that have been effected in respect of the Portfolio during the relevant period, as determined by the Portfolio Manager
- vi. Portfolio Holdings Exposure by Security Type
- vii. Portfolio by Country Allocation
- viii. Portfolio by Ratings Allocation
- ix. Any amendments to Annex 1 (*Strategy*), including but not limited to the Portfolio Conditions as set out in Appendix 5 (*Portfolio Conditions*) to Annex 1(*Strategy*) and the Leverage Rules as set out in Appendix 6 (Leverage Rules) to Annex 1(*Strategy*), in each case as agreed between the Portfolio Manager and the Swap Counterparty from time to time.
- x. General announcements relating to the Key Person that are connected to an event described under paragraph 10.4 of the Portfolio Management Agreement
- xi. Any other information that the Portfolio Manager deems reasonably necessary

## ANNEX 6 THE PORTFOLIO MANAGER

*The Portfolio Manager accepts responsibility for the information contained in this Annex 6. To the best knowledge of the Portfolio Manager (having taken all reasonable care to ensure that such is the case), the information contained in this Annex 6 is in accordance with the facts and does not omit anything likely to affect the import of such information. The information appearing in this section has not been independently verified by the Issuer, the Swap Counterparty or the Swap Guarantor. Accordingly, notwithstanding anything to the contrary herein, neither of the Issuer, the Swap Counterparty or the Swap Guarantor assumes any responsibilities for the accuracy, completeness or applicability of such information.*

Tribridge Capital Management (Cayman) Limited ("TCM") was established in August 2003 with the objective of providing institutional and high net worth investors the ability to invest in Asia through a suite of alternative investment products across both fixed income and equities. TCM is a limited liability company established under the laws of the Cayman Islands. Through its wholly-owned subsidiary, Tribridge Investment Partners Limited ("TIPL"), the firm holds Securities Advisory and Asset Management licenses with Hong Kong's Securities and Futures Commission and is registered in Korea as an off-shore investment advisor with the Financial Supervisory Commission. TIPL provides investment advisory services to TCM. TIPL is a limited liability company organized under the laws of the British Virgin Islands and registered in the Hong Kong Company Registry.

The firm's primary business lines are Asset Management and Investment Advisory Services. Tribridge's strategy is to leverage its experience and relationships with leading financial institutions to provide its clients with innovative financial solutions and expertise on the capital markets. Collectively, the principals of Tribridge have over 50 years of knowledge in the financial markets in both the Asia and U.S. With extensive backgrounds in corporate finance, capital markets and asset management, the group is well suited to help its clients develop and execute appropriate investment strategies. In June 2005, TCM launched its first hedge fund, Tribridge AF1 Limited, a dedicated fixed income hedge fund which focuses on the Asian (ex-Japan) region. As of 3 Jan 2011, Tribridge managed approximately USD 217 million, predominately in credit strategies.

### **Key Personnel**

#### ***Eugene Kim***

Eugene Kim is also the Chief Investment Officer of the Investment Manager. Mr. Kim has over 17 years of experience in finance in both the US and Asia. Mr. Kim began his career at Nomura Corporate Research & Asset Management ("NCRAM"), at the time one of the largest dedicated high yield fund managers in the world. At NCRAM, he helped manage a portfolio of over US\$3.0 billion in high yield assets and was involved in the structuring and marketing of new investment products. Subsequent to NCRAM, Mr. Kim was a high yield research analyst at UBS Securities, covering the media and telecommunications sectors. After UBS, Mr. Kim was an investment banker with ING Barings where he was responsible for high yield origination in Asia. Prior to forming Tribridge, Mr. Kim was an investment banker at Barclays Capital, where he was responsible for debt origination from Korean clients. Mr. Kim holds a B.A. degree in Economics from Yale University.

**ANNEX 7**  
**ADDITIONAL SELLING RESTRICTIONS**

**Subscription and Sale and Transfer Restrictions**

In addition to the selling restrictions set out in the section headed "Subscription and Sale and Transfer Restrictions" in the Base Prospectus, the following selling restrictions shall apply to the Notes.

***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the FIEL) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

**Korea**

This material is provided to you by Citigroup Global Market Korea Securities Limited, the licensed sales broker of this financial investment product, to assist your understanding of the Notes sold by Citigroup Global Markets Limited.

Citigroup Global Markets Limited, a company established in England and Wales, is authorised and regulated by the UK Financial Services Authority and is not licensed under the Financial Investment Services and Capital Market Act of Korea to market, offer to sell or sell the Notes to Korean residents and may not engage in any direct communication with Korean residents for the marketing of the Notes. Therefore, if you need further information on the Notes, please contact Citigroup Global Market Korea Securities Limited. Please note that Citigroup Global Markets Limited is not subject to and has no obligation to comply with the marketing and sales regulations for customer protection under the Financial Investment Services and Capital Markets Act of Korea.

**New Zealand**

The Issuer, does not intend that the Notes be offered for sale or subscription to the public in New Zealand in terms of the Securities Act 1978 of New Zealand ("NZ Securities Act"). Accordingly, no investment statement has been prepared and no prospectus has been or will be registered under the NZ Securities Act.

The Notes shall not be directly or indirectly offered for sale or transferred to any member of the public in New Zealand in breach of the NZ Securities Act or the Securities Regulations 1983 of New Zealand. In particular, but without limiting the foregoing, Notes may only be offered or transferred:

- (i) to persons whose principal business is the investment of money or who, in the course of and for the purposes of its business, habitually invests money within the meaning of section 3(2)(a)(ii) of the NZ Securities Act; and
- (ii) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Notes (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer) before the allotment of those Notes and who have a minimum holding of the Notes of at least NZ\$500,000.



In addition, the Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not distribute, publish, deliver or disseminate the Prospectus, any pricing supplement or any other offering memorandum or document or any advertisement in relation to any offer of the Notes in New Zealand other than:

- (i) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the NZ Securities Act; or
- (ii) in other circumstances where there is no contravention of the NZ Securities Act.

### **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) ("**Corporations Act**") in relation to the Notes is required to be lodged with the Australian Securities and Investments Commission ("**ASIC**"). The Notes have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Australia unless: (i) the aggregate minimum consideration payable by each offeree is at least A\$500,000 or its equivalent in other currencies (but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act, (ii) such action complies with all applicable laws, regulations and directives and (iii) such action does not require any document to be lodged with ASIC.

### **Singapore**

This material is not an offering document and has not been registered as a prospectus with the Monetary Authority of Singapore. The Notes, when offered through its final offering document, will be offered pursuant to exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the Securities and Futures Act). Accordingly, the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this material or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where Notes initially acquired pursuant to an offer made in reliance of Section 274 or 275 of the Securities and Futures Act are sold within the period of 6 months from the date of the initial acquisition to any person other than

- (i) an institutional investor;
- (ii) a relevant person as defined in section 275(2) of the Securities and Futures Act; or
- (ii) any person pursuant to an offer referred to in Section 275(1A) of the Securities and Futures Act

then Subdivision (2) – Prospectus Requirements and Subdivision (3) – Debentures of Division 1 of Part XIII of the Securities and Futures Act shall apply.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Notes, namely a person who is:

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

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interests in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

- (i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;
- (ii) where no consideration is or will be given for the transfer; or
- (xi) where the transfer is by operation of law; or
- (xii) pursuant to Section 276(7) of the Securities and Futures Act.

## GENERAL INFORMATION

1. From the date of this Series Prospectus and for so long as any 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 and at the office of the Issuer. Copies of the documents referred to below may be obtained free of charge from the specified office of the Issuing and Paying Agent:
  - (a) this Series Prospectus;
  - (b) the Supplemental Trust Deed; and
  - (c) the Portfolio Management Agreement.
2. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on or about 12 May 2011.
3. Save as described herein, there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2009 (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. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.
6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The International Securities Identification Number (ISIN) and Common Code numbers are XS0619971483 and 061997148, respectively.
7. The Issuer does not intend to provide any post-issuance information in respect of the Notes or the Swap Agreement.

**REGISTERED OFFICE OF THE ISSUER**

53 Merrion Square  
Dublin 2  
Ireland

**TRUSTEE**

**Citicorp Trustee Company Limited**

Citigroup Centre  
14<sup>th</sup> Floor  
Canada Square  
Canary Wharf  
London E14 5LB

**CALCULATION AGENT, DEALER AND SWAP COUNTERPARTY**

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB

**REGISTRAR**

**Citigroup Global Markets Deutschland AG**

Reuterweg 16  
60323 Frankfurt  
Germany

**ISSUING AND PAYING AGENT AND  
TRANSFER AGENT**

**Citibank, N.A., London Branch**

Citigroup Centre  
21st Floor  
Canada Square  
Canary Wharf  
London E14 5LB

**PORTFOLIO MANAGER**

**Tribridge Investment Partners Limited**

2301-2 Tower Two, Lippo Centre  
89 Queensway  
Hong Kong

**IRISH LISTING AGENT**

**Arthur Cox Listing Services Limited**

**Earlsfort Centre  
Earlsfort Terrace  
Dublin 2**

**LEGAL ADVISERS**

*to the Dealer  
as to English law*

**Allen & Overy**  
9th Floor  
Three Exchange Square  
Central  
Hong Kong

*to the Issuer  
as to Irish law*

**A&L Goodbody**  
International Financial Services Centre  
North Wall Quay  
Dublin 1