

## IMPORTANT NOTICE

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# PROSPECTUS

**Triple Enhanced Rated Notes (TERN) Limited**  
*(a private company incorporated under the laws of Ireland)*

US\$5,000,000,000  
Programme for the issue of  
Limited Recourse Obligations

**Series 1**  
**EUR 300,000,000**  
**Guaranteed Senior Floating Rate Notes due 2018**

**Credit Suisse International**  
as Arranger

and

**Credit Suisse Securities (Europe) Limited**  
as Dealer

The date of this Prospectus is 20 December 2012

The provisions of the programme memorandum dated 19 December 2012 (the **Programme Memorandum**) relating to Triple Enhanced Rated Notes (TERN) Limited (the **Issuer**) shall be deemed to be incorporated into and form part of this Prospectus in their entirety save that any other statement contained in the Programme Memorandum shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

This Prospectus must be read in conjunction with the Programme Memorandum 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 Programme Memorandum. References in this Prospectus to the "Conditions" shall be to the Terms and Conditions contained in the Programme Memorandum (the **Master Conditions**), as amended.

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

The Notes are issued on the terms set out in this Prospectus read together with the Programme Memorandum.

The Notes are expected to be assigned, on the Issue Date, an 'AA+' rating by Standard & Poor's Rating Services, a Division of the McGraw-Hill Companies Inc. (**S&P**). S&P will rate the Notes pursuant to its jointly supported obligations criteria. The rating assigned by S&P therefore only considers the support provided to the Notes by the Note Guarantee, the Swap Agreement and the Swap Guarantee (each as defined below), and does not consider the credit quality or any other matters relating to the Charged Assets. S&P has not conducted any analysis in respect of the Charged Assets nor has the creditworthiness of the Charged Assets had any impact of the rating by S&P of the Notes. A rating is not a recommendation to buy, sell, or hold securities and may be subject to suspension, change or withdrawal at any time by S&P. A suspension, change or withdrawal of the rating in respect of the Notes may adversely affect the market price of such Notes.

This document is a "prospectus" for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland. This prospectus has been approved by the Central Bank of Ireland, as competent authority (the **Competent Authority**) under Directive 2003/71/EC. The Central Bank only approves this prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Directive 2003/71/EC of the European Parliament and of the European Council of 4 November 2003 (the **Prospectus Directive**). Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. It is anticipated that listing and admission to trading will take place on or about the Issue Date. There can be no assurance that such listing and admission to trading will be granted. Upon approval by and filing with the Central Bank, this document will constitute a Prospectus for the purposes of Directive 2003/71/EC.

This Prospectus does not constitute an offer of Notes 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 Prospectus in any jurisdiction where such action is required.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state of the United States and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the **Investment Company Act**). The Notes will be offered and sold only outside of the United States to persons that are not "U.S. persons" as defined in Regulation S (**Regulation S**) under the Securities Act (such persons, **U.S. Persons**) in compliance with Regulation S. Interests in the Notes will be subject to certain restrictions

on transfer, and each purchaser of Notes offered hereby in making its purchase will be deemed to have made certain acknowledgements, representations and agreements. See "*Transfer Restrictions*". The Notes are being offered by the Issuer through Credit Suisse Securities (Europe) Limited in its capacity as Dealer. The Notes will be offered and sold only outside of the United States to persons that are not U.S. Persons in compliance with Regulation S.

The Issuer accepts responsibility for the information contained in this document and, to the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The delivery of this Prospectus at any time does not imply that the information herein is correct at any time subsequent to the date of this Prospectus. Each of the Swap Counterparty, the Swap Guarantor and the Note Guarantor accepts responsibility for the information contained in the section of this document headed "Description of Mediobanca International (Luxembourg) S.A.", "Description of Mediobanca – Banca di Credito Finanziario S.p.A." and "Description of Credit Suisse International", respectively. The Note Guarantor takes responsibility for the information on the Note Guarantee and the information in respect of the Note Guarantor incorporated by reference herein as described in the section "Documents Incorporated by Reference". To the best of the knowledge and belief of the Swap Counterparty, Swap Guarantor and Note Guarantor (which, in each case, has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information. Except as otherwise indicated above, the Swap Counterparty, the Swap Guarantor and the Note Guarantor do not accept any responsibility for the accuracy and completeness of any information contained in this Prospectus.

None of the Arranger, the Dealer, the Trustee, the Swap Counterparty (save in respect of the section headed "Description of Mediobanca International (Luxembourg) S.A." and the information in respect of the Swap Counterparty incorporated by reference herein as described in the section "Documents Incorporated by Reference"), the Swap Guarantor (save in respect of the section headed "Description of Mediobanca – Banca di Credito Finanziario S.p.A." and the information in respect of the Swap Guarantor incorporated by reference herein as described in the section "Documents Incorporated by Reference") or the Note Guarantor (save in respect of the section headed "Description of Credit Suisse International" and the information in respect of the Note Guarantor incorporated by reference herein as described in the section "Documents Incorporated by Reference"), any Agent or any other party has separately verified the information contained in this Prospectus and, accordingly, none of the Arranger, the Dealer, the Trustee, the Swap Counterparty (save as specified above), the Swap Guarantor (save as specified above), the Note Guarantor (save as specified above), any Agent or any other party (save for the Issuer as specified above) makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Arranger, the Dealer, the Trustee, the Swap Counterparty, the Swap Guarantor, the Note Guarantor, any Agent or any other party undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the aforementioned parties which is not included in this Prospectus. The Trustee accepts no responsibility for the accuracy or completeness of any information contained in this Prospectus.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Swap Counterparty, the Swap Guarantor, the Note Guarantor, any Agent or any of their respective affiliates or any other person to subscribe for or purchase any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. In particular, the communication constituted by this Prospectus is directed only at persons who (i) are outside the United Kingdom and are offered and accept this Prospectus in compliance with such restrictions or (ii) are persons falling within Article 49(2)(a) to (d) (High net worth companies,

unincorporated associations etc) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or who otherwise fall within an exemption set forth in such Order so that Section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer (all such persons together being referred to as **relevant persons**). This communication must not be distributed to, acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons. For a description of certain further restrictions on offers and sales of Notes and distribution of this Prospectus, see "Transfer Restrictions" below.

In connection with the issue and sale of the Notes, no person is authorised to give any information or to make any representation not contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of the Arranger, the Dealer, the Issuer, the Swap Counterparty, the Trustee, the Swap Guarantor, the Note Guarantor or any Agent. The delivery of this Prospectus at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to "**EUR**" are to Euros, "**GBP**" are to the lawful currency of the United Kingdom and to "**USD**" are to the lawful currency of the United States of America.

Any reference to websites in this Prospectus is for information purposes only and such websites shall not form part of this document.

## TABLE OF CONTENTS

Clause	Page
Risk Factors .....	7
Documents Incorporated by Reference .....	25
Investor Suitability .....	26
Terms and Conditions.....	27
Appendix to the Terms and Conditions.....	35
Use of Proceeds .....	53
Form of the Notes.....	54
Information relating to the Swap Counterparty, the Swap Guarantor and the Loan Servicer .....	55
Information relating to the Note Guarantor and the Calculation Agent .....	56
General Information .....	57
Subscription and Sale .....	58
Annex I: Form of Swap Agreement .....	59
Annex II: Form of Schedule .....	60
Annex III: Form of Credit Support Annex .....	74
Annex IV: Form of Confirmation.....	113
Annex V: Form of Swap Guarantee .....	118
Annex VI: Form of Note Guarantee.....	124

## RISK FACTORS

*The purchase of the 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 the Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in this Prospectus together with the Programme Memorandum, the nature and terms of the Charged Assets at the relevant time of purchase of the Notes and, in particular, but without limitation, the considerations set out below. Prospective purchasers should make such inquiries as they deem necessary without relying on the Issuer, the Arranger or any Dealer or any other party referred to herein. The considerations set out below in respect of the Notes are not, and are not intended to be, a comprehensive list of all considerations relevant to a decision to purchase or hold the Notes.*

*The Issuer believes that the factors described below represent the principal risks inherent in an investment in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on the Issuer's ability to pay interest, principal or other amounts due on or in connection with the Notes.*

### *Risks in respect of the Notes*

#### **General**

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Prospectus and the merits and risks of an investment in the Notes in the context of the investor's own financial, tax, accounting and regulatory circumstances and investment objectives.

Investment in the Notes is only suitable for investors who:

- (1) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;
- (2) are acquiring an interest in the Notes for their own account for investment, not with a view to resale, distribution or other disposition of such interest (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (3) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

Each prospective investor should (a) ensure that it fully understands the nature of the Notes which it is purchasing and the nature and extent of its exposure to the risk of loss of all or a substantial part of its investment and (b) 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.

## **Limitations on claims against the Issuer**

The Notes are solely obligations of the Issuer and none of the Swap Counterparty, the Swap Guarantor, the Arranger or the obligors in respect of the Charged Assets or the Mediobanca MTN (the **Relevant Obligors**) has any obligation to the Noteholders for payment of any amount due in respect of the Notes. The Issuer is a special purpose vehicle established, *inter alia*, for the purpose of issuing the Notes.

The Notes will constitute secured, limited recourse obligations of the Issuer, and are payable solely from the proceeds of the Mortgaged Property. The recourse of Noteholders for payment of principal and interest on the Notes is limited to the proceeds of realisation of the Charged Assets and other Mortgaged Property. No other assets of the Issuer will be available to satisfy claims of Noteholders, although the Trustee (for the benefit of the Trustee and the Noteholders) will have a claim against the Note Guarantor. The Mediobanca MTN and any proceeds thereof will not be available to meet any outstanding claims of the Noteholders.

If the net proceeds of the security constituted pursuant to the Trust Deed, such security having been enforced under Condition 7(e) (*Realisation of the Mortgaged Property*), are not sufficient to make all payments due pursuant to the Priority of Payments the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by the Secured Creditors in accordance with the inverse of the order of the Priority of Payments. Claims in respect of any such shortfall remaining after realisation of the security under Condition 7(e) (*Realisation of the Mortgaged Property*) and application of the proceeds in accordance with the Trust Deed and Condition 4 (*Application of proceeds*) shall be extinguished in respect of the Issuer and failure to make any payment in respect of any such shortfall by the Issuer shall in no circumstances constitute an Event of Default under Condition 9 (*Events of Default*) in respect of the Notes. The holders of Notes have no right to proceed directly against the obligors in respect of, or to take title to, or possession of, the Mortgaged Property.

None of the Noteholders, the Trustee, the Swap Counterparty, the Swap Guarantor, the Note Guarantor or the Agents shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, examinership, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of the Notes, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation thereto.

## **Provision of information**

None of the Issuer, the Swap Counterparty, the Swap Guarantor, the Note Guarantor, the Trustee, the Loan Servicer, the Loan Administration Agent, the Agents, the Arranger and the Dealer (and any affiliates thereof) (the **Transaction Parties**) (i) has provided or will provide prospective purchasers of Notes with any information or advice with respect to the Charged Assets, the Mediobanca MTN or Relevant Obligors (other than as set out in the Noteholder Reports) or (ii) makes any representation as to the credit quality of the Charged Assets or Relevant Obligors, the Swap Counterparty, the Swap Guarantor or the Note Guarantor. The Transaction Parties may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Charged Assets or Relevant Obligors which will not be disclosed to holders of Notes. The timing and limited scope of the information provided to Noteholders regarding the Charged Assets or Relevant Obligors may affect the liquidity of the Notes and the ability of Noteholders to value the Notes accordingly. None of the Transaction Parties is under any obligation to make such information, whether or not confidential, available to Noteholders.

In connection with the purchase of certain Charged Assets, the Issuer may be required to enter into one or more confidentiality agreements regarding certain information received with respect to such Charged Assets, the Relevant Obligors and/or certain other parties relating to such Charged Assets. As a result, the ability of the Issuer to provide certain information to Noteholders regarding the Charged Assets may be restricted or limited. The Issuer will be obliged to provide certain information regarding the Charged Assets and the



Relevant Obligors (to the extent available to the Issuer) to Noteholders (that have signed up to non-disclosure agreements with the Swap Counterparty or the Arranger) pursuant to the Noteholder Reports. However, there can be no assurance that such information will be sufficient for Noteholders to identify all of the risks associated with such Charged Assets.

### **Credit rating of the Notes**

The credit rating of the Notes represents the opinion of a rating agency as to the credit quality of the Notes and is not a guarantee of any credit quality. Rating agencies attempt to evaluate the safety of principal and interest payments (if any) and do not evaluate the risks of fluctuation in market value. A credit rating therefore does not fully reflect all risks of an investment. In addition, prospective purchasers should note that rating agencies may fail to make timely changes in credit ratings in response to subsequent events, and the credit quality of the Notes may be worse than a credit rating indicates. Prospective purchasers should not rely on any rating in relation to the Notes necessarily remaining unaffected, or in place at all, at the time any losses are incurred in respect of the Notes. A credit rating is not a recommendation to buy, sell or hold a security, inasmuch as such rating does not comment as to market price or suitability for a particular purchaser.

There is no assurance that a rating accorded to any of the Notes will remain for any given period of time or that a rating will not be revised, suspended or withdrawn entirely by a rating agency if, in its judgement, circumstances in the future so warrant. In the event that a rating initially assigned to the Notes is subsequently revised, suspended or withdrawn for any reason, no person or entity is required to provide any additional support or credit enhancement with respect to any such Notes and the market value of such Notes is likely to be adversely affected. Such rating is linked to the long-term senior credit rating of each of the Note Guarantor and the Swap Guarantor, and Noteholders should therefore be aware that a downgrade in respect of any such credit rating may affect the rating of the Notes. S&P have rated the Notes pursuant to their jointly supported obligations criteria and have had to make a correlation assumption as published in their paper titled "*Joint-Support Criteria Update*" (published 22 April 2009). This correlation assumption has not been verified or endorsed by any of the Transaction Parties and may not be accurate.

The rating assigned by S&P only considers the support provided to the Notes by the Note Guarantee, the Swap Agreement and the Swap Guarantee, and does not consider the credit quality or any other matters relating to the Charged Assets. S&P has not conducted any analysis in respect of the Charged Assets nor has the creditworthiness of the Charged Assets had any impact on the rating by S&P of the Notes.

### **Controlling Creditor**

Noteholders should be aware that the Controlling Creditor has the right to give certain directions in respect of the Notes, including the right to accelerate the Notes following the occurrence of an Event of Default, pursuant to Condition 9 (*Events of Default*). The Controlling Creditor is the Note Guarantor until a Note Guarantor Default occurs, and then the Controlling Creditor is the Noteholders acting by Extraordinary Resolution.

The Trust Deed provides that in the event of any conflict of interest between the Controlling Creditor and the Noteholders, the interests of the Controlling Creditor will prevail. The Trust Deed provides further that the Trustee will act upon the directions of the Controlling Creditor in such circumstances, and shall not be obliged to consider the interests of the holders of any other Class of Notes or any other secured creditor.

Noteholders should note that where the Controlling Creditor is the Note Guarantor, the Note Guarantor is not acting as a fiduciary, agent or advisor of, the Issuer or of the Noteholders (or any other party). The Note Guarantor, in exercise of any of its rights as Controlling Creditor, is not under a duty to act in or consider the interests of the Issuer or of the Noteholders.

### **Credit risk in respect of the Agents**

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the Principal Paying Agent and the Account Bank making the relevant payments when due. Accordingly, Noteholders are exposed, *inter alia*, to the creditworthiness of the Principal Paying Agent and the Account Bank.

The Bank of New York Mellon acts as Custodian. Prospective investors should note that the Noteholders will also be exposed to credit risk of the Custodian in respect of the Charged Assets in the form of securities or cash held by the Custodian and funds standing to the credit of the Cash Account and the Collateral Account. Any default in its payment obligations in respect of the Cash Account or the Collateral Account by the Custodian may have a material adverse effect on the amounts recoverable, which may, in turn, lead to a reduced recovery on the Notes.

### ***Risks in respect of the Swap Agreement and the Swap Guarantee***

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

The Notes are subject, amongst other things, to the credit risk of the Swap Counterparty and the Swap Guarantor. Scheduled payments of interest and principal in respect of the Notes are contingent on the full and timely performance of the obligations of the Swap Counterparty under the Charged Agreement and/or the Swap Guarantor under the Swap Guarantee. The Swap Counterparty has the right, pursuant to the Swap Agreement to substitute Charged Assets for new Charged Assets, subject to certain eligibility criteria and concentration limits (see further "Substitution of Charged Assets" below).

In circumstances of the occurrence of a Mandatory Early Redemption Event that causes, or is the result of, the designation of an Early Termination Date pursuant to the Swap Agreement in circumstances in which a Note Guarantor Default has already occurred (unless the Noteholders effectively direct the Issuer to redeem the Notes by delivery of Charged Assets pursuant to and in accordance with Condition 7(e)(v) of the Notes), if the net proceeds of realisation of the Charged Assets is less than the aggregate outstanding principal amount of the Notes (because the intended over-collateralisation in respect of the Swap Counterparty's obligations pursuant to the Swap Agreement turns out to be insufficient), the Issuer (and therefore the Noteholders) will have an unsecured exposure to the credit risk of the Swap Counterparty and the Swap Guarantor for an amount equal to the shortfall.

If no Note Guarantor Default or Swap Counterparty Default has occurred, the Issuer, the Swap Counterparty and the Note Guarantor may (acting jointly) agree to terminate the Swap Agreement prior to the Termination Date. Upon the occurrence of a Voluntary Early Termination, the Issuer (and therefore the Noteholders) shall have no further recourse to the Swap Counterparty or Swap Guarantor and, in addition to the Issuer, will have recourse to the Note Guarantor pursuant to the Note Guarantee only. Notwithstanding the occurrence of a Voluntary Early Termination, the Notes shall, pursuant to the Conditions remain outstanding unless a Mandatory Early Redemption Event has occurred and the Notes are determined to be due and repayable pursuant to the Conditions.

#### **Correlation risk in respect of the Swap Counterparty and the Swap Guarantor**

There is a correlation of risk of default between the Swap Counterparty and the Swap Guarantor as both entities form part of the same corporate group and are financial institutions.

#### **Exercise of Issuer's rights under the Charged Agreement**

The Note Guarantor has the right to exercise the rights of Party A under the Charged Agreement on behalf of Party A. Noteholders should be aware that in exercising any such right the Note Guarantor has no duty of care to Noteholders.

## ***Risks in respect of the Note Guarantee***

### **Credit risk in respect of the Note Guarantor**

The Note Guarantor guarantees payments of interest and principal in respect of the Notes (without reference to any limited recourse or priorities of payment which would otherwise reduce such payments). Scheduled payments of interest and principal in respect of the Notes, upon the default of the Issuer, the Swap Counterparty and the Swap Guarantor, will be reliant on the full and timely performance of the obligations of the Note Guarantor. The Note Guarantor has the right, pursuant to the Guarantor Support Annex to substitute Charged Assets for new Charged Assets, subject to certain eligibility criteria and concentration limits (see further "Substitution of Charged Assets" below).

In circumstances of the occurrence of the designation of an Early Termination Date pursuant to the Swap Agreement in circumstances in which a Note Guarantor Default has not occurred and in respect of which an amount is owing from the Issuer to the Swap Counterparty pursuant to Section 6(e) of the Swap Agreement, the payment of such amount will be reliant on receipt of such amount by the Issuer from the Note Guarantor.

In circumstances of the occurrence of a Mandatory Early Redemption Event that is the result of a Note Guarantor Default (unless the Noteholders effectively direct the Issuer to redeem the Notes by delivery of Charged Assets pursuant to and in accordance with Condition 7(e)(v) of the Notes), if the net proceeds of realisation of the Charged Assets in circumstances in which a Note Guarantor Default has occurred (in circumstances in which a Swap Counterparty Default has already occurred) is less than the aggregate outstanding principal amount of the Notes (because the intended over-collateralisation by the Note Guarantor pursuant to the Guarantor Support Annex turns out to be insufficient), the Issuer (and therefore the Noteholders) will have an unsecured exposure to the credit risk of the Note Guarantor for an amount equal to the shortfall.

Investors should note that, upon the occurrence of an insolvency-related event in respect of the Note Guarantor, unless a Swap Counterparty Default or Mandatory Redemption Event has also occurred, the Notes will not accelerate and fall due. As a result, in such circumstance, the claim against the Note Guarantor under the Note Guarantee in any insolvency proceedings of the Note Guarantor will be subject to the insolvency laws applicable to the Note Guarantor, which may not represent the full amounts which will fall due under the Notes in the future.

### **Correlation risk in respect of the Note Guarantor, the Swap Counterparty and the Swap Guarantor**

There is a correlation of risk of default between the Note Guarantor, the Swap Counterparty and the Swap Guarantor as all are financial institutions.

## ***Risks in respect of the Charged Assets***

### **Credit risk in respect of the Relevant Obligors**

The Notes are subject, amongst other things, to the credit risk of the Relevant Obligors.

### **Market value risk in respect of Charged Assets**

The Charged Assets may comprise illiquid assets and therefore it may be difficult to accurately and reliably value such Charged Assets, which could result in the Issuer being under-collateralised. The value of Charged Assets is determined (i) in the case of a security, by reference to the EUR equivalent of the bid-price for the relevant Charged Assets as determined by the Valuation Agent, (ii) in the case of loans, the price quoted on Markit (provided there are sufficient contributors of recent prices) and otherwise by reference to other independent price sources, independent market bids and/or proprietary valuation methodology as determined by the Valuation Agent which may include proxy pricing by reference to a

particular bond or credit default swap of the Relevant Obligor or other entity and (iii) in the case of cash, the EUR equivalent of such amount, each multiplied by the applicable Valuation Percentage (if any) and in each case, subject to a right of dispute, as further described in the Swap Agreement.

The Charged Assets may comprise Loan Assets which are not priced by Markit and do not have pricing shown on any other reference screen, but may be priced by reference to a proxy bond or credit default swap of the Relevant Obligor or another entity. Loan Assets that are not priced by Markit are likely to be less liquid than those that are so priced. A single Loan Asset that is not a Single Obligor Waived Asset may be of a value up to 10 per cent. of the outstanding principal amount of the Notes and liquidity in respect of such a principal amount of a Loan Asset may be less than would be the case if the Issuer held smaller amounts of different Loan Assets.

The Swap Counterparty may from time to time designate up to three Charged Assets in respect of which the value may be up to 15 per cent. of the outstanding principal amount of the Notes and liquidity in respect of such a principal amount of each Charged Asset may be less than would be the case if the Issuer held smaller amounts of different Charged Assets.

The market value of the Charged Assets (in particular leveraged loans) will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, exchange rate fluctuations, international political events, developments or trends in any particular industry and the financial condition of the Relevant Obligors. The financial markets periodically experience substantial fluctuations in prices for loans and limited liquidity for such obligations. In particular, a downturn in the market and industries in which the Relevant Obligors of Loan Assets operate will materially impact the market value of such Charged Assets. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the date on which such assets are acquired by the Issuer. The secondary market for leveraged loans is generally less liquid than that for bonds (and for corporate loans even less liquid than leveraged loans) and, as a result, market prices may be less readily available for leveraged loans or corporate loans than for bonds which leads to more uncertainty regarding the price at which loans can be sold or transferred.

In addition the current liquidity shortage and volatility in the credit markets has introduced a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets (or the ability to sell them only at a significantly reduced price) which, among other things, may render it unable to dispose of underperforming or defaulted assets at an adequate price or at all and satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Noteholders.

### **Currency Risk**

If Charged Assets are denominated in a currency other than EUR the Noteholders will be exposed to movements in the applicable exchange rates, which could result in the Issuer being under-collateralised at any point in time, and if the Selling Agent or the Trustee is required to sell the Charged Assets, the value would be affected by adverse movements in currency exchange rates.

### **Risks relating to certain types of Charged Assets**

#### **(a) Sovereign Risk**

The Charged Assets may include securities issued by or claims against a sovereign state or government entity (and such securities or their issuer or guarantor shall have a long-term public rating of at least "B-" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**"), and/or at least "B3" by Moody's Investors Service Limited ("**Moody's**"), and/or at least "B-" by Fitch Ratings Limited ("**Fitch**"). The Notes are therefore subject to the risk

that changes in the political and economic environment in the relevant jurisdictions may have a negative impact on the applicable government's ability to perform its obligations under the securities and therefore, indirectly, on the value of such Charged Assets. In particular, the applicable government may pursue economic policies which result in, for example, higher inflation, higher interest rates, recession, hard currency shortage or a downgrade of such government's credit rating.

Certain countries in Europe currently have significant sovereign debt levels and/or fiscal deficits which has led to uncertainties in the capital and credit markets as to whether or not the governments of those countries will be able pay in full and on time the amounts due in respect of those debts. These concerns have led to significant volatility in secondary market yields for sovereign debt of the affected countries and countries perceived to be at risk of contagion due to similar credit risk profiles and also to significant exchange rate volatility, especially with respect to the Euro and USD. These conditions could adversely affect each Relevant Obligor's access to the debt capital markets and may increase each Relevant Obligor's funding costs, having a negative impact on such Relevant Obligor's earnings and financial condition. Should the declining economic conditions in one EU member state be replicated in other EU member states, the risks above would be exacerbated.

(b) Corporate bonds

The Charged Assets may include (or be entirely composed of) any vanilla, non-structured debt security issued or guaranteed by a commercial corporation or entity, and each such security or their issuer or guarantor shall have a long-term public rating of at least "B-" S&P, and/or at least "B3" by Moody's, and/or at least "B-" by Fitch.

(c) Corporate loans

The market value of any Charged Assets that are corporate loans will generally fluctuate with, among other things, changes in prevailing interest rates, general economic conditions, the condition of certain financial markets, exchange rate fluctuations, international political events, developments or trends in any particular industry and the financial condition of the obligors. The financial markets periodically experience substantial fluctuations in prices for corporate loans and limited liquidity for such obligations. In particular, a downturn in the market and industries in which the obligors of such loans operate will materially impact the market value of such loans. No assurance can be made that the conditions giving rise to such price fluctuations and limited liquidity will not occur, subsist or become more acute following the date on which such assets are acquired by the Issuer. The secondary market for corporate loans is generally less liquid than that for bonds and, as a result, market prices may be less readily available for corporate loans than for bonds which leads to more uncertainty regarding the price at which corporate loans can be sold or transferred.

### **Credit Ratings of Charged Assets**

The Charged Assets may comprise of assets that are rated by a credit rating agency. Credit ratings of assets represent the rating agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value and, therefore, they may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an obligor's current financial condition may be better or worse than a rating indicates.

Charged Assets that are Loan Assets may not be rated by a credit rating agency and may instead be assigned an internal rating by the Swap Counterparty pursuant to its proprietary model. The proprietary model that the Swap Counterparty may use to assign such internal ratings has not been approved by The Bank of Italy.

## **Insolvency Considerations relating to Charged Assets**

Charged Assets may be subject to various laws enacted for the protection of creditors in the countries of the jurisdictions of incorporation of Relevant Obligors and, if different, in which the Relevant Obligors conduct business and in which they hold their assets, which may adversely affect such Relevant Obligors' abilities to make payment on a full or timely basis. These insolvency considerations will differ depending on the country in which each Relevant Obligor is located or domiciled and may differ depending on whether the Relevant Obligor is a non-sovereign or a sovereign entity.

The different insolvency regimes applicable in different jurisdictions may result in a corresponding variability of recovery rates for the Charged Assets entered into by Relevant Obligors in such jurisdictions. No reliable historical data is available.

## **Concentration and correlation risk**

The concentration of Charged Assets with an obligor which is either a sovereign state or incorporated or established in the same country would, on an enforcement of security or liquidation of Charged Assets, subject the Notes to a greater degree of risk with respect to economic downturns relating to such country. In addition, there is (i) a correlation of country risk between the jurisdiction of incorporation of the Swap Counterparty, the Swap Guarantor and the Note Guarantor, being Luxembourg, Italy and the United Kingdom respectively, and Charged Assets issued by the Luxembourg, Italian and/or United Kingdom government or issuers incorporated in or established in Luxembourg, Italy and/or United Kingdom and (ii) a correlation of risk between a default by the Swap Counterparty, the Swap Guarantor and/or the Note Guarantor and default in respect of Charged Assets. The aggregate Value of all assets comprising Charged Assets which are issued by either the Luxembourg, Italian and/or United Kingdom government or issuers incorporated in or established in, or where the ultimate credit exposure is to an entity in (A) Luxembourg, may be as much as 30 per cent. of the Principal Amount of the Notes outstanding, (B) Italy, may be as much as 25 per cent. of the Principal Amount of the Notes outstanding and (C) the United Kingdom, may be as much as 60 per cent. of the Principal Amount of the Notes outstanding.

## **Substitution of Charged Assets**

Noteholders should note that where the Swap Counterparty pursuant to the Swap Agreement or, following a Swap Counterparty Default, the Note Guarantor pursuant to the Guarantor Support Annex, have rights to substitute Charged Assets for other Charged Assets satisfying the eligibility criteria and concentration limits specified in the Swap Agreement or Guarantor Support Annex (as applicable), in exercising such rights neither the Swap Counterparty nor the Note Guarantor will be acting as a fiduciary, agent or advisor of, the Issuer or of the Noteholders (or any other party). In exercising such rights neither the Swap Counterparty nor the Note Guarantor (as applicable) is not under a duty to act in, or consider, the interests of the Issuer or of the Noteholders.

## **Mediobanca MTN**

Noteholders should note that they, and the Trustee on their behalf, will not benefit from payments under or security in respect of the Mediobanca MTN. In respect of the Mediobanca MTN the Trustee will solely act on the instructions of the Swap Counterparty and all distributions and Proceeds in respect of the Mediobanca MTN (including upon final principal redemption or enforcement) will be held solely for the benefit of the Swap Counterparty.

## **General**

### **Taxation**

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 assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes.

### **Independent review and advice**

Each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes: (a) is fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition; (b) 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 (c) 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.

### **No Secondary Market and Transfer Restrictions**

No secondary market is expected to develop in respect of the Notes and, in the unlikely event that a secondary market in the Notes does develop, there can be no assurance that it will continue. Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. See further the section entitled "*Subscription and Sale and Transfer Restrictions*" below.

### **Security**

Although certain of the security constituted by the Trust Deed over the Mortgaged Property held from time to time, including the security over the Transaction Documents, Charged Assets, the Cash Account and Collateral Account, is expressed to take effect as a fixed charge, such security may (as a result of, among other things, substitutions of Charged Assets and the payments to be made from the Cash Account and Collateral Account in accordance with the Conditions and the Trust Deed) be recharacterised as a floating charge which, in particular, would rank after a subsequently created fixed charge. However, the Issuer has covenanted in the Trust Deed not to create any such subsequent security interests (other than those permitted under the Trust Deed) without the consent of the Trustee.

### **No reliance**

A prospective purchaser may not rely on the Issuer, the Arranger, the Note Guarantor, the Swap Counterparty, the Swap Guarantor or any affiliate of the Arranger, the Note Guarantor, the Swap Counterparty or the Swap Guarantor in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### **Loan transfers**

Ownership of the Charged Assets will be transferred to the Issuer. Investors are exposed to the risk in respect of any transfer that the Swap Counterparty (prior to the occurrence of a Swap Counterparty Default), the Swap Guarantor (in circumstances in which a Swap Counterparty Default has not occurred), the Note Guarantor (in circumstances where a Swap Counterparty Default has occurred) and the Loan Administration Agent fail to ensure that any legal formalities relating to such transfer of any Charged Assets are not complied with.

## **Business relationships and Conflicts of Interest**

Each of the Transaction Parties may have existing or future business relationships with the obligors in respect of the Relevant Obligors (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect its interests arising therefrom without regard to the consequences for a Noteholder. Any Transaction Party may have originated one or more of the Charged Assets at original issuance, may own equity or other securities of Relevant Obligors or may be a lender to a Charged Assets Obligor and may have provided investment banking services, advisory, banking and other services to any Relevant Obligor.

Any Transaction Party may deal in any obligations of the Relevant Obligors, any derivatives linked to the obligations or equity of the Relevant Obligors and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, the Relevant Obligors and may act with respect to such business in the same manner as each of them would had the Notes not been in issue, regardless of whether any such action might have an adverse effect on any Charged Assets Obligor or the position of a Noteholder or otherwise.

Noteholders should be aware that the Loan Servicer may exercise Voting Rights in respect of Charged Assets that are Loan Assets pursuant to the Loan Servicing Agreement, provided that the Loan Servicer will not exercise such Voting Rights in respect of Charged Assets that are Loan Assets.

Various potential and actual conflicts of interest may arise between the interests of the Transaction Parties (other than the Issuer) on one hand, and the Issuer and Noteholders, on the other hand. None of the Transaction Parties are required to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders.

## **ECB Eligibility**

Whilst on issuance the Notes will be global form registered securities which are eligible for holding in the new safekeeping structure required for eligibility as collateral for the Eurosystem monetary policy, no assurances are otherwise given that the Notes are eligible collateral for purposes of the Eurosystem monetary policy.

## **Regulatory Risk**

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance 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 any such regulatory authority could have an adverse impact on the Issuer or the holders of Notes. Prospective investors should note that because the Issuer and the Notes will not be licensed, registered, authorised or otherwise approved by any regulatory or supervisory body or authority, many of the requirements attendant to such licensing, registration, authorisation or approval (which may be viewed as providing additional investor protection) will not apply.

In many jurisdictions, especially in Continental Europe, engaging in lending activities “in” certain such jurisdictions (whether conducted via the granting of loans, purchases of receivables, discounting of invoices, guarantee transactions or otherwise) (collectively, “**Lending Activities**”) is generally considered a regulated financial activity and, accordingly, must be conducted in compliance with applicable local banking laws. In many such jurisdictions, there is comparatively little statutory, regulatory or interpretive guidance issued by the competent authorities or other authoritative guidance as to what constitutes the conduct of Lending Activities “in” such jurisdictions.



As such, Charged Assets may be subject to these local law requirements. Moreover, these regulatory considerations may differ depending on the country in which each obligor is located or domiciled, on the type of obligor and other considerations. Therefore, at the time when Charged Assets are transferred to the Issuer, there can be no assurance that, as a result of the application of regulatory law, rule or regulation or interpretation thereof by the relevant governmental body or agency, or change in such application or interpretation thereof by such governmental body or agency, payments on such Charged Assets might not in the future be adversely affected as a result of such application of regulatory law or that the Issuer might not become subject to proceedings or action by the relevant governmental body or agency, which if determined adversely to the Issuer, may adversely affect the value of such Charged Assets and the Issuer's ability to make payments in respect of the Notes.

### **Noteholders' Resolutions**

The Trust Deed includes provisions for the passing of resolutions (whether at a Noteholders' meeting by way of vote or by written resolution) of the Noteholders in respect of (among any other matters) amendments to the Conditions of the Securities and/or the Transaction Documents. Such provisions include, among other things, (i) quorum requirements for the holding of Noteholders' meetings and (ii) voting thresholds required to pass resolutions at such meetings (or through written resolutions). The voting threshold at any Noteholders' meeting to pass a resolution other than an Extraordinary Resolution is a clear majority of the votes cast at the meeting. The voting threshold at any Noteholders' meeting in respect of an Extraordinary Resolution is at least 75 per cent. of the votes cast at the meeting (and, in the case of a written resolution, Noteholders holding 75 per cent. in nominal amount outstanding of the Notes who at such time are entitled to receive notice of a meeting).

Noteholders should note that, unless a Note Guarantor Default has occurred the Note Guarantor is the Controlling Creditor and, therefore, Noteholders will have no right to direct the Trustee to accelerate the Notes following the occurrence of an Event of Default. Furthermore, in the event of the occurrence of an Event of Default in circumstances in which the Noteholders are the Controlling Creditor, an individual Noteholder will not be able to direct the Trustee to accelerate the Notes or direct the Trustee to enforce security without the requisite quorum and the required majority of Noteholders voting at a Noteholders' meeting. Noteholders should also be aware that any resolution (including an Extraordinary Resolution) duly passed by Noteholders of a Series will bind all the Noteholders.

### **Recent market events**

The global economy is currently experiencing a crisis in the credit markets as well as a general downturn and, in certain countries, a recession. Among the sectors that are experiencing a particular difficulty due to economic conditions is the leveraged finance and corporate loan market. There exist significant risks for the Issuer and investors as a result of the current market conditions. Those risks include, among others, (i) the likelihood that the Issuer will find it harder to sell Charged Assets in the secondary market, thus rendering it more difficult to dispose thereof, and (ii) the possibility that, on or after the Issue Date, the price at which assets can be sold by the Issuer will be lower than the price at which they were transferred to the Issuer.

As the credit crisis continues it has had an increasing impact on the economic conditions in a number of jurisdictions. The slow down in growth or commencement of a recession in such economies will have an adverse effect on the ability of consumers and businesses to repay or refinance their existing debt. While it is possible that current conditions may improve for certain sectors of the global economy, there can be no assurance that the leveraged finance markets will recover at the same time or to the same degree as such other recovering sectors.

Following the deepest global recession in decades, global economic activity continues to increase, but it is losing pace in the advanced economies such as the United States and the European Economic Area. Downside risks to growth are enhanced by a number of factors. These include weaker activity in the United

States, the increased uncertainty about the depth of fiscal imbalances in many advanced economies and financial volatility arising from concerns about public debt in certain European countries.

In the European Economic Area, sovereign rating downgrades have extended beyond Greece, Portugal and Ireland to Spain, Italy, Belgium, Austria and France within the European Economic Area, raising market concerns about debt sustainability. This was further compounded by the downgrading of the joint EU-IMF European Financial Stability Facility (the European bail out fund) in January 2012.

Higher sovereign risk premiums have disrupted bank funding. The sovereign debt crisis has resulted in an enhanced risk of severe deleveraging and credit contraction that negatively impact on economic activity. European banks, especially those exposed to riskier public debt, may need more capital to deal with heightened risks and uncertainty. In addition to the above, large sovereign debts and/or fiscal deficits in a number of European countries and the United States have raised concerns regarding the financial condition of financial institutions, insurers and other corporates (i) located in these countries; (ii) that have direct or indirect exposure to these countries; and/or (iii) whose banks, counterparties, custodians, customers, service providers, sources of funding and/or suppliers have direct or indirect exposure to these countries. The Noteholders are therefore indirectly exposed to the credit risks of Sovereign States. The Relevant Obligors may be incorporated or established in Spain or Italy (amongst other jurisdictions). There are currently concerns relating to the amount of capital held by banks in such jurisdictions and the sovereign funding spreads are stressed.

There can be no assurance that the market disruptions in the European Economic Area, including the increased cost of funding for certain European governments, will not spread, nor can there be any assurance that future assistance packages will be available or sufficiently robust to address any further market contagion in the European Economic Area or elsewhere. The default, significant decline or further decline in the credit rating, of one or more sovereigns could cause severe stress in the financial system generally and could have an adverse effect on market perception of sovereign risk, which may in turn have a material adverse effect on the value of the Notes.

### **Regulatory capital treatment of Notes**

Each prospective purchaser of Notes is solely responsible for making its own independent determination in respect of the regulatory capital treatment of any investment in the Notes. None of the Transaction Parties or any of their respective affiliates makes any representation or gives any advice to prospective purchasers of the Notes or Noteholders in respect of the regulatory capital treatment of any investment in the Notes.

The regulatory environment for investments such as the Notes is currently uncertain in a number of jurisdictions. No representation can be made, or assurance given, that any new or existing laws, regulations or other initiatives or any changes in the interpretation or promulgation thereof will not impose additional burdens or otherwise have an adverse effect on the Issuer or the holders of the Notes in connection with their holdings. Therefore, any prospective investor in the Notes should carefully follow, and be capable of understanding, potential and actual changes in such laws, regulations or initiatives that could affect the Notes and their holdings in the Notes, and also be able to suffer any additional administrative burdens or any adverse financial consequences (including, without limitation, any further limitations in liquidity which may result therefrom).

Regulatory initiatives may result in increased regulatory capital requirements (see further below) and/or decreased liquidity in respect of the Notes. In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry and the securities market in general. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in respect of certain exposures and/or the incentives for certain investors to hold asset-backed securities and other securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Transaction Parties makes any

representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Issue Date or at any time in the future.

Following the issue of proposals from the Basel Committee on Banking Supervision for reform of the 1988 Capital Accord, a framework has been developed by the Basel Committee on Banking Supervision which places enhanced emphasis on market discipline and sensitivity to risk. A comprehensive version of the text of the framework was published in June 2006 under the title "International Convergence of Capital Measurement and Capital Standards: a Revised Framework (Comprehensive Version)" (the **Framework**). The Framework is not self-implementing and, accordingly, the implementation measures and dates in participating countries are dependent on the relevant national implementation process in those countries.

In July 2009, the Basel Committee finalised certain revisions to the Framework. In addition, during 2010 the Basel Committee published a number of changes to the Framework, including new capital and liquidity requirements for credit institutions (collectively referred to as the "Basel III amendments"). Also, the European Parliament has approved certain amendments to the EU Capital Requirements Directive (including investment restrictions) and the European Commission has put forward further securitisation related amendments to the European Parliament and the Council of Ministers for consideration (including increased capital charges for relevant trading book exposures and for resecuritisation exposures), (referred to as CRD2, CRD3 and CRD4 and collectively as the "CRD amendments"). As and when implemented, the Framework (and any relevant changes to it or to any relevant implementing measures) may affect the risk-weighting of the Notes for investors who are subject to capital adequacy requirements that follow the Framework. Consequently, investors should consult their own advisers as to the implications for them of the implementation of the Framework and/or the Basel III amendments, the CRD amendments and any relevant local implementing measures. No predictions can be made as to the precise nature of such treatment or consequences.

## **Dodd-Frank**

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July, 2010 (**Dodd-Frank**) once implemented could materially impact the Swap Guarantor, the Note Guarantor and/or the Swap Counterparty and their affiliates' business and profitability; provisions under Dodd-Frank could expose the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates to the necessity to divest, restructure or modify existing business lines or divisions, additional costs or higher margin posting requirements.

Each of the Swap Guarantor, Note Guarantor and the Swap Counterparty and their affiliates may engage in transactions that are swaps or securities-based swaps, each of which may be subject to new clearing, capital, margin posting, reporting and recordkeeping requirements under Dodd-Frank that could result in additional regulatory burdens, costs and expenses. Such requirements may disrupt the Swap Guarantor's, the Note Guarantor's and the Swap Counterparty's and their affiliates' ability to hedge their exposure to various transactions, including any obligations such party may owe investors in the Notes.

The Dodd-Frank regulatory requirements could also result in one or more service providers or counterparties to the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates resigning, seeking to withdraw, renegotiating their relationship with the Swap Guarantor, the Note Guarantor or the Swap Counterparty and their affiliates or requiring the unilateral option to withdraw from transactions or exercising any rights, to the extent such rights contractually exist, to withdraw from transactions ("regulatory-out" provisions). If any service providers or counterparties resign or terminate such transactions, the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates may incur costs or losses and it may be difficult or impracticable for the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates to replace such service providers, counterparties or transactions on similar terms.

Dodd-Frank significantly expands the coverage and scope of regulations that limit affiliate transactions within a banking organisation, including coverage of the credit exposure on derivatives transactions, repurchase and reverse repurchase agreements and securities borrowing and lending transactions. The Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates may face additional regulatory and economic burdens on such party's activities upon implementation of those provisions of Dodd-Frank that are referred to as the "Volcker Rule", which will prohibit proprietary trading, other than for certain risk-mitigation activities, and limit the sponsorship of, and investment in, hedge funds and private equity funds by banking entities.

The full spectrum of risks posed to institutions like the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates as a result of Dodd-Frank and the rules to be promulgated thereunder is not yet known. Investors should be aware, however, that such risks are material and that the Swap Guarantor, the Note Guarantor and the Swap Counterparty and their affiliates could be materially and adversely affected thereby. As such, investors should consult their own independent advisers and make their own assessment about the potential risks posed by Dodd-Frank and the rules to be promulgated thereunder in making any investment decision in respect of the Notes.

Noteholders should note that the Notes may be redeemed early following the occurrence of a Regulatory Event. See Condition 7(b) (*Mandatory Early Redemption Event*).

### **U.S. Foreign Account Tax Compliance Act withholding**

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and, potentially, a 30% withholding tax with respect to (i) certain payments from sources within the United States and (ii) "foreign passthru payments" made to certain non-U.S. financial institutions that do not comply with this new reporting regime. The Issuer may be classified as a financial institution for these purposes. If an amount in respect of such withholding tax were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected. If withholding is required, the provisions of Condition 7(c) (*Redemption for taxation and other reasons*) may apply and the Issuer may redeem the Notes as more fully set out in Condition 7. Prospective investors should refer to the section "*Foreign Account Tax Compliance Act*" in the Programme Memorandum. **Legality of purchase**

No Transaction Party has or assumes responsibility for the lawfulness of a prospective purchaser's acquisition of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different) or the compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. A prospective purchaser of the Notes may not rely on any Transaction Party in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

### **Not a bank deposit**

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

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period,

Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a paying agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

### **UK Banking Act 2009**

The Banking Act 2009 (the **Banking Act** or the **Act**), which came into effect on 21 February 2009, includes (amongst other things) provision for a special resolution regime pursuant to which specified UK authorities have extended tools to deal with the failure (or likely failure) of a UK bank or building society (such as the Account Bank). In particular, in respect of UK banks, such tools include share and property transfer powers (including powers for partial property transfers), certain ancillary powers (including powers to modify certain contractual arrangements in certain circumstances) and two new special insolvency procedures which may be commenced by UK authorities (i.e. bank insolvency and bank administration). It is possible that the extended tools described above could be used prior to the point at which an application for insolvency proceedings with respect to a relevant entity could be made.

In general, the Banking Act requires the UK authorities to have regard to specified objectives in exercising the powers provided for by the Act. One of the objectives (which is required to be balanced as appropriate with the other specified objectives) refers to the protection and enhancement of the stability of the financial systems of the United Kingdom. The Act includes provisions related to compensation in respect of transfer instruments and orders made under it. In general, there is considerable uncertainty about the scope of the powers afforded to UK authorities under the Banking Act and how the UK authorities may choose to exercise them.

If an instrument or order were to be made under the Banking Act in respect of the Custodian, such order may (amongst other things) affect the ability of such entity to satisfy its obligations under the Transaction Documents and/or result in modifications to the Transaction Documents to which the Custodian is a party. Moreover, other than in the context of certain partial property transfers, modifications may be made to contractual arrangements between the relevant institution and certain group companies. As a result, the making of an instrument or order in respect of the Custodian may affect the ability of the Issuer to meet its obligations in respect of the Notes. It may also restrict the ability of parties to the Transaction Documents (including the Custodian) to take action as provided for by the terms of such documents. While there is provision for compensation in certain circumstances under the Act, there can be no assurance that Noteholders would recover compensation promptly and equal to any loss actually incurred.

The Banking Act 2009 (Restriction on Partial Property Transfers) (Amendment) Order 2009 (the **Safeguards Order**) came into force on 9 July 2009. The Safeguards Order imposes certain controls on the powers set out in the Banking Act and, inter alia, prevents the transfer under an instrument or order of some and not all of the property, rights and liabilities that comprise a "capital market arrangement" and also includes a restriction on the power to amend the terms of a trust if a partial property transfer is made pursuant to an instrument or order under the Banking Act. The issuance of the Notes by the Issuer would constitute a "capital market arrangement" and therefore have the benefit of the Safeguards Order. However, Noteholders

should note that such protections apply to partial property transfers only and not to all powers that can be carried out under an instrument or order.

At present, the UK authorities have not made an instrument or order under the Banking Act in respect of the Custodian and there has been no indication that it will make any such instrument or order, but there can be no assurance that this will not change and/or that Noteholders will not be adversely affected by any such instrument or order if made.

### **Preferred creditors under Irish Law and floating charges**

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

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

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

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

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

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

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

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the Charged Assets would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

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

### **Examinership**

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

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

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the 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 to the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were appointed to the Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Noteholders as secured by the Constituting Instrument;

- (b) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to the Noteholders and any other party specified in the Constituting Instrument, whether pursuant to the Notes or the Conditions.

Investors' attention is also drawn to the taxation section of this Prospectus. The tax consequences for each investor in the Notes can be different and therefore investors are advised to consult with their tax advisers as to their specific consequences.

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



## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents (except the documents incorporated by reference therein) which shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

### A. The Programme Memorandum

The Programme Memorandums dated 19 December 2012 in respect of the Triple Enhanced Rated Notes (TERN) Limited USD 5,000,000,000 Programme for the issuance of Limited Recourse Obligations is incorporated by reference into this Prospectus in respect of the Issuer, a copy of which is available to the public at [http://www.ise.ie/debt\\_documents/Base%20Prospectus\\_364d8242-c0d3-43d8-864f-500b31032423.pdf](http://www.ise.ie/debt_documents/Base%20Prospectus_364d8242-c0d3-43d8-864f-500b31032423.pdf).

### B. Document incorporated by reference in respect of the Note Guarantor

The Credit Suisse International Registration Document dated 19 November 2012 (the **CSI Registration Document**), is incorporated by reference into this Prospectus in respect of the Note Guarantor. Notes issued by Credit Suisse International in accordance with the CSI Registration Document may be listed and admitted to trading on a regulated market. The CSI Registration Document has been filed with the Financial Services Authority in its capacity as competent authority under the UK Financial Services and Markets Act 2000 for the purposes of Directive 2003/71/EC (the **Prospectus Directive**).

A copy of the Credit Suisse International Registration Document is available to the public on the website of Credit Suisse International at [https://www.credit-suisse.com/investment\\_banking/financial\\_regulatory/doc/international/csi\\_registration\\_document\\_approved\\_by\\_irish\\_regulator.pdf](https://www.credit-suisse.com/investment_banking/financial_regulatory/doc/international/csi_registration_document_approved_by_irish_regulator.pdf).

## INVESTOR SUITABILITY

INVESTMENT IN THE NOTES INVOLVES POTENTIALLY SUBSTANTIAL RISKS. EACH PROSPECTIVE INVESTOR IN THE NOTES SHOULD BE FAMILIAR WITH INSTRUMENTS HAVING CHARACTERISTICS SIMILAR TO THE NOTES AND SHOULD FULLY UNDERSTAND THE TERMS OF THE NOTES AND THE NATURE AND EXTENT OF HIS EXPOSURE TO RISK OF LOSS.

Before making an investment decision, prospective investors in the Notes should conduct such independent investigation and analysis regarding: (a) the Issuer, the Swap Counterparty, the Swap Guarantor, the Note Guarantor, the Notes and the Charged Assets securing the Notes and to which payments under the Notes will be exposed and (b) all other relevant persons and such market, economic and any other factors as they deem appropriate to evaluate the merits and risks of an investment in such Notes. As part of such independent investigation and analysis, prospective investors in such Notes should consider carefully all the information set out in this Prospectus and the considerations set out below.

Investment in the Notes is only suitable for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the information contained in this Prospectus and the merits and risks of an investment in such Notes in the context of the investor's own financial, tax and regulatory circumstances and investment objectives.

In particular, investment in the Notes is only suitable for investors who:

- (a) are capable of bearing the economic risk of an investment in such Notes for the period up until the maturity date of such Notes;
- (b) have read the Programme Memorandum and understand all the risks relating to the Notes;
- (c) recognise that in case such Notes need to be sold prior to maturity, an investor may have to do so at a substantial discount from the initial price, and as a result may suffer substantial losses; and
- (d) have access to, and knowledge of, appropriate analytical tools to evaluate the merits and risks of an investment in such Notes, an indirect exposure to the assets and liabilities of the Issuer that are comprised in the Mortgaged Property and to which payments under such Notes are linked in the context of their financial situation.

The "Risk Factors" section of this Prospectus and the "Risk Factors" section of the Programme Memorandum each contain a summary of certain risk factors involved in an investment in the Notes and your particular attention is drawn to each of such sections. The risk factors described in the Prospectus and the Programme Memorandum are not, and are not intended to be, a comprehensive list of all considerations relevant to a decision to purchase or hold any of the Notes.

Further, each prospective investor should ensure that it fully understands the nature of the transaction into which it is entering and the nature and extent of its exposure to the risk of loss of all or a substantial part of its original investment.

## Terms and Conditions

### Triple Enhanced Rated Notes (TERN) Limited

#### pursuant to its Programme for the issue of Limited Recourse Obligations

Issue of Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Notes**)

The following (including the annexes hereto) shall complete, modify and amend the Master Conditions as specified above. Unless the context otherwise requires, capitalised terms used and not otherwise defined in the Master Conditions referred to above as completed, modified and amended by the following, shall have the meaning respectively ascribed to them in the Transaction Documents (as defined below).

1. Issuer: Triple Enhanced Rated Notes (TERN) Limited
2. (i) Series Number: 1
- (ii) Currency: EUR
3. Dealer: Credit Suisse Securities (Europe) Limited
4. Arranger, Calculation Agent, Selling Agent, Valuation Agent: Credit Suisse International
5. Note Guarantor: Credit Suisse International
6. Loan Servicer: Mediobanca – Banca di Credito Finanziario S.p.A., provided that the Controlling Creditor may, pursuant to the terms of the Loan Servicing Agreement (as defined below), upon a Swap Counterparty Default, replace the Loan Servicer.
7. Swap Counterparty: Mediobanca International (Luxembourg) S.A.
8. Swap Guarantor: Mediobanca – Banca di Credito Finanziario S.p.A.
9. Trustee: BNY Mellon Corporate Trustee Services Limited
10. Principal Paying Agent, Custodian and Loan Administration Agent: The Bank of New York Mellon
11. Registrar: The Bank of New York Mellon (Luxembourg) S.A.
12. Principal Amount: EUR 300,000,000
13. Issue Price: 100%
14. Currency: Euros (**EUR**)
15. Authorised Denominations: EUR 1,000,000
16. (i) Status of the Notes: The Notes are secured, guaranteed and limited recourse obligations of the Issuer, secured as provided below and ranking *pari passu* without any

preference amongst themselves.

- (ii) Status of the Note Guarantee: The Note Guarantee is an unsecured, unsubordinated obligation in respect of the Note Guarantor.
17. Issue Date: 20 December 2012
18. Maturity Date: 27 July 2018, adjusted in accordance with the Business Day Convention.
19. Transaction Documents: Each of the following documents shall constitute a **Transaction Document** and together, the **Transaction Documents**:
- (a) the constituting instrument, in respect of the Series dated 20 December 2012 (the **Constituting Instrument**);
  - (b) the 2002 ISDA Master Agreement dated as of 20 December 2012 (the **Master Agreement**) together with the schedule thereto (the **ISDA Schedule**), as supplemented by (a) the swap confirmation (the **Confirmation**) and (b) the credit support annex (the **Credit Support Annex** and, together with the Master Agreement, the ISDA Schedule and Confirmation, the **Swap Agreement**) between the Issuer and Mediobanca International (Luxembourg) S.A., as counterparty (the **Swap Counterparty**), each dated 20 December 2012;
  - (c) the swap guarantee given by the Swap Guarantor to the Issuer in respect of the obligations of the Swap Counterparty pursuant to the Swap Agreement, dated 20 December 2012 (the **Swap Guarantee**);
  - (d) the guarantee and undertaking agreement between the Note Guarantor, the Trustee and the Issuer, dated 20 December 2012 together with the guarantor support annex attached thereto (the **Guarantor Support Annex** and together, the **Note Guarantee**);
  - (e) the loan administration agent appointment agreement between the Issuer and The Bank of New York Mellon dated 20 December 2012 (the **Loan Administration Agent Appointment Agreement**);
  - (f) the loan servicing agreement between the

Issuer and Mediobanca – Banca di Credito Finanziario S.p.A. (the **Loan Servicer**) dated 20 December 2012, pursuant to which the Loan Servicer will provide certain execution services to the Issuer in respect of certain Charged Assets in the form of loans (the **Loan Servicing Agreement**); and

- (g) the valuation agent and selling agent appointment agreement between the Issuer and CSI dated 20 December 2012 (the **Valuation Agent and Selling Agent Appointment Agreement**),

as each document may be amended, modified and/or supplemented from time to time.

20. Summary of certain terms of the Note Guarantee:

In consideration for providing the Note Guarantee, the Issuer shall pay to the Note Guarantor the Note Guarantee Fee Amount on each Interest Payment Date.

**Note Guarantee Fee Amount** means an amount equal to the product of:

- (a) 1.00 per cent. per annum;
- (b) the Principal Amount; and
- (c) (i) the actual number of days in the period from, and including, the immediately preceding Interest Payment Date (or the Issue Date in respect of the first Interest Period) to, but excluding, the relevant Interest Payment Date divided by (ii) 360.

Pursuant to the terms of the Note Guarantee, the Note Guarantor guarantees in favour of the Trustee and on behalf of the Noteholders, all payments due and payable by the Issuer under the Notes.

Following the occurrence of a Swap Counterparty Default:

- (a) the Issuer shall pay to the Note Guarantor amounts equal to all payments and distributions (whether in the nature of principal, interest or otherwise) received by the Issuer in respect of the Charged Assets on the date of receipt of such payments or distributions;
- (b) following redemption of the Notes in full on the Maturity Date or the Mandatory Early Redemption Date (as the case may be), the

Issuer shall transfer to the Note Guarantor the Charged Assets on such date pursuant to the Guarantor Support Annex, against payment by the Note Guarantor of the amount described in (b) above; and

- (c) the Note Guarantor shall ensure that the Value of the Charged Assets is at all times at least equal to the sum of (i) the outstanding principal amount of the Notes and (ii) accrued but unpaid interest on the Notes (provided that any Eligible Credit Support may be delivered, if requested by or on behalf of the Issuer pursuant to the Guarantor Support Annex, within three Business Days of such request and that the Note Guarantor has the right to demand the return of any Charged Assets in excess of such amount) pursuant to the Guarantor Support Annex;
- (d) the Note Guarantor shall pay to the Issuer an amount equal to any early termination payment owing to the Swap Counterparty following an early termination of the Swap Agreement unless such payment is satisfied by delivery by the Issuer of Charged Assets to the Swap Counterparty pursuant to Paragraph 2(a) of the Confirmation; and
- (e) following the occurrence of a Liquidation Event (provided that the occurrence of a Note Guarantor Default has caused a Liquidation Event to occur concurrently), a termination amount will be payable by the Note Guarantor or by the Issuer pursuant to the terms of the Note Guarantee,

in each case, in accordance with the Note Guarantee, a form of which is attached at Annex VI of the Prospectus.

The Note Guarantee provides that the Note Guarantor, the Trustee and the Issuer may agree to amend the terms of the guarantee without the consent of the Noteholders, the Swap Counterparty, the Swap Guarantor or the Rating Agency provided that such amendments are determined by the Trustee not to be materially prejudicial to the interests of the Noteholders.

21. Charged Assets:

A portfolio of (i) cash denominated in EUR, GBP and/or USD, (ii) loans transferred by way of Assignment (and any interest or distributions in

respect thereof), (iii) government securities and/or corporate bonds delivered or transferred (as applicable) to the Issuer, in each case delivered or transferred to the Issuer pursuant to the Credit Support Annex by the Swap Counterparty or deemed delivered or transferred, or delivered or transferred, by the Note Guarantor pursuant to the Guarantor Support Annex following a Swap Counterparty Default.

On the Issue Date, the portfolio of Charged Assets shall be as agreed between the Swap Counterparty, the Issuer and the Note Guarantor, and further notified to each of the Loan Administration Agent, the Loan Servicer, the Custodian and the Trustee. Each Charged Asset is required to satisfy the eligibility criteria specified in Exhibit B to the Credit Support Annex or the Guarantor Support Annex (as applicable) and the aggregate portfolio of Charged Assets is required to satisfy the concentration limits specified in Exhibit B to the Credit Support Annex or the Guarantor Support Annex (as applicable), in each case on each day during the tenor of the Notes.

The Swap Counterparty (prior to a Swap Counterparty Default) and the Note Guarantor (following a Swap Counterparty Default) shall be required to maintain the aggregate Value of the Charged Assets, pursuant to the Credit Support Annex or the Guarantor Support Annex (as applicable), at a level equal to or greater than the outstanding principal amount of the Notes plus accrued interest on the Notes at all times but shall, pursuant to the terms of the Swap Agreement or Guarantor Support Annex (as applicable) have the right to substitute Charged Assets and to demand the return of any Charged Assets with a value (as defined in the Credit Support Annex or the Guarantor Support Annex, as applicable) in excess of the outstanding principal amount of the Notes plus accrued interest on the Notes.

- |     |                                 |  |
|-----|---------------------------------|--|
| 22. | Charged Agreements:             | The Swap Agreement.  |
| 23. | Security:                       | As specified in Condition 4 ( <i>Security</i> ) of the Master Conditions, as amended pursuant to the Appendix to these Terms and Conditions. |
| 24. | Fixed Rate Note Provisions:     | Not applicable.  |
| 25. | Zero Coupon Note Provisions:    | Not applicable   |
| 26. | Floating Rate Note Provisions:  | Applicable:  |
|     | (i) Interest Commencement Date: | Issue Date   |

- (ii) Interest Payment Dates: 20 March, 20 June, 20 September and 20 December in each year, commencing on (and including) the 20 March 2013, to (and including) the earlier to occur of (A) the Maturity Date and (B) the Mandatory Early Redemption Date.
- (iii) Interest Rate: An amount equal to the sum of:
- (a) the Floating Rate Option; and
- (b) the Spread,
- provided that in respect of the final Interest Period the Floating Rate Option shall be determined by the Calculation Agent on the basis of linear interpolation between the applicable Floating Rate Option with a Designated Maturity of one month and the applicable Floating Rate Option with a Designated Maturity of two months.
- (iv) Floating Rate Option: EUR–EURIBOR–Reuters
- (v) Designated Maturity: Three months, except in respect of the last Interest Period in relation to which linear interpolation will apply as specified in Condition 26(iii) above.
- (vi) Reset Dates: The first day of each Interest Period.
- (vii) Spread: 0.85 % per annum.
- (viii) Day Count Fraction: Actual/360
27. Other Interest Provisions: Not applicable
28. Redemption on the Maturity Date: As specified in Condition 7(a) (*Final redemption*) of the Master Conditions, as amended pursuant to the Appendix to these Terms and Conditions.
29. Redemption following the occurrence of a Mandatory Early Redemption Event: Upon the Notes becoming due and repayable prior to the Maturity Date pursuant to Condition 7(b) (*Mandatory Redemption*), Condition 7(c) (*Redemption for taxation and other reasons*) or Condition 9 (*Events of Default*) (such event, a **Mandatory Early Redemption Event**), the Issuer will redeem the Notes at their Mandatory Early Redemption Amount on the Mandatory Early Redemption Date pursuant to Condition 7(e) (*Redemption Amount of Notes*) of the Master Conditions.
- Subject to Condition 7(e)(v), if a Liquidation Event has occurred the net proceeds available to the Issuer following a liquidation of the Charged Assets shall be applied in accordance with Condition 4(d)



(Application of proceeds upon enforcement of security).

**Mandatory Early Redemption Amount** means, in respect of each Note, an amount equal to the sum of:

- (a) the outstanding principal amount of such Note; *plus*
- (b) all accrued but unpaid interest on such Note.

**Mandatory Early Redemption Date** means the date no later than 5 Business Days following the occurrence of a Mandatory Early Redemption Event, subject to adjustment in accordance with the Business Day Convention.

- 30. Notes issued in bearer or registered form: Registered Notes (Non US Series).
- 31. Whether Notes will be C Notes or D Notes: Not applicable.
- 32. Exchange of Registered Notes: Applicable.
- 33. Listing: Application will be made for the Notes to be listed and admitted to trading on the Irish Stock Exchange. There can be no assurance that such listing and admission will be obtained.
- 34. Business Days: London and TARGET
- 35. Business Day Convention: Modified Following
- 36. Settlement Procedures: The Notes will be accepted for settlement in Euroclear and Clearstream, Luxembourg.
- 37. Common Code: 085978098
- 38. ISIN: XS0859780982
- 39. Rating: The Notes to be issued are expected to be rated AA+ by Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (**S&P**).

S&P will rate the Notes pursuant to its jointly supported obligations criteria. The rating assigned by S&P therefore only considers the support provided to the Notes by the Note Guarantee, the Swap Agreement and the Swap Guarantee, and does not consider the credit quality or any other matters relating to the Charged Assets.

S&P has not conducted any analysis in respect of the Charged Assets nor has the creditworthiness of the Charged Assets had any impact on the rating by S&P

of the Notes. A rating is not a recommendation to buy, sell, or hold securities and may be subject to suspension, change or withdrawal at any time by S&P without notice. A suspension, change or withdrawal of the rating in respect of the Notes may adversely affect the market price of such Notes.

Standard & Poor's Rating Services is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). The ratings have been endorsed by Standard Poor's Credit Market Services Europe Ltd in accordance with the CRA Regulation. Standard Poor's Credit Market Services Europe Ltd is established in the European Union and registered under the CRA Regulation. As such Standard Poor's Credit Market Services Europe Ltd is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.

40. Governing Law:

English law.

## APPENDIX TO THE TERMS AND CONDITIONS

- A. Condition 4 (*Security*) shall be deleted in its entirety other than sub-condition 4(b) which will continue to apply and those sub-conditions that are deleted shall be replaced as follows:

### "4. Security

#### (a) *Security*

All security granted by the Issuer in respect of the Notes (save in respect of any Counterparty MTN Claim) shall be granted in favour of the Trustee, who shall hold such security on trust for itself and the Secured Creditors. Save as expressly provided for in the Constituting Instrument or in the Conditions, the Trustee, in carrying out its duties and exercising its discretions under the Trust Deed, shall be under no obligation or duty to act on any directions of the Noteholders, any other Secured Creditor or the Controlling Creditor.

The obligations of the Issuer under the Notes and the Transaction Documents (save in respect of any Counterparty MTN Claim) are secured by:

- (i) an assignment by way of first fixed security of the Issuer's rights, title and interest in, to and under each Transaction Document except to the extent included in the Counterparty MTN Security;
- (ii) an assignment by way of first fixed security and a first fixed charge over all of the Issuer's rights, title and interest, present and future, in, to and under the Charged Assets, and the debts represented thereby including all sums and/or assets received or receivable (if any) under any such assets or rights;
- (iii) an assignment by way of first fixed security and a first fixed charge over all of the Issuer's rights, title and interest, present and future, in, to and under the Cash Account and the Collateral Account and all amounts and Charged Assets deposited in or standing to the credit thereof and the debts represented thereby including, without limitation, all interest accrued and other moneys received thereon, in each case except to the extent included in the Counterparty MTN Security;
- (iv) an assignment of the Issuer's rights against the Custodian with respect to the Charged Assets under the Custody Agreement and a fixed charge on all funds in respect of the Charged Assets held from time to time by the Custodian;
- (v) a fixed charge on all funds held from time to time by the Principal Paying Agent to meet payments due under the Notes;
- (vi) an assignment of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom; and
- (viii) an assignment of the Issuer's rights, title and interest against each Arranger and each Dealer in relation to the Notes under the relevant Placing Agreement,

in each case in favour of the Trustee for the benefit of itself and the other Secured Creditors.

Such security shall extend to the obligations of the Issuer under any Further Notes (as defined in Condition 16) issued in accordance with Condition 16 and consolidated and to form a single Series with this Series. The property and other assets described above

securing the obligations of the Issuer under the Notes (and any Further Notes) are herein collectively referred to as the "**Mortgaged Property**". For the avoidance of doubt, assets and rights from time to time that are subject to the Counterparty MTN Security (as defined below) shall not comprise Mortgaged Property.

The Notes are capable of being declared immediately due and repayable prior to their stated date of maturity or other date or dates for their redemption following the occurrence of any Mandatory Early Redemption Event. If the Notes become repayable following the occurrence of a Liquidation Event the security will become enforceable in accordance with the Master Trust Terms (as amended, modified and/or supplemented by the relevant Constituting Instrument) and subject to the provisions of Condition 10.

On any such enforcement, the net proceeds thereof may be insufficient to pay amounts due to each Secured Creditor whether in accordance with the order of priority specified by the Trust Deed or, if the net proceeds are zero, at all.

(b) *Realisation of the Mortgaged Property*

In the event of the occurrence of a Liquidation Event, the Trustee shall have the right to enforce, and, subject to Condition 7(e)(v) and if so directed in writing by the Controlling Creditor, shall enforce its rights under the Trust Deed and enforce or realise the Security Interests in respect of the Mortgaged Property (but not the Counterparty MTN Security), subject to paragraph 2 (*Payments and Deliveries following designation of an Early Termination Date*) of the Confirmation but without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, the other Secured Creditors, individual Noteholders, provided that the Trustee shall not be required to take any action unless it is first indemnified and/or secured and/or prefunded to its satisfaction.

The net sums (if any) realised upon enforcement of the Security Interests in respect of the Mortgaged Property pursuant to the Constituting Instrument may be insufficient to pay all the amounts due to any Secured Creditor. In such event, any shortfall shall, unless otherwise specified in the Constituting Instrument, be borne by the Secured Creditors in inverse order to the order of priority specified in the Constituting Instrument.

(c) *Application of proceeds upon enforcement of security*

After meeting the expenses and remuneration and any other amounts due to the Trustee including in respect of liabilities incurred in respect of the Notes, or to any receiver or other appointee of the Trustee appointed pursuant to the Trust Deed including in respect of liabilities incurred in respect of the Notes, the net proceeds of the enforcement of the Security Interests constituted pursuant to the Trust Deed will be applied as follows:

- (i) firstly, in relation to the Issuer only, in payment of any tax payable by or assessed against the Issuer or the Share Trustee or for which the Issuer or the Share Trustee is or becomes accountable to any taxing authority in or of Ireland or any other jurisdiction, that is payable or assessed solely in respect of the Notes as a consequence of acts or omissions relating to the Notes or of any party to any of the documents entered into in connection with the issue of the Notes;
- (ii) secondly, except where the Swap Counterparty is (a) the Defaulting Party or (b) an Affected Party pursuant to the Swap Agreement, to the payment of any amounts due to the Swap Counterparty pursuant to the Swap Agreement (other than any amount in respect of a Counterparty MTN Claim);

- (iii) thirdly, to the payment of any amounts due to the Note Guarantor pursuant to the Note Guarantee;
- (iv) fourthly, in meeting the claims (if any) of the Noteholders pari passu and rateably;
- (v) fifthly, to the payment of any amounts due to the Swap Counterparty pursuant to the Swap Agreement to the extent not paid under (ii) above; and
- (vi) sixthly, in payment of the balance (if any) to the Note Guarantor.

(d) *Shortfall after Application of Proceeds*

If the net proceeds of the security constituted pursuant to the Trust Deed, such security having been enforced under Condition 4(c) (*Realisation of the Mortgaged Property*), are not sufficient to make all payments due to the Secured Creditors pursuant to the priority of payments specified in Condition 4(d) (*Application of proceeds upon enforcement of security*), the other assets of the Issuer (including, without limitation, assets securing or otherwise attributable to any other Series of Notes or to the Counterparty MTN Security) will not be available for payment of any shortfall arising therefrom. Any such shortfall shall be borne by the Secured Creditors in accordance with the inverse of the order of the priority of payments specified in Condition 4(d) (*Application of proceeds upon enforcement of security*). Claims in respect of any such shortfall remaining after realisation of the security under Condition 4(c) (*Realisation of the Mortgaged Property*) and application of the proceeds in accordance with the Trust Deed and Condition 4(d) (*Application of proceeds upon enforcement of security*), shall be extinguished and failure to make any payment in respect of any such shortfall shall in no circumstances constitute an Event of Default under Condition 9 (*Events of Default*) in respect of the Notes or in respect of any notes of any other Series.

**Pursuant to Condition 10, none of the Trustee or any other Secured Creditor, shall be entitled 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, in relation to any shortfall in respect of the Notes remaining after the realisation of the security under Condition 4(c) or otherwise, nor shall any of them have any claim in respect of any unpaid sums or on any account whatsoever over or in respect of any assets of the Issuer which are or purport to be security for any other Series.**

**Neither the Trustee nor the Custodian is under any obligation to maintain any insurance in respect of any part of the security constituted pursuant to the relevant Trust Deed, whether against loss of such security by theft or fire, in respect of fraud or forgery or against any other risk whatsoever.**

(e) *Substitution and/or release of Charged Assets*

- (i) Any part of the Mortgaged Property shall be released automatically from the Security Interest without the need or further action from the Trustee to the extent that such part is required to enable the Issuer to meet payment of all sums and performance of all obligations under the Swap Agreement (other than in respect of any Counterparty MTN Claim), the Note Guarantee, any other Transaction Document and/or the Notes and Coupons.
- (ii) If any item of Charged Assets is required to be transferred to the Swap Counterparty pursuant to the Credit Support Annex or to the Note Guarantor pursuant to the Guarantor Support Annex, such item of Charged Assets shall be released

automatically, as applicable and without the need for further action from the Trustee, from the security created hereby and upon the transfer of any item of further Charged Assets to the Issuer by the Swap Counterparty or the Note Guarantor (as applicable) the relevant item of Charged Assets shall become subject to the security interest created hereby. The Trustee undertakes to instruct the Custodian or the Loan Administration Agent (as applicable) to make delivery of the Charged Assets to the person entitled thereto and such Charged Assets (or the appropriate proportion thereof) shall be released automatically and without the need for further action from the Trustee, from the security created by or pursuant to the Constituting Instrument upon the satisfaction of such conditions to such delivery as may be specified in the Credit Support Annex or the Guarantor Support Annex (as applicable) and such release shall be effected by due delivery of the Charged Assets in accordance with the Credit Support Annex or the Guarantor Support Annex.

- (iii) Without prejudice to the generality of Condition 4(f)(ii), if the Credit Support Annex, the Guarantor Support Annex or the Conditions provides for the sale, transfer or redemption of the Charged Assets by or on behalf of the Issuer (whether in connection with a redemption of the Notes pursuant to the Conditions, a purchase of Notes pursuant to the Conditions or otherwise) or if the Issuer is otherwise required to sell, transfer or submit for redemption any of the Charged Assets and/or to apply the same or any Proceeds in or towards payment or satisfaction of any payment or delivery obligations, then the Issuer, or the Custodian or Loan Administration Agent (as applicable) when so instructed by the Issuer on its behalf shall (subject to its first having given prior notification to the Trustee, instruct the Custodian or Loan Administration Agent (as applicable) to deliver the relevant Charged Assets to the relevant purchaser or transferee (against receipt by it or the Principal Paying Agent of the purchase price thereof) or, (as the case may be) submit the same for redemption) release from the security created by or pursuant to the Constituting Instrument, such Charged Assets or Proceeds:
  - (1) in the case of a sale or transfer thereof on receipt by the Custodian, Loan Administration Agent or Principal Paying Agent of the purchase price therefor as determined or as contemplated by the Conditions; or
  - (2) in the case of a redemption thereof on receipt by the Custodian, the Loan Administration Agent or Principal Paying Agent of the redemption proceeds thereof as contemplated by the Conditions; or
  - (3) upon such Charged Assets or Proceeds being paid or applied as contemplated by the Conditions or this Trust Deed,

and such release shall be effected automatically upon (i) in the case of (1) above, receipt of the applicable purchase price or (ii) in the case of (2) above, upon receipt of the relevant redemption proceeds or (iii) in the case of (3) above, upon such payment or delivery being made without the need for any further action, instrument in writing or consent by the Trustee."

(f) *Accounts*

- (i) The Issuer will procure that all Charged Assets transferred to the Issuer pursuant to the Swap Agreement or, following the occurrence of a Swap Counterparty Default, the Note Guarantee that (A) are comprised of securities shall be credited to the Collateral Account immediately upon receipt thereof and (B) are cash shall be credited to the Cash Account immediately upon receipt thereof.

- (ii) The Issuer will procure that all payments of interest and principal in cash received in respect of the Mediobanca MTN are held in a cash account (the **Medio Account**) and that the Mediobanca MTN is held in a separate securities account on the books of the Custodian (the **Medio Collateral Account**).
- (iii) The Issuer shall procure that the following amounts shall be credited to the Cash Account immediately upon receipt thereof:
  - (A) all payments of principal in cash received in respect of any Charged Assets;
  - (B) all interest, coupons, dividends or other distributions of an income nature in cash received in respect of any Charged Assets;
  - (C) all payments received from (1) the Swap Counterparty pursuant to the Swap Agreement, (2) the Swap Guarantor pursuant to the Swap Guarantee or (3) the Note Guarantor pursuant to the Note Guarantee;
  - (D) all liquidation proceeds from the sale of Charged Assets;
  - (E) all interest accrued on the Cash Account from time to time;
  - (F) the proceeds of any further issuances of Further Notes pursuant to Condition 16 that are not invested in further Charged Assets; and
- (iv) The Issuer will make all payments under the Notes and the Transaction Documents, other than in respect of the Mediobanca MTN, pursuant to the Charged Agreement from the Cash Account."
- (g) *Counterparty MTN Security*
  - (i) The Issuer, with full title guarantee and as continuing security for due payment and delivery and discharge of any Counterparty MTN Claim hereby charges in favour of the Trustee for the benefit of the Swap Counterparty only:
    - (A) by an assignment by way of first fixed security of all its rights, title and interest, in, to and under the Custody Agreement in so far as such rights, title and interest relate to the Mediobanca MTN, the Medio Account and/or the Medio Collateral Account;
    - (B) by an assignment by way of first fixed security and a first fixed charge over all its rights, title and interest, present and future, in, to and under the Mediobanca MTN and the debts represented thereby including all sums and/or assets received or receivable (if any) under such assets or rights and over the Medio Account and/or the Medio Collateral Account,

together, the "Counterparty MTN Security".
  - (ii) The Counterparty MTN Security created under Condition 7(h)(i) is granted to the Trustee to hold as trustee for the Swap Counterparty as continuing security for any claim the Swap Counterparty may have (a **Counterparty MTN Claim**) against the Issuer in respect of (i) the Final Delivery pursuant to the terms of the Confirmation, and (ii) the Issuer's obligations under paragraph 2(b)(i) or 2(c) of the Confirmation (to the extent that it relates to 2(b)(i) only) of the Confirmation and is granted in favour of the Trustee for the benefit of itself and the Swap Counterparty only. No

Noteholder shall have any interest in the Counterparty MTN Security and the Counterparty MTN Security shall not form part of the Mortgaged Property. When the Counterparty MTN Security becomes enforceable upon a Counterparty MTN Claim being made, the Swap Counterparty or the Issuer shall provide the Trustee with notice of such Counterparty MTN Claim. For the avoidance of doubt, the Trustee will be entitled to assume that Counterparty MTN Security has not become enforceable, until it receives notice of such fact from the Swap Counterparty or the Issuer. If the Counterparty MTN Security becomes enforceable upon a Counterparty MTN Claim being made, the security for the Notes shall not consequently become enforceable and the Notes shall not be affected thereby and shall accordingly remain outstanding.

- (iii) The Counterparty MTN Security shall become enforceable and (subject to its right to be indemnified and/or secured and/or pre-funded to its satisfaction, without any liability as to the consequence of such action and without regard to the effect of such action on the Swap Counterparty but without prejudice to Clause 13 of the Trust Deed (*Trustee Liable for Negligence*)) the Trustee shall, provided it has been given notice by the Swap Counterparty or the Issuer in accordance with Condition 7(h)(ii) above, forthwith enforce such security upon the failure by the Issuer to deliver to the Swap Counterparty the Mediobanca MTN (or, if the Mediobanca MTN has redeemed, the failure by the Issuer to pay the Swap Counterparty the proceeds of such redemption).
- (iv) If the Counterparty MTN Security becomes enforceable, provided it has been given notice by the Swap Counterparty in accordance with Condition 7(h)(ii) above, the Trustee shall, on being indemnified and/or secured and/or pre-funded to its satisfaction, without any liability as to the consequence of such action and without regard to the effect of such action on the Swap Counterparty but without prejudice to Clause 13 of the Trust Deed (*Trustee Liable for Negligence*), appropriate the Mediobanca MTN and use all reasonable endeavours to transfer the Mediobanca MTN to the Swap Counterparty in satisfaction of the Counterparty MTN Claim.
- (vi) Notwithstanding the provisions of the Trust Deed, the only terms applicable to the Counterparty MTN Security shall be (a) those set out in the Constituting Instrument, and (b) Clauses 7.7 (*Trustee's Responsibility*) and 9.2 (*Covenants*) of the Trust Deed which apply to the security over the Mortgaged Property and shall also apply to the Counterparty MTN Security *mutatis mutandis*.
- (vii) When acting in relation to the Counterparty MTN Security (whether before or after enforcement of the same), the Trustee shall have regard only to the interests of the Swap Counterparty, and if indemnified and/or secured and/or pre-funded to its satisfaction, shall act as instructed by the Swap Counterparty in relation to the Counterparty MTN Security. The Trustee shall not be responsible to the Noteholders or Couponholders for acting on the instructions of, or not acting until instructed by, the Swap Counterparty in relation to the Counterparty MTN Security, whether or not the interests of the Noteholders and the Couponholders conflict with the interests of the Swap Counterparty.
- (viii) The Trustee shall not be responsible for, nor shall it have any liability with respect to, any loss or theft or reduction in value of the Mediobanca MTN and shall not be obliged to insure or to obtain insurance for the same or monitor the adequacy of any such arrangements and shall have no responsibility or liability arising from the fact that the same will be held in safe custody by the Custodian or any other custodian approved by the Trustee. "



B. Condition 7(a) (*Redemption, Purchase and Exchange*) shall be deleted and replaced as follows:

"(a) Final redemption

The Issuer shall redeem each Note on the Maturity Date at its outstanding principal amount, unless such Note has been previously redeemed, exchanged or purchased and cancelled in accordance with these Conditions."

C. Condition 7(b) (*Mandatory Redemption*) shall be deleted in its entirety and replaced as follows:

"(b) Mandatory Redemption

If:

- (i) the Issuer satisfies the Trustee that the performance of its obligations under the Notes, the Transaction Documents to which it is a party or any other documents or arrangements ancillary thereto (including any arrangements made to hedge its position under the Notes) has or will become unenforceable, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or prospective law (provided that such law has been enacted), rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof;
- (ii) the Note Guarantor delivers a Note Guarantee Redemption Notice pursuant to the Note Guarantee;
- (iii) the Swap Counterparty delivers a Counterparty Early Redemption Notice pursuant to the Charged Agreement;
- (iv) a Liquidation Event occurs; or
- (v) a Regulatory Event occurs,

then, subject to Condition 7(f) (*Amendments to avoid redemption*), the Notes shall become due and repayable as provided in Condition 7(e) (*Redemption Amount of Notes*).

The Issuer, the Trustee and the Swap Guarantor shall, and the Swap Counterparty and the Note Guarantor may, promptly upon becoming aware of any such event or circumstance (in the case of the Trustee, provided that in its capacity as such it is actually aware of the same) give notice thereof to the other of them and the Issuer (or the Paying Agent on its behalf) shall give notice to the Noteholders in accordance with Condition 7(e) (unless otherwise specified in the relevant Constituting Instrument) as soon as reasonably practicable after becoming aware of such event or circumstance."

D. Condition 7(c) (*Redemption for taxation and other reasons*) shall be amended by:

(i) the deletion of sub-paragraph 7(c)(A)(1) thereof and its replacement with the following:

"(1) the Issuer, on the occasion of the next payment due in respect of the Notes, would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount that would otherwise be due in respect of the Notes but for the imposition of such tax (other than in circumstances which give rise to a Withholding Requirement (as defined below) entitling the Noteholders by Extraordinary Resolution to declare the Notes

due and repayable pursuant to Condition 7(c)(B) below), the Issuer shall promptly upon becoming aware thereof so inform the Trustee and the Note Guarantor and shall use all reasonable endeavours to arrange the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee, the Note Guarantor and the Swap Counterparty (if any) as the principal debtor (and provided that prior notice of any such substitution is given to the Rating Agency which has confirmed that its rating will not be adversely affected thereby) and if (I) it is unable to arrange such substitution before the next payment is due in respect of the Notes and (II) the Note Guarantor does not agree to pay such additional amounts as would be required to allow the Issuer to make payment of the full amount that would otherwise be due in respect of the Notes but for the imposition of such tax;"

- (ii) the deletion of sub-paragraph 7(c)(A)(2) thereof; and
- (iii) the addition at the end of paragraph 7(c)(A) of the following: ", subject to Condition 7(f) (*Amendments to avoid redemption*)," prior to the words "become due and repayable as provided by Condition 7(e) (*Redemption Amount of Notes*)".

E. Condition 7(e) (*Redemption Amount of Notes*) shall be deleted in its entirety and replaced as follows:

"(e) Redemption Amount of Notes

- (i) The amount payable upon redemption of each Note pursuant to Condition 7(b) (*Mandatory Redemption*) or Condition 7(c) (*Redemption for taxation and other reasons*) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) shall be the Mandatory Early Redemption Amount.
- (ii) Redemption of the Notes at their Mandatory Early Redemption Amount shall not constitute an Event of Default under Condition 9 (*Events of Default*).
- (iii) If the security becomes enforceable pursuant to Condition 4(c) (*Realisation of the Mortgaged Property*) then upon receipt of the proceeds (if any) of realisation of the Mortgaged Property following such enforcement, the Trustee shall give notice to the Noteholders in accordance with Condition 14 (*Notices*) of the date on which each Note shall be redeemed.
- (iv) The Calculation Agent will, on such date as the Calculation Agent may be required to calculate any Mandatory Early Redemption Amount, if required to be calculated, cause such Mandatory Early Redemption Amount to be notified to the Trustee, the Note Guarantor, the Swap Counterparty, the Rating Agency, the Principal Paying Agent and each of the Paying Agents and to be notified to Noteholders in accordance with Condition 14 (*Notices*) as soon as reasonably practicable after its calculation but in no event later than the first Business Day thereafter. The calculation of the Mandatory Early Redemption Amount, if required to be calculated, shall (in the absence of manifest error) be final and binding upon all parties.

If the Calculation Agent is unable or unwilling to act as such, the Trustee will appoint, on behalf of the Issuer and pursuant to Clause 22 (*Change in agents*) of the Master Agency Terms, the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

- (v) The Issuer shall, if Noteholders holding in aggregate 100 per cent. of the principal amount of the Notes for the time being outstanding in their discretion direct the Issuer by notice in writing to the Issuer, with a copy to the Principal Paying Agent, the Trustee, the Note Guarantor and the Rating Agency, the Custodian, the Loan Service Provider and the Loan Administration Agent, within two Business Days of being notified of the occurrence of a Liquidation Event such that the security has become enforceable pursuant to Condition 4(c)(*Realisation of Mortgaged Property*) on the Mandatory Early Redemption Date, redeem in full all the Notes outstanding by paying and/or delivering (as soon as reasonably practicable but which, for the avoidance of doubt, may be following the Mandatory Early Redemption Date) to the Noteholders their pro rata share of the Charged Assets, provided that if (x) a termination payment determined pursuant to Section 6(e) of the Swap Agreement is payable to the Swap Counterparty by the Issuer or (y) any amount is due and payable to the Note Guarantor by the Issuer pursuant to the Note Guarantee, such payments are first paid in full by the Issuer and/or any other amounts payable and/or deliverable to the Swap Counterparty or the Note Guarantor by the Issuer have been paid and/or delivered in full.

Any such direction by the Noteholders shall be deemed not to be effective unless and until the above is satisfied.

The delivery to the Noteholders of any of the Charged Assets pursuant to the provisions of this Condition shall be made in such manner as the Issuer, Selling Agent and the Principal Paying Agent determine to be appropriate for such delivery. In order to receive delivery of any securities, the Noteholders are required to make direct arrangements with the Principal Paying Agent and/or Euroclear or Clearstream, Luxembourg (as the case may be) which are acceptable to such parties. In order to receive delivery of any loan, the Noteholders are required to execute all necessary documentation and take any other necessary actions as are customary for the settlement of such loan, as determined by the Selling Agent in its sole discretion. The Selling Agent will act on behalf of the Issuer to effect such delivery.

Any (i) recordation, processing or similar fee reasonably incurred by the Issuer and payable to the agent under a loan in connection with an Assignment and (ii) stamp or other tax payable in connection with the delivery of any of the Charged Assets, shall be payable by each Noteholder, in proportion to its holding. Any other expenses arising from the delivery and/or transfer of the Charged Assets shall be for the account of the Noteholders. Delivery and/or transfer of the Charged Assets to a Noteholder shall be delayed until all expenses relating to such delivery or transfer payable by such Noteholder have been paid to the satisfaction of the Issuer.

If there is more than one Noteholder, the allocation of items of Charged Assets to be apportioned among and delivered to Noteholders shall be as determined by the Calculation Agent in its sole discretion and the fact that one Noteholder may receive different items of Charged Assets to another Noteholder shall not be inconsistent with Condition 3(a) (*Status*).

- F. Condition 7(f) (*Redemption at the option of the Noteholders or the Issuer*) shall be deleted in its entirety and replaced as follows:

"(f) Amendments to avoid redemption

Upon the occurrence of:

- (i) a Regulatory Event;
- (ii) the determination by the Calculation Agent that an event affecting the Issuer which requires a redemption for taxation reasons has occurred (as described in Condition 7(c) (*Redemption for taxation and other reasons*));
- (iii) an Event of Default pursuant to Condition 9 (*Events of Default*) that does not, in the determination of the Calculation Agent, relate to non-payment and/or insolvency with respect to the Issuer,

the Issuer shall certify (in writing) to the Note Guarantor, the Trustee and the Swap Counterparty (i) the details of such of the events stated in sub-paragraphs (i) to (iii) (inclusive) above having occurred and (ii) that such amendments relate only to, and are necessary to mitigate and/or cure, such event, and preserve the economic terms of the transaction for the Noteholders, and each of the Issuer, the Note Guarantor, the Trustee (to the extent that such amendments are determined by it not to result in any more onerous obligations to be performed by it and/or the incurrence by it of any further Liabilities the repayment of which are not in its sole opinion, within a reasonable time assured to it) and the Swap Counterparty shall use reasonable endeavours to amend the Conditions and/or the other Transaction Documents (as applicable) with a view to mitigating and/or curing such event and avoiding an early redemption of the Notes, provided that any such amendments shall be subject to each such relevant party's internal approvals. For the avoidance of doubt, following such certification from the Issuer and if the Trustee makes such a determination, the Trustee shall be bound to agree to any such amendments proposed.

The Relevant Regulatory Party (in the case of paragraph (i) above) or the Issuer (in the case of paragraphs (ii) and (iii) above) shall bear any costs, expenses and fees in relation to such amendment or proposed amendment, as determined in good faith and in a commercially reasonable manner by the Calculation Agent (except that any actual costs, expenses and fees incurred by the Trustee shall be borne by the Relevant Regulatory Party or the Issuer (as applicable) in full regardless of such determination). If the party required to bear such costs is the Issuer, the Note Guarantor shall reimburse it for such costs.

If within two Business Days of the occurrence of the relevant event, the parties have failed to amend the terms of the Notes or Transaction Documents the Issuer will redeem the Notes on the Mandatory Early Redemption Date in accordance with Condition 7(e) (*Redemption Amount of the Notes*)."

G. Condition 7(j) (*Cancellation*) shall be deleted in its entirety and replaced as follows:

"(j) Cancellation

Notes that are redeemed or purchased shall be cancelled forthwith. Notes so redeemed or purchased and cancelled (together with all unmatured Coupons relating thereto, if any) pursuant to this Condition 7, may not be reissued or resold."

H. Condition 8(b)(2) shall be deleted in its entirety and replaced as follows:

"(2) Interest (which, for the purposes of this Condition 8(b), shall include all Instalment Amounts other than the final Instalment Amount) on Registered Notes payable on any Interest Payment Date or, as the case may be, any Instalment Date will be paid to the persons shown on the Register by the close of business on the Clearing System Business Day prior to the

date for payment (the **“Record Date”**). Payment of interest on each Registered Note (other than a Dual Currency Note) will be made in the currency in which such Notes are denominated by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency."

- I. Condition 9 (*Events of Default*) shall be amended by the deletion of the first sub-paragraph and sub-paragraph (a) thereof and its replacement with the following:

"Unless the Notes have already fallen due for redemption in whole pursuant to these Conditions and the Constituting Instrument, the Trustee at its discretion (other than with respect to the Event of Default set out in item (b) below) may (subject to the consent of the Note Guarantor), and if so directed by an Extraordinary Resolution of the Noteholders shall (subject to the consent of the Note Guarantor) or if so directed by the Note Guarantor, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction, give notice to the Issuer that the Notes of such Series are, subject to Condition 7(f)(*Amendments to avoid redemption*), due and repayable at their Mandatory Early Redemption Amount on the Mandatory Early Redemption Date, calculated as provided by Condition 7(e) (*Redemption Amount of Notes*) and, if a Liquidation Event is also occurring and Condition 7(e)(v) is not applicable, the proceeds of realisation of such security shall be applied as specified in Condition 4(d) (*Application of proceeds upon enforcement of security*) (all as provided by the Trust Deed), in any of the following events (**“Events of Default”**):

- (a) if default is made by the Issuer for a period of 14 days or more in the payment of any sum due in respect of such Notes or any of them; provided that any default in payment by the Issuer on or immediately following the date on which a Swap Counterparty Default occurs will not constitute a default for a period from the date that such amount would otherwise have been due and payable to and including the earlier of (i) the date that such Swap Counterparty Default is remedied and (ii) the date falling 5 Business Days following such scheduled date of payment;"

- J. Condition 10 (*Enforcement and Limited Recourse*) shall be amended by the deletion of the first sub-paragraph thereof and its replacement with the following:

#### **10. Enforcement and Limited Recourse**

Only the Trustee may pursue the remedies available under the Trust Deed and, the Conditions to enforce the rights of the Noteholders, Receiptholders and Couponholders (if any) of a Series, the Swap Counterparty and the Note Guarantor (in their respective capacities as such) in the order of priority specified in the Constituting Instrument. Neither any holder of any Note or Receipt or Coupon (if any) of such Series nor the Swap Counterparty or the Note Guarantor is entitled to proceed directly against the Issuer, the Mortgaged Property, the Mediobanca MTN or any other assets of the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the relevant Trust Deed, any Additional Charging Instrument or the Conditions, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. After realisation of the security in respect of the Notes of such Series which has become enforceable (subject to and in accordance with Condition 4(c) (*Realisation of Mortgaged Property*) or Condition 4(h) (*Counterparty MTN Security*)) and distribution of the net proceeds thereof in accordance with Condition 4 (*Security*) or the application of Condition 7(e)(v), save for lodging a claim in the liquidation of the Issuer initiated by another person or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer, neither the Trustee nor any Noteholder, Receiptholder or Couponholder (if any) may take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the Notes or Receipts or Coupons (if any) nor the Swap Counterparty or the Note Guarantor with the benefit of the security constituted by the Trust Deed take any further steps against the Issuer or any of its assets to recover any sum still unpaid in respect of the relevant Charged Agreement and, in each case, all claims against the Issuer in respect of each

of such sums unpaid shall be extinguished; provided that the Swap Counterparty and the Trustee shall additionally have recourse to the Mediobanca MTN and the Counterparty MTN Security. In particular, (but, without limitation,) none of the Trustee, or any Noteholder, Receiptholder or Couponholder (if any), the Swap Counterparty or the Note Guarantor shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer in relation to such sums or otherwise, nor shall any of them have any claim in respect of any such sums or on any other account whatsoever over or in respect of any other assets of the Issuer.

**Such net proceeds (or deliveries pursuant to Section 7(e)(v)) may be insufficient to pay or satisfy all the amounts due to the Swap Counterparty and the Note Guarantor and to pay to the Noteholders amounts equal to the redemption amount and the interest which would otherwise accrue to the date of redemption. In such event, any shortfall shall be borne by the Noteholders, Receiptholders and Couponholders (if any) and by the Swap Counterparty and the Note Guarantor and any other persons entitled to the benefit of the security pursuant to the Constituting Instrument according, other than in respect of any Counterparty MTN Claim, to the inverse order of priority specified in the Constituting Instrument and the Mandatory Early Redemption Amount will reflect such shortfall in the case of the Noteholders. None of the Trustee, the holder or holders of the shares in the Issuer (or if it is acting as a share trustee or custodian, the beneficiary or beneficiaries), the Swap Counterparty, the Note Guarantor, the Arranger, the Dealers or any other person has any obligation to any Noteholders or Receiptholders or Couponholders (if any) for payment of any amount by the Issuer in respect of the Notes or Receipts or Coupons (if any)."**

K. Condition 13 (*Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution*) shall be amended by:

(a) the deletion of sub-paragraphs (a), (b) and (c) and replaced with the following:

**"13. Meetings of Noteholders: modification and waiver**

(a) *Meetings of Noteholders*

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the terms and conditions of the Notes or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution shall be one or more persons, holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, any premium payable on redemption of, or interest on or to vary the method of calculating the rate of interest or to reduce the minimum or maximum rate of interest on the Notes or to vary the method of calculating any amount payable on redemption of the Notes; (iii) to change the currency of payment for the Notes; (iv) to modify the Events of Default or the provisions concerning security for the Notes; (v) to modify the provisions relating to the Mortgaged Property; (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution; or (vii) to modify this proviso, in which case the necessary quorum will be one or more persons holding or representing not less than two-thirds or, at any adjourned such meeting, not less than one-third in principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of Noteholders shall be binding on all Noteholders, whether or not they were present at such

meeting, and on the Couponholders (if any). Any modification of the terms and conditions of the Notes or the provisions of the Trust Deed that may be materially prejudicial to the interests of the Swap Counterparty and/or Credit Suisse International and/or one of its affiliates will be subject to the prior written consent of the Swap Counterparty and/or Credit Suisse International and/or one of its affiliates, in any capacity (as applicable), not to be unreasonably withheld or delayed. The Swap Counterparty shall be given notice by the Issuer of any modification of the terms and conditions of the Notes or the provisions of the Trust Deed to which it has not otherwise provided prior written consent.

The Trust Deed contains provisions that provide that the Trustee with the consent of the Controlling Creditor but without the consent of the Noteholders may agree any amendment to the terms of the Conditions, the Trust Deed or the other Transaction Documents relating to the Mediobanca MTN, the Counterparty MTN Security, the Counterparty MTN Claim, Floating Amounts payable under the Swap Agreement and any Note Guarantee Fee Amount or any other amendment to the Note Guarantee (in each case subject to the prior written consent of the other parties thereto) that the Trustee determines will not be materially prejudicial to the Noteholders and, respectively, any provisions relating to or consequential thereon, in each case with the consent of the Controlling Creditor but without the requirement to seek Noteholder consent or to give prior notice of such amendments to Noteholders, provided in each case that the Rating Agency is given prior notice and such amendment will not affect the rating assigned to the Notes.

The Trustee may, with the consent of the Controlling Creditor but without the consent of the Noteholders or Couponholders (if any), if in its opinion the interests of the Swap Counterparty and the Noteholders will not be materially prejudiced thereby, determine that an event that would otherwise be an Event of Default shall not be treated as such. The Trustee may agree, with the consent of the Controlling Creditor but without the consent of the Noteholders or Couponholders (if any), to (i) any modification of the Conditions of the Notes, the Trust Deed or the other Transaction Documents, of a formal, minor or technical nature or to correct a manifest error, (ii) provided such modification is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders, any modification of the Conditions of the Notes, the Trust Deed or any other Transaction Document as necessary to permit the Issuer to satisfy any reporting, withholding or tax payment obligations pursuant to FATCA, and (iii) any modification (except as aforesaid), waiver or authorisation (on such terms as seem expedient to it) of any breach or proposed breach of any of the provisions of the Conditions of the Notes, the Trust Deed or any other Transaction Document that, in any such case, is not in the opinion of the Trustee materially prejudicial to the interests of the Noteholders, subject to prior consent in writing from the Swap Counterparty and Credit Suisse International, in any capacity (not to be unreasonably withheld or delayed). Any such determination, modification, authorisation or waiver shall be binding on the Noteholders and Couponholders (if any) and on the Swap Counterparty and the Calculation Agent and, unless the Trustee agrees otherwise, any such modification shall be notified to the Noteholders by the Issuer in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

The Trust Deed provides that (a) meetings of Noteholders of each separate Series will be held separately (unless the Trustee determines that meetings of Noteholders of separate Series may be held together as provided in paragraph (c) below); (b) a resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Noteholders of the Series concerned; (c) a resolution that in the opinion of the Trustee affects the Noteholders of more than one Series but does not give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed if passed at a single meeting of the Noteholders of the relevant Series, provided that for the purposes of determining the votes that a Noteholder

is entitled to cast, each Noteholder shall have one vote in respect of each principal amount of Notes equal to the Authorised Denomination held, converted, if such Notes are not denominated in Euros, at prevailing exchange rates; and (d) a resolution that in the opinion of the Trustee affects the Noteholders of more than one Series and gives or may give rise to a conflict of interest between the Noteholders of the different Series concerned shall be deemed to have been duly passed only if it is duly passed at separate meetings of the Noteholders of each relevant Series. As used herein, "Series" means a series of notes or other securities issued by the Issuer constituted by a trust deed supplemental to the Principal Trust Deed.

(b) *Authorisation*

Prior to a Swap Counterparty Default, the Issuer will not exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Charged Assets unless approved in writing in advance by the Loan Servicer (on the instructions of the Swap Counterparty) and, if such approval is given, the Issuer will act only in accordance with such approval. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) of, the Charged Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Charged Assets unless it shall have received such approval in writing, in advance from the Loan Servicer (on the instructions of the Swap Counterparty). Following a Swap Counterparty Default, provided always that no Event of Default or any Potential Event of Default has occurred and is continuing, the Issuer (or the Loan Servicer on its behalf), on the prior written approval of the Controlling Creditor, shall exercise the rights and powers and perform the obligations of the Issuer under, or related to, the Charged Assets and to perform its servicing and administration duties in relation to the Charged Assets and to do or cause to be done any and all things in connection with such servicing and administration which it may deem necessary or desirable.

(c) *Substitution*

Subject to consent of the Swap Counterparty (not to be unreasonably withheld or delayed) and the Note Guarantor and such amendment of the Trust Deed and such other conditions as the Trustee may require including the transfer of the Security, but without the consent of the Noteholders or Couponholders (if any), the Trustee may agree to a change in the place of residence of the Issuer for taxation purposes or the substitution of any other company (incorporated in any jurisdiction) in place of the Issuer as principal debtor under the Trust Deed, the Notes and the Coupons (if any), provided that such change or substitution would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders or the Swap Counterparty. In the case of such a change or substitution the Trustee may agree, without the consent of the Noteholders or Couponholders (if any), (but with the consent of the Swap Counterparty and Credit Suisse International, in any capacity (not to be unreasonably withheld or delayed)) to a change of the law governing the Notes, the Coupons (if any) and the Trust Deed provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders."

(b) the addition of the following as new sub-paragraphs:

"(f) *Noteholders' interests*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed determination, modification, waiver,



authorisation or substitution as aforesaid) to the extent that the Trustee is required to have regard to the interests of the Noteholders it shall have regard to the interests of the Noteholders as a class. In particular, the Trustee shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders (if any) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder (if any) be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any exercise upon individual Noteholders or Couponholders (if any).

(g) *Note Guarantor*

The Issuer shall not agree to any amendment or modification or any waiver or authorisation of any breach or proposed breach of the Conditions, the Constituting Instrument (or the Trust Deed, the Custody Agreement, the Agency Agreement, the Charged Agreement or any other agreement or deed constituted or created by the Constituting Instrument or any Transaction Document) or to a Voluntary Early Termination in respect of, and as defined in, the Charged Agreement without first obtaining the written consent of the Note Guarantor.

Notwithstanding any terms to the contrary elsewhere in the Conditions, the Trust Deed provides that in the event of any conflict of interest between the Controlling Creditor and any Noteholders or other Secured Creditors, the interests of the Controlling Creditor will prevail. The Trust Deed provides further that the Trustee will act upon the directions of the Controlling Creditor in such circumstances, and shall not be obliged to consider the interests of and is exempted from any liability to the holders of any Notes or other Secured Creditors.

(h) *Noteholder Representative*

"Following the occurrence of a Swap Counterparty Default, Noteholders holding in aggregate over 50 per cent. of the Principal Amount of the Notes for the time being outstanding (the **"Majority Noteholders"**) may (i) instruct the Issuer (with a copy of such instruction to the Note Guarantor, the Registrar, the Principal Paying Agent and the Trustee) to exercise its rights under the Transaction Documents to the extent that such Transaction Documents specify that the Noteholder Representative can so instruct the Issuer or (ii) instruct the Issuer (with a copy of such instruction to the Note Guarantor, the Registrar, the Principal Paying Agent and the Trustee), to appoint and authorise a representative (the **"Representative"**) to act on behalf of all of the Noteholders as specified by the Majority Noteholders in such instruction in connection with all meetings of the Noteholders and any such meeting which has been adjourned in respect of which the Transaction Documents specify that any resolution may be passed at such meeting on behalf of the Noteholders by the Noteholder Representative, from the date of such appointment until such appointment is revoked in accordance with this Condition. The identity of such Representative shall be subject to the prior written consent of the Note Guarantor (such consent not to be unreasonably withheld or delayed). Such appointment shall be revoked by the Issuer only upon the written instruction of the Majority Noteholders who shall send a copy of such instruction to the Note Guarantor, the Trustee, the Registrar and the Principal Paying Agent. Such appointment shall be deemed to be an instruction to the Principal Paying Agent to block all of the Notes for the time being outstanding held by the Majority Noteholders in an account with a Clearing System and that no such Notes shall cease to be blocked until the Majority Noteholders instruct the Note Guarantor, the Issuer, the Trustee, the Registrar and the Principal Paying Agent in writing that such appointment should be revoked. For so long as such appointment is in force the Representative shall be deemed, for all purposes in connection with all meetings of the Noteholders and any such meeting which has been adjourned in respect of which the Transaction Documents specify that any resolution may be

passed at such meeting on behalf of the Noteholders by the Noteholder Representative, to be the holder of the Notes and the holder of the Notes shall be deemed for such purposes not to be the holder. Any resolutions to be passed at any meeting or such meeting which has been adjourned in respect of which the Transaction Documents specify that any resolution may be passed at such meeting on behalf of the Noteholders by the Noteholder Representative may be passed by such Representative and, notwithstanding paragraph 19 of Schedule 1 (*Provisions for Meetings of Noteholders*) of the Master Trust Terms, shall be binding on all of the Noteholders. All notices to Noteholders which the Transaction Documents specify shall be given to the Noteholder Representative shall be deemed delivered to the Representative if delivered to the address notified by the Representative to the Issuer and the Trustee or if they are made available on the secure website <https://gctinvestorreporting.bnymellon.com/Home.jsp> (or any alternative website designated by the Loan Administration Agent and notified to the Noteholders).

In these Conditions, “**Noteholder Representative**” means either (i) the Representative appointed in accordance with this Condition 13(h) or (ii), if no such Representative has been appointed or such appointment has been revoked as described above, in the case of action to be taken by such Noteholder Representative, the Majority Noteholders.”

L. Condition 14 (*Notices*) shall be deleted in its entirety and replaced as follows:

**"14. Notices and Reporting**

(a) *Notices*

Notices to holders of Registered Notes will be posted to them at their respective addresses in the Register and deemed to have been given on the seventh day after the date of posting. Other notices to Noteholders will be valid if published in a leading daily newspaper (expected to be the *Financial Times*) having general circulation in London and (so long as the Notes are Listed Notes and the rules of any relevant stock exchange or competent authority so require) in any such other newspaper in which publication is so required by the rules of that stock exchange or competent authority or, if in the opinion of the Trustee such publication shall not be practicable, in an English language newspaper of general circulation in Europe approved by the Trustee. Any such notice (other than to holders of Registered Notes as specified above) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made. Receiptholders, Couponholders and Talonholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

So long as any Notes are represented by Global Notes or Global Registered Certificates notices in respect of those Notes may be given by delivery of the relevant notice to Clearstream Luxembourg, Euroclear, DTC or the relevant Alternative Clearing System for communication by them to entitled account holders or (in the case of a Global Registered Certificate registered in the name of a person other than a nominee for Euroclear, Clearstream Luxembourg, or an Alternative Clearing System) to such person for communication by it to those persons entered in the records of such person as being entitled to such notice, in each case, in substitution for publication in a leading daily newspaper as aforesaid.

(b) *Reporting*

Noteholder Reports shall be established by the Loan Administration Agent on each Business Day and provided no later than 12:00pm (London time) on the Business Day immediately

following such establishment in the form set out in Annex 1 to Schedule 2 (*Form of Daily Report*) to the Loan Administration Agent Appointment Agreement. Noteholder Reports shall be validly given if they are made available on the following secure website: <https://gctinvestorreporting.bnymellon.com/Home.jsp> (or any alternative website designated by the Loan Administration Agent and notified to the Noteholders and the Rating Agency) by no later than the date specified for delivery in respect of such reports. For the avoidance of doubt, Noteholders and the Rating Agency shall, on any given day, only be granted access to such secure website if they have entered into one or more confidentiality agreements in respect of any information made available on such secure website in a form and substance satisfactory to the Note Guarantor.

**M. Noteholders deemed bound by Transaction Documents**

Noteholders shall be deemed to have notice of, and be bound by, the terms of the Transaction Documents.

**N. Additional Defined Terms**

The following terms shall have the meanings given. Capitalised terms used but not defined in the Conditions have the meanings given thereto in the Swap Agreement.

**Affiliate** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity directly or indirectly under common control with the person. For this purpose, **control** of any entity or person means ownership of a majority of the voting power of the entity or person.

**Assignment** has the meaning given in the Swap Agreement.

**Cash Account** means, on the Issue Date, the segregated cash accounts with segregated sub-accounts denominated in EUR, GBP and USD, opened with the Custodian in the name of the Issuer and thereafter, as may be updated from time to time, and shall be subject to the provisions of the Custody Agreement.

**Code** means the U.S. Internal Revenue Code of 1986.

**Collateral Account** means, on the Issue Date, the segregated securities accounts with segregated sub-accounts for deposits, for securities denominated in EUR, GBP and USD, opened with the Custodian in the name of the Issuer and thereafter, as may be updated from time to time.

**Controlling Creditor** means (i) if a Note Guarantor Default has not occurred, the Note Guarantor and (ii) if a Note Guarantor Default has occurred, the Noteholders.

**FATCA** means Sections 1471, 1472, 1473 and 1474 of the Code, and any authoritative guidance or Treasury regulations promulgated thereunder, and any law enacted pursuant to an intergovernmental approach thereto.

**Liquidation Event** means the occurrence of a Mandatory Early Redemption Event in circumstances in which a Note Guarantor Default and a Swap Counterparty Default have occurred.

**Loan Administration Agent** means The Bank of New York Mellon in its capacity as service provider pursuant to the Loan Administration Agent Appointment Agreement, together with any successor service provider appointed pursuant to the Loan Administration Agent Appointment Agreement.

**Mediobanca MTN** means EUR 300,000,000 of the Senior Unsecured Floating Rate Notes due 27 July 2018 with ISIN: XS0857596398 issued by Mediobanca - Banca di Credito Finanziario S.p.A.

**Note Guarantor Default** means the occurrence of any of the following:

- (a) the failure by the Note Guarantor to discharge its obligations to make payments or deliveries of Charged Assets under the Note Guarantee when due pursuant to the terms of the Note Guarantee following the occurrence of a Swap Counterparty Default, in each case subject to any grace period specified in the Note Guarantee; and
- (b) the Calculation Agent determines that a Bankruptcy (as defined in the 2003 ISDA Credit Derivatives Definitions) has occurred in respect of the Note Guarantor.

**Noteholder Report** means reports containing the information and substantially in the form, as set out in Schedule 2 (*Form of Noteholder Report*) to the Loan Administration Agent Appointment Agreement.

**Regulatory Event** means the delivery of a notice by the Note Guarantor to the Issuer, the Trustee, and the Swap Counterparty specifying that the Note Guarantor has become aware that the performance of the Issuer's obligations under the Notes or the Note Guarantor's obligations under the Note Guarantee (the Issuer or the Note Guarantor in such case respectively, the **Relevant Regulatory Party**), is or will become illegal, unenforceable or otherwise prohibited in whole or in part as a result of compliance with any applicable present or prospective law, rule, regulation, judgment, order or directive of or in any jurisdiction or any governmental administrative, legislative or judicial power or the interpretation thereof or will impair the ability of the Note Guarantor to address or comply with any applicable legal or regulatory considerations, impose or require any material filing, registration or regulatory or other burden to which the Note Guarantor would not otherwise be subject, including, without limitation, with respect to capital adequacy or as a result of other activities of the Note Guarantor or as a result of the interpretation or administration of any of the foregoing, or any change with respect thereto, by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance with any request or directive whether or not having the force of law of any such authority, central bank or comparable agency.

**Secured Creditors** means each of the Noteholders, the Note Guarantor, the Swap Counterparty and the Trustee.

**Security Interests** means the security granted over the Mortgaged Property.

**Swap Counterparty Default** means the designation or occurrence of an Early Termination Date under the Charged Agreement pursuant to the occurrence of either:

- (a) an Event of Default pursuant to the terms of the Charged Agreement in respect of which the Swap Counterparty is the Defaulting Party; or
- (b) a Termination Event pursuant to the terms of the Charged Agreement in respect of which the Swap Counterparty is an Affected Party.

## **USE OF PROCEEDS**

The net proceeds of the issue are expected to amount to EUR 300,000,000 and will be used by the Issuer to pay the Initial Exchange Amount under the Swap Agreement.

## FORM OF THE NOTES

The Notes will be in registered form and are represented initially by a Global Registered Certificate, which will be issued to a common safekeeper for Euroclear and Clearstream, Luxembourg on terms that such common safekeeper shall hold the same for the account of the persons who would otherwise be entitled to receive the Notes in definitive form (**Definitive Certificates**) (as notified to such common safekeeper by Credit Suisse International) and the successors in title to such persons as appearing in the records of Euroclear and Clearstream, Luxembourg. The Global Registered Certificate is exchangeable for Definitive Certificates in registered form in the circumstances set out therein.

## **INFORMATION RELATING TO THE SWAP COUNTERPARTY, THE SWAP GUARANTOR AND THE LOAN SERVICER**

The information relating to Mediobanca International (Luxembourg) S.A. and Mediobanca – Banca di Credito Finanziario S.p.A. contained in this section headed "Description of Mediobanca International (Luxembourg) S.A." and "Description of Mediobanca - Banca di Credito Finanziario S.p.A." has been provided by Mediobanca International (Luxembourg) S.A. and Mediobanca - Banca di Credito Finanziario S.p.A. respectively. Mediobanca International (Luxembourg) S.A. and Mediobanca - Banca di Credito Finanziario S.p.A. accept responsibility for this information and to the best of the knowledge and belief of Mediobanca International (Luxembourg) S.A. and/or Mediobanca - Banca di Credito Finanziario S.p.A., this information is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Description of Mediobanca International (Luxembourg) S.A.**

The Swap Counterparty accepts responsibility for the following information. No other person has verified, or accepts any liability whatsoever for the accuracy of such information and prospective investors should make their own independent investigations into the Swap Counterparty.

The Swap Counterparty is Mediobanca International (Luxembourg) S.A. (**MB Lux**), a company incorporated in Luxembourg with its registered address at 4, boulevard Joseph II, L-1840 Luxembourg, Luxembourg. MB Lux may carry out, either within or outside the Grand Duchy of Luxembourg, any banking or financial operations authorised by the law relating to the financial sector. MB Lux's principal activity consists of raising funds on international markets, by issues of bonds mainly under short and medium term note programmes guaranteed by MB SpA. MB Lux is also engaged in corporate lending operations.

A further description of MB Lux is included under the Mediobanca – Banca di Credito Finanziario S.p.A. and Mediobanca International (Luxembourg) S.A. EUR 40,000,000,000 Issuance Programme (the **Mediobanca Base Prospectus**). A copy of the Mediobanca Base Prospectus dated 30 November 2011 is available to the public on the website of the parent company Mediobanca – Banca di Credito Finanziario S.p.A. at <http://raccoltaproprietaria.mediobanca.it/it/documenti/index.html>.

MB Lux has securities issued in accordance with the Mediobanca Base Prospectus which have been listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange.

### **Description of Mediobanca - Banca di Credito Finanziario S.p.A.**

Mediobanca – Banca di Credito Finanziario S.p.A. (**MB SpA**) (as Swap Guarantor and Loan Servicer) accepts responsibility for the following information. No other person has verified, or accepts any liability whatsoever for the accuracy of such information and prospective investors should make their own independent investigations into the Swap Guarantor or the Loan Servicer.

Each of the Swap Guarantor and, prior to any Swap Counterparty Default, Loan Servicer is MB SpA, a company incorporated in Italy with its registered address is Piazzetta Cuccia, 1, 20121 - Milan, Italy.

A description of MB SpA is included under the Mediobanca Base Prospectus, hereby incorporated by reference.

As Loan Servicer, MB SpA shall perform the services set out in the Loan Servicing Agreement including, without limitation, dealing with any voting requirements and corporate or other actions in connection with the Charged Assets.

## **INFORMATION RELATING TO THE NOTE GUARANTOR AND THE CALCULATION AGENT**

The information relating to Credit Suisse International contained in this section headed "Description of Credit Suisse International" has been provided by Credit Suisse International and Credit Suisse International accepts responsibility for this information, and any information contained herein in connection with the Note Guarantee, and to the best of its knowledge and belief, this information is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Description of Credit Suisse International**

Credit Suisse International (**CSI**) (as Note Guarantor and Calculation Agent) accepts responsibility for the following information and for information contained herein in connection with the Note Guarantee, as well as the information in respect of the Note Guarantor incorporated by reference herein as described in the section "Documents Incorporated by Reference". No other person has verified, or accepts any liability whatsoever for the accuracy of such information and prospective investors should make their own independent investigations into the Note Guarantor or the Calculation Agent.

Each of the Note Guarantor and the Calculation Agent is CSI. Its address is at One Cabot Square, London, E14 4QJ.

A description of CSI is included under the CSI Registration Document dated 19 November 2012, hereby incorporated by reference.

The Calculation Agent shall be responsible for making determinations in accordance with the Charged Agreement. The Calculation Agent may resign at any time or the appointment of the Calculation Agent may be terminated, in each case pursuant to the Agency Agreement.



## GENERAL INFORMATION

The issue of the Notes was authorised pursuant to a resolution passed by the Board of Directors of the Issuer on 18 December 2012.

The Issuer was incorporated on 21 May 2012. As at the date of this Prospectus, the Issuer has not commenced operations and no financial statements have been prepared.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

The estimated expenses of the Issuer in respect of the listing fees of the Irish Stock Exchange in relation to the admission to trading of the Notes will be approximately EUR 1,791.20.

Other than the notices and reports described above, the Issuer does not intend to provide any post-issuance information in relation to the Notes.

Copies of this Prospectus (including all documents annexed hereto) will be available for physical inspection and collection free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Issuer and the Principal Paying Agent in London for so long as any of the Notes shall remain outstanding (unless otherwise indicated).

## **SUBSCRIPTION AND SALE**

The section entitled "Subscription and Sale" of the Programme Memorandum shall be deemed to be inserted below.

The Issuer may issue Further Notes on terms that such Further Notes shall be consolidated and form a single Series with the Notes issued in accordance with this Prospectus, provided that confirmation has been obtained from S&P. Investors should refer to Condition 16 (*Further Issues*) for further details.

## **ANNEX I: FORM OF SWAP AGREEMENT**

The Issuer and the Swap Counterparty have entered into a 2002 ISDA Master Agreement and Schedule thereto each dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction entered into in connection with the issue of the Notes, each dated 20 December 2012. The form of such Schedule, Credit Support Annex and Confirmation is set out in full on the following pages.

## ANNEX II: FORM OF SCHEDULE

to the

2002 Master Agreement

dated as of 20 December 2012

between

**Triple Enhanced Rated Notes (TERN)  
Limited**  
a private company with limited liability  
incorporated under the laws of Ireland  
("Party A")

and

**Mediobanca International  
(Luxembourg) S.A.**  
a public limited company (*société  
anonyme*) incorporated under the laws of  
the Grand Duchy of Luxembourg  
("Party B")

### Scope of Agreement

The only Transactions governed by, forming part of and supplementing this ISDA Master Agreement shall be (a) the Transaction evidenced by a confirmation dated 20 December 2012 and that has been entered into by Party A and Party B with an Effective Date of 20 December 2012, a Trade Date of 18 December 2012 and a Termination Date of 27 July 2018 (the **Swap Confirmation**) and (b) the Transaction under the credit support annex to this ISDA Master Agreement (the **Credit Support Annex**)

### Part 1

#### Termination Provisions

In this Agreement –

- (a) **Specified Entity.** "Specified Entity" has no meaning for the purposes of the Agreement;
- (b) **Specified Transaction.** Specified Transaction will have the meaning specified in Section 14;
- (c) **Credit Support Default.** The "Credit Support Default" provisions (Section 5(a)(iii)) will not apply to Party A and will apply to Party B;
- (d) **Default under Specified Transaction.** The "Default under Specified Transaction" provision (Section 5(a)(v)) will not apply to Party A or to Party B;
- (e) **Cross Default.** The "Cross Default" provision (Section 5(a)(vi)) will not apply to Party A and will apply to Party B. The following wording shall be added at the end of Section 5(a)(vi):

"provided, however, that, notwithstanding the foregoing, an Event of Default will not occur under either (1) or (2) above if (I) the default, or other similar event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay or deliver caused by an error or omission of an administrative or operational nature, and (II) funds or the asset to be delivered were available to such party to enable it to make the relevant payment or delivery when due and (III) such payment or delivery is made within two (2) Local Business Days following receipt of written notice from an interested party of such failure to pay."

The following shall apply with respect to Section 5(a)(vi):

- (i) **Specified Indebtedness** will have the meaning specified in Section 14 of this Agreement, as amended so as to include the words "excluding obligations in respect of deposits received in the ordinary course of a party's banking business" after the words "borrowed money"; and
  - (ii) **Threshold Amount** means, with respect to Party B, EUR 10,000,000;
- (f) **Bankruptcy.** The "Bankruptcy" provision (Section 5(a)(vii)) shall apply to Party A and to Party B, but with respect to Party A shall be amended as follows:
- (i) Sections 5(a)(vii)(1) and 5(a)(vii)(5) shall be amended by deleting the wording enclosed within parentheses "(other than pursuant to a consolidation, amalgamation or merger)" and replacing such wording with "(other than pursuant to a consolidation, amalgamation or merger or subsequent to the substitution of the Issuer as principal obligor)";
  - (ii) Section 5(a)(vii)(2) shall not apply;
  - (iii) Section 5(a)(vii)(3) shall be deleted in its entirety and replaced with the following:
- (g) "(3) makes a general assignment, arrangement or composition with or for the benefit of the Noteholders, provided that where such general assignment, arrangement and/or composition is contemplated by the Transaction Documents, this section 5(a)(vii)(3) shall not apply to Party A";
- (i) Section 5(a)(vii)(6) and (7) shall take effect with the words "assets on which the liabilities of Party A under the relevant Transaction are secured pursuant to the Trust Deed" substituted for "all or substantially all its assets"; and
  - (ii) Section 5(a)(vii)(9) shall be amended by deleting the words "takes any action" at the beginning of Section 5(a)(vii)(9) and replaced with the words "takes any formal action".
- (h) **Credit Event Upon Merger.** The "Credit Event Upon Merger" provision (Section 5(b)(v)) will apply to Party A and Party B restated as follows –

"Credit Event Upon Merger" shall mean that a Designated Event (as defined below) occurs with respect to a party ("X"), and such Designated Event does not constitute an event described in Section 5(a)(viii) of this Agreement but the creditworthiness of X or, if applicable, the successor, surviving or transferee entity of X, is materially weaker than that of X immediately prior to such action (and, in such event, such party or its successor or transferee, as appropriate, will be the Affected Party). For purposes hereof, a Designated Event with respect to X means that, after the Trade Date of the first Transaction between the parties:

- (i) X consolidates or amalgamates with or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business conducted by X as of the execution date hereof) to, or receives all or substantially all the assets or obligations of, another entity,
- (ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy making decisions of X, or
- (iii) X effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of preferred stock or other securities convertible into or exchangeable for, debt or preferred stock.

- (i) **Automatic Early Termination.** The "Automatic Early Termination" provision of Section 6(a) will not apply to Party A or to Party B;
- (j) **Termination Currency.** Termination Currency means Euro;
- (j) **Additional Termination Event.** Additional Termination Event will not apply.
- (k) Party A and Party B acknowledge and agree that the Note Guarantor may exercise Party A's rights pursuant to the Agreement.

## Part 2

### Tax Representations

- (a) **Payer Tax Representations.** For the purpose of Section 3(e), Party A and Party B each make 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 deduction or withholding for or on account of any Tax from any payment (other than interest under Section 9(h)) to be made by it to the other party under this Agreement. In making this representation, it may rely on:

- (i) the accuracy of any representation made by the other party pursuant to Section 3(f);
- (ii) 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
- (iii) the satisfaction of the agreement of the other party contained in Section 4(d),

provided that it shall not be a breach of this representation where reliance is placed on clause (ii), 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.

- (b) **Payee Tax Representations.** For the purpose of Section 3(f):

For the purpose of Section 3(f) of this Agreement, Party A and Party B make the following representations:

Any of the Offices of Party A:

- (a) is the beneficial owner of the income payable to it in connection with the Transactions;
- (b) is resident in Ireland; and
- (c) will promptly notify Party B of any new circumstances that make any of the representations made under point (i) or (ii) no longer true and/or updated.

Any of the Offices of Party B:

- (a) is the beneficial owner of the income deriving from the Transactions;
- (b) is resident in Luxembourg; and
- (c) will promptly notify Party A of any new circumstances that make any of the representations made under point (i) or (ii) no longer true and/or updated.

- (c) Party B represents that it is beneficially entitled to amounts payable by the Issuer under this Agreement and is, under the laws of Luxembourg, subject to a tax in respect of amounts payable by the Issuer (without any reduction computed by reference to such amounts) which corresponds to Irish income or Irish corporation tax and which generally applies to profits, income or gains received in Luxembourg by persons from sources outside London.

### Part 3

#### Agreement to Deliver Documents

Each party agrees to deliver the following documents as applicable –

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

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered
<i>Not Applicable</i>	<i>Not Applicable</i>	<i>Not Applicable</i>

(b) For the purpose of Section 4(a)(ii), other documents to be delivered are –

Party required to deliver document	Form/Document/Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
Party A and Party B	Evidence reasonably satisfactory to the other party as to the names, true signatures and authority of the officers, directors, authorised signatories 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 A	A certified copy of Party A's Articles of Incorporation, a certified copy of the Board Minutes of Party A approving the relevant Transaction and a copy of an opinion from the Irish and English legal advisers to Party A in respect of Party A's entry into the relevant agreements.	On or prior to the Issue Date in respect of the relevant Transaction.	Yes
Party A	A certified copy of the Constituting Instrument, a copy of the relevant Prospectus and the Transaction Documents.	Upon execution of this Agreement.	Yes



## Part 4

### Miscellaneous

(a) **Address for Notices.** For the purpose of Section 12(a):

(i) Address for notices or communication to Party A:

Address:  
5 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

Attention: The Directors  
Facsimile No: +353 680 6050  
Telephone No: +353 680 6000

(ii) Address for notices or communications to Party B:

Address: Mediobanca International (Luxembourg) S.A.  
4, boulevard Joseph II  
L-1840, Luxembourg  
Grand Duchy of Luxembourg

Attention: Middle Office Depti  
Facsimile No: +352 26 73 03 05  
Email: [mlbux.middleoffice@mediobancaint.lu](mailto:mlbux.middleoffice@mediobancaint.lu)

With a copy to:

Address: Mediobanca – Banca di Credito Finanziario S.p.A.  
Piazzetta Cuccia, 1  
20121 Milano  
Italia

Attention: Dario Aggio  
Facsimile No: +39 02 8829 454  
Email: [Non-Italian.Settlement.Operations@mediobanca.it](mailto:Non-Italian.Settlement.Operations@mediobanca.it)  
[Collateral@mediobanca.it](mailto:Collateral@mediobanca.it)

For the purposes of notices relating to the Eligible Credit Support in the Credit Support Balance under the Credit Support Annex such notices should be given as follows (as may be amended from time to time by notice from Party B):

Address: Mediobanca International (Luxembourg) S.A.  
4, boulevard Joseph II  
L-1840, Luxembourg  
Grand Duchy of Luxembourg

Attention: Middle Office Depti  
Facsimile No: +352 26 73 03 05  
Email: [mlbux.middleoffice@mediobancaint.lu](mailto:mlbux.middleoffice@mediobancaint.lu)

With a copy to:

Address: Mediobanca – Banca di Credito Finanziario S.p.A.  
Piazzetta Cuccia, 1  
20121 Milano  
Italia

Attention: Dario Aggio  
Facsimile No: +39 02 8829 454  
Email: [Non-Italian.Settlement.Operations@mediobanca.it](mailto:Non-Italian.Settlement.Operations@mediobanca.it)  
[Collateral@mediobanca.it](mailto:Collateral@mediobanca.it)

(b) **Process Agent.** For the purpose of Section 13(c):

Party A appoints as its Process Agent: Law Debenture Services Limited, Fifth Floor, 100 Wood Street, London EC2V 7EX.

Party B appoints as its Process Agent: Mediobanca – Banca di Credito Finanziario S.p.A., London Branch, 33 Grosvenor Place, London, SW1X 7HY, United Kingdom. For the attention of William Lavelle.

(c) **Offices.** The Provisions of Section 10(a) will apply to this Agreement.

(d) **Multibranch Party .** For the purpose of Section 10(b):

Party A is not a Multibranch Party.

Party B is not a Multibranch Party.

(e) **Calculation Agent.** The Calculation Agent is Credit Suisse International.

(f) **Credit Support Document.** Details of any Credit Support Document. The Swap Guarantee.

(g) Credit Support Provider.

Credit Support Provider means, in relation to Party A, Not applicable.

Credit Support Provider means, in relation to Party B, Mediobanca – Banca di Credito Finanziario S.p.A.

(h) **Governing Law.** This Agreement and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

(i) **Affiliate.** Affiliate will have the meaning specified in Section 14.

## Part 5

### Other Provisions

- (a) **Consent to Recording.** Each party (i) consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, (ii) waives any further notice of such monitoring or recording, and (iii) agrees to notify (and, if required by law, obtain the consent of) its officers and employees with respect to such monitoring or recording. Any such recording may be submitted in evidence to any court or in any Proceeding for the purpose of establishing any matters pertinent to this Agreement or any Transaction.
- (b) **Relationship Between the Parties.** 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):
- (i) **Non-Reliance.** (a) it has not received and is not relying upon any legal, tax, regulatory, accounting or other advice (whether written or oral) of the other party regarding any Transaction, other than representations expressly made by that other party in this Agreement and (b) in respect of each Transaction, (i) it has the capacity to evaluate (internally or through independent professional advice) each Transaction and has made its own independent decision to enter into each such Transaction; (ii) it understands the terms, conditions and risks of each Transaction and is willing to assume (financially and otherwise) those risks; and (iii) it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into any Transaction, it being understood that information and explanations related to the terms and conditions of any Transaction shall not be considered investment advice or a recommendation to enter into such Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of any Transaction. Party A acknowledges that Party B has advised Party A to consult its own tax, accounting and legal advisors in connection with any Transaction evidenced by the Master Confirmation and that Party A has done so.
- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the financial and other risks of that Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary or an advisor for it in respect of that Transaction.
- (iv) **No Agency.** It is entering into this Agreement and each Transaction hereunder as principal and not as agent or in any other capacity, fiduciary or otherwise.
- (c) **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";
- (d) **Limited Recourse and Non-Petition.** Party B shall, in respect of any claim other than a Mediobanca MTN Claim hereunder, have recourse only to the Mortgaged Property relating to the Notes. The Trustee having realised the same, Party B shall not be entitled to take any further steps against Party A to recover any sums due but still unpaid in respect of this Agreement and all claims in respect of such sums due but still unpaid shall be extinguished. In particular, Party B shall not be

entitled at any time to institute against Party A, or to join in any institution against Party A of any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to this Agreement, nor will Party B have any claim in respect of any sum arising in respect of the Mortgaged Property for any other Notes. Party B hereby agrees for the benefit of the Noteholders and the Couponholders to comply with the terms of this Part 5(d).

Party B shall, in respect of any Mediobanca MTN Claim hereunder, have recourse only to the Counterparty MTN Security relating to the Mediobanca MTN. The Trustee having realised the same, Party B shall not be entitled to take any further steps against Party A to recover any sums due but still unpaid in respect of this Agreement and all claims in respect of such sums due but still unpaid shall be extinguished. In particular, Party B shall not be entitled at any time to institute against Party A, or to join in any institution against Party A of any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to this Agreement, nor will Party B have any claim in respect of any sum arising in respect of the Mortgaged Property for the Notes or the Mortgaged Property for any other Notes. Party B hereby agrees for the benefit of the Noteholders and the Couponholders to comply with the terms of this Part 5(d).

This Part 5(d) shall survive the termination of the Agreement.

(e) **Amendments to ability to terminate the Agreement**

Party A and Party B agree:

- (i) that Section 6(a) shall be amended by:
  - (A) the replacement of the words "with respect to a party" in the first line with the words "with respect to Party B"; and
  - (B) the addition of the words " or shall, if so directed by the Note Guarantor in circumstances in which no Note Guarantor Default has occurred" following the word "may" in the second line thereof;
- (ii) that Section 6(b)(iv) shall be amended by:
  - (A) the inclusion of the words "provided that it is Party A, or shall, if so directed by the Note Guarantor in circumstances in which no Note Guarantor Default has occurred" following the words "Affected Party may," in the fourth line of the final subparagraph of Section 6(b)(iv)(1);
  - (B) the replacement of the words "either party may" in the first line of Section 6(b)(iv)(2)(A) with the words "Party A may, or shall if so directed by the Note Guarantor in circumstances in which no Note Guarantor Default has occurred"; and
- (iii) that notwithstanding Section 6:
  - (A) Party A shall not be required to seek to transfer all its rights and obligations pursuant to Section 6(b)(ii) of the Agreement;
  - (B) Party B shall not have the ability to designate an Early Termination Date in respect of a Termination Event or an Event of Default in relation to Party A under this Agreement and instead in circumstances in which Party B would, without the amendments specified in this Part 5(e), otherwise be able to designate an Early

Termination Date in respect of an Event of Default in relation to Party A or a Termination Event, Party B may deliver a notice to Party A requiring Party A to redeem the Notes early pursuant to Condition 7(b)(iv) (such notice, a **Counterparty Early Redemption Notice**); and

- (C) Party A shall not have the right to designate an Early Termination Date in respect of a Termination Event or an Event of Default in relation to Party B under this Agreement unless the Swap Guarantor has also defaulted on its obligations pursuant to, and in accordance with the terms of, the Swap Guarantee.

(f) **Mutual Voluntary Early Termination of Transactions**

If no Note Guarantor Default or Swap Counterparty Default has occurred, Party A, Party B and the Note Guarantor may (acting jointly) agree in writing to terminate:

- (i) the Transaction evidenced by the Swap Confirmation; and
- (ii) the Transaction evidenced by the Credit Support Annex,

prior to the Termination Date specified in the Swap Confirmation (a **Voluntary Early Termination**). The agreement in respect of any such Voluntary Early Termination between Party A and Party B shall specify the amount payable by one party or the other determined pursuant to the following provisions of this Part 5(f). Party A and Party B will promptly notify S&P, or will procure that S&P are promptly notified, of any agreement in respect of a Voluntary Early Termination.

If a Voluntary Early Termination is agreed then the Transactions shall be terminated as if an Additional Termination Event had occurred on the following basis:

- (iii) if the Early Termination Amount is determined (A) by the Calculation Agent pursuant to sub-paragraph (f)(v)(B) below, Party A shall be the non-Affected Party and (B) by Party B pursuant to sub-paragraph (f)(v)(C) below, Party B shall be the non-Affected Party and all Transactions shall be deemed to be Affected Transactions;
- (iv) the Early Termination Date shall be deemed to be the date on which the Voluntary Early Termination was agreed; and
- (v) notwithstanding Section 6:
  - (A) Clause 2(b) of the Confirmation shall be applicable;
  - (B) if the Voluntary Early Termination is at the request of Party B, the Calculation Agent shall calculate the Early Termination Amount due and payable under Section 6(e) of the Swap Agreement and shall be entitled to take into account, without double-counting, the cost of unwinding any Party A Hedging Transactions entered into in connection with the Transactions; and
  - (C) if the Voluntary Early Termination is at the request of the Note Guarantor, Party B shall calculate the Early Termination Amount due and payable under Section 6(e) of the Swap Agreement and shall be entitled to take into account, without double-counting, the cost of unwinding any Medio Hedging Transactions entered into in connection with the Transactions.

The Notes shall, pursuant to their Conditions, remain outstanding unless a Mandatory Early Redemption Event has occurred and the Notes are determined to be due and repayable pursuant to the Conditions.

**Medio Hedging Transactions** means any funding arrangements and/or derivative transactions entered into by Party B in connection with the Transactions.

**Party A Hedging Transactions** means any funding arrangements and/or derivative transactions entered into by the Note Guarantor in connection with the Transactions including, without limitation, the Payment Undertaking Deed.

(g) **Amendment to Early Termination Amount**

(a) Party A and Party B agree that for purposes of Section 6(e) of the Agreement, the first paragraph of Close-out Amount shall be deleted in its entirety and replaced with the following:

""**Close-out Amount**" means, with respect to each Terminated Transaction or each group of Terminated Transactions and a Determining Party, the amount of:

- (1) the losses or costs of the Determining Party that are or would be incurred under then prevailing circumstances (expressed as a positive number) or gains of the Determining Party that are or would be realised under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for the Determining Party the economic equivalent of, (a) the material terms of that Terminated Transaction or group of Terminated Transactions, including the payments and deliveries by the parties under Section 2(a)(i) in respect of that Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date (assuming satisfaction of the conditions precedent in Section 2(a)(iii)) and (b) the option rights of the parties in respect of that Terminated Transaction or group of Terminated Transactions; and
- (2) the losses or costs of the Note Guarantor that are or would be incurred under then prevailing circumstances (expressed as a positive number if determined by or on behalf of Party A or as a negative number if determined by or on behalf of Party B) or gains of the Note Guarantor that are or would be realised under then prevailing circumstances (expressed as a negative number if determined by or on behalf of Party A or as a positive number if determined by or on behalf of Party B) in replacing, or in providing for the Note Guarantor the economic equivalent of the material terms of Payment Undertaking Deed dated 20 December 2012 between the Note Guarantor and the Swap Guarantor, including the payments and deliveries by the parties thereunder that would have been required after that date (assuming satisfaction of any conditions precedent)."

(h) **Principal Paying Agent Payment.** Party B may, but shall not be obliged to, make payment of all sums payable to Party A under the Confirmation direct to the Principal Paying Agent in respect of the Notes to which the Confirmation relates.

(i) **Transfers/Assignment.** Save as otherwise provided for in this Agreement and notwithstanding Section 7 (Transfer), neither party shall be permitted to transfer (by way of security or otherwise) this Agreement or any interest or obligation in or under this Agreement without the prior written consent of the other party and the Trustee, except that such consent is not required in the case of (A) a transfer, charge or assignment to the Trustee as contemplated in the Trust Deed and (B) the

agreement of Party A that it hereby automatically assigns to the Note Guarantor any right of Party A to receive any Early Termination Amount from Party B (including for the avoidance of doubt pursuant to Part 5(f) (*Mutual Voluntary Early Termination of Transactions*) above), provided that a Note Guarantor Default has not occurred (which such receipt of any amount by the Note Guarantor pursuant to such assignment, for the avoidance of doubt, will correspondingly reduce the amount that may be claimed by the Issuer pursuant to the Swap Guarantee). Any other transfer or assignment (other than as specified in Part 5(j) below) shall be notified to S&P by the parties.

- (j) **Benefit of Agreement: Trustee.** Each of Party A and Party B hereby agrees that it is specifically intended that the Trustee shall have an assignment by way of security of the rights of Party A under this Agreement, shall be a beneficiary of this Agreement and if the security constituted by the Trust Deed shall become enforceable, shall have full right, power and authority to enforce the obligations of Party B under this Agreement. Notwithstanding anything herein to the contrary, Party B understands that Party A will assign its rights under this Agreement as security to the Trustee for the benefit of the Secured Creditors under the Trust Deed, and by signing this Agreement, Party B acknowledges and consents to such assignment.
- (k) **Disclosure representation.** Party B represents to Party A and Credit Suisse International that in respect of the information provided to Party A for inclusion in the section entitled "Information relating to the Swap Counterparty and the Swap Guarantor" of the Prospectus, there is, as of the Issue Date (i) no omission of material information, the disclosure of which is necessary to make the statements contained in the Prospectus not misleading in light of the circumstances under which they were made and (ii) nothing materially misleading therein.
- (l) **Contracts (Rights of Third Parties) Act 1999.** A Person who is not a party to this Agreement (other than, for the purposes of Part 1(k) of the Schedule, Part 5 of the Schedule, and paragraph 11(b)(ii) of the Credit Support Annex, Credit Suisse International) has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, other than (i) the Trustee which shall have the right to enforce the terms set out in Parts 5(d) and (g) above. This does not affect any right or remedy of a third party which exists or is available apart from such Act (including the rights of the Trustee pursuant to Part 5(g) above).
- (m) **Counterparts.** This Agreement (including the Schedule hereto and any related Confirmations) may be executed in several counterparts.
- (n) **Calculations.** Notwithstanding the provisions of Section 6 of the Agreement, the Calculation Agent shall be the party that makes any calculation contemplated by Section 6(d) and Section 6(e) of the Agreement on behalf of Party A, except as set out in Part 1(j) of the Schedule.
- (o) **Inconsistency.** Unless otherwise specified in this Agreement, the following documents shall govern in the order in which they are listed below in the event of any inconsistency between any of the documents:
  - (i) the Confirmation; and
  - (ii) this Agreement.
- (p) **Severability.** In the event any one or more of the provisions contained in this Agreement or any one or more parts of any provisions should be held invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or remaining parts of provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavour, in good faith negotiations, to replace the invalid, illegal or unenforceable provisions or parts thereof with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions or part thereof.

(q) **Interpretation.**

Capitalised terms used but not otherwise defined in this Agreement have the meanings given to such terms in the Notes.



IN WITNESS WHEREOF, the parties have executed this Schedule by their duly authorised officers as of the date hereof.

**TRIPLE ENHANCED RATED NOTES (TERN)  
LIMITED  
("Party A")  
acting through its duly authorised signatory**

By: \_\_\_\_\_  
Name:  
Title:

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG)  
S.A.  
("Party B")**

By: \_\_\_\_\_  
Name:  
Title:

### ANNEX III: FORM OF CREDIT SUPPORT ANNEX

#### Paragraph 11. Elections and Variables

(a) **Base Currency and Eligible Currency**

- (i) **Base Currency** means EUR (and any successor currency to any such currency);
- (ii) **Eligible Currency** means the Base Currency and USD (and any successor currency to any such currency).

(b) **Credit Support Obligations**

(i) ***Delivery Amount, Return Amount and Credit Support Amount.***

(A) **Delivery Amount** has the meaning specified in Paragraph 2(a) (*Delivery Amount*), except that:

- I. the words "upon a demand made by the Transferee on or promptly following a Valuation Date" shall be deleted and replaced by the words "upon the instruction of the Valuation Agent on or promptly following a Valuation Date"; and
- II. the addition of the words ", not later than the close of business on the date the Delivery Amount Notice is (or was required to be) given by Party B to Credit Suisse International pursuant to Paragraph 11(b)(ii)(B) (*Delivery Amounts*) (if such Delivery Amount Notice is received by 12:00pm London time) and otherwise the next following Business Day," after the words "the Transferor will" in the third line thereof; and
- III. the addition of the words "(provided that Party B undertakes to comply with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) in respect of such Eligible Credit Support)" after the words "Eligible Credit Support" in the third and fourth lines thereof.

(B) **Return Amount** has the meaning specified in Paragraph 2(b) (*Return Amount*), except that the words "as close as practicable to" in the fourth line thereof shall be deleted and replaced with the words "an amount no greater than" and the words "as specified by the Transferor in such demand, provided that the Concentration Limits will not be breached as a result of the transfer of such Equivalent Credit Support" shall be added after the words in parentheses in line five thereof. The Value of any item of Equivalent Credit Support (which is a Loan Asset) identified in a demand by the Transferor pursuant to Paragraph 2(b) (*Return Amount*) shall be deemed to be constant from the date of such demand to and including the date on which Party A ceases being the lender of record in respect of such Loan Asset.

(C) **Credit Support Amount** means on a Valuation Date:

- I. with respect to Party A, the meaning specified in Paragraph 10 (*Definitions*); and
- II. with respect to Party B, the meaning specified in Paragraph 10 (*Definitions*).

(D) The definition of **Exposure** shall be deleted and replaced with the following:

"**Exposure**" means, as of any day and in respect of Party A only, the sum of (i) the outstanding principal amount of the Notes and (ii) any accrued but unpaid interest on the Notes, to and including, such day.

(ii) Eligible Credit Support. Each of the items (each, a "**Credit Support Item**") satisfying the eligibility criteria described in Exhibit B to this Paragraph 11 (the "**Eligibility Criteria**") of the Credit Support Annex will qualify as "Eligible Credit Support". Each item comprised in the Credit Support Balance shall be required to satisfy the Eligibility Criteria at all times.

**(A) Concentration Limits**

The Credit Support Balance shall be required to satisfy the Concentration Limits set out in Part 2 of Exhibit B (the "**Concentration Limits**") at all times. In the event that the Calculation Agent notifies (in the form set out in Schedule 1 (*Form of Concentration Limit Breach Notice*)) Party B in writing of a breach of the Concentration Limits (i) Party B shall be obliged within 3 Business Days following such notice either to substitute Eligible Credit Support or to designate certain of the Eligible Credit Support as having a Value of zero (and transferring any resulting Delivery Amount in accordance with the timing provisions set out in paragraph 11(b)(i)(A) above) such that the relevant Concentration Limits are satisfied and (ii) if Party B fails to remedy such breach within 3 Business Days of the date of such breach, the Calculation Agent may propose by written notice to Party B, the Custodian, the Loan Servicer, the Loan Administration Agent and Party A (in the form set out in Schedule 2 (*Form of Proposed Substitutions Notice*)) that one or more substitutions of Eligible Credit Support (or a proportion thereof) in the reasonable opinion of the Calculation Agent constitute the minimal required substitutions to remedy such breach (the "**Proposed Substitutions**") and, for so long as Party B fails to remedy such breach, the Valuation Percentage of the Eligible Credit Support which is the subject of such Proposed Substitutions (or the relevant proportion thereof) shall be deemed to be zero and shall be disregarded for the purpose of the Concentration Limits and Party B shall be required to transfer any resulting Delivery Amount in accordance with the timing provisions as set out in the Credit Support Annex.

Subject to the satisfaction of the conditions specified in the paragraphs below, Party B may transfer additional Eligible Credit Support to Party A at any time.

**(B) Delivery Amounts**

Party B shall give notice (in the form set out in Schedule 3 (*Form of Delivery Amount Notice*)) (a "**Delivery Amount Notice**") to the Note Guarantor, the Calculation Agent the Custodian, the Loan Servicer (if a relevant item of Eligible Credit Support is a Loan Asset) and the Loan Administration Agent (if a relevant item of Eligible Credit Support is a Loan Asset) and Party A of any proposed Eligible Credit Support to be transferred pursuant to Paragraph 2(a) (*Delivery Amount*) no later than 5.00 p.m. (London time) on the Business Day on which a demand for the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) is made if such demand is made on or prior to 12.00 p.m. (London time) on such day and otherwise by no later than 12.00 p.m. (London time) on the Business Day immediately following the day on which such demand is made. For the avoidance of doubt, any demand for the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) may come from Party A, or

the Custodian, the Note Guarantor, the Calculation Agent or the Loan Administration Agent.

Such Delivery Amount Notice shall:

- I. specify the Eligible Credit Support;
- II. contain a confirmation that such Eligible Credit Support satisfies the Eligibility Criteria and, if such Eligible Credit Support is a Loan Asset, that Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) has been complied with, and that, following the transfer of such Eligible Credit Support (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then-current satisfaction of the Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits;
- III. contain a representation that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) (if a relevant item of Eligible Credit Support is a Loan Asset); and
- IV. contain a completed Portfolio Adjustment Notice (if a relevant item of Eligible Credit Support is a Loan Asset).

Each Delivery Amount Notice must be given to the Calculation Agent, Party A, the Custodian and the Loan Administration Agent (if the relevant item of Eligible Credit Support is a Loan Asset) by Party B in writing (and following delivery of each Delivery Amount Notice Party B shall telephone the Calculation Agent to confirm receipt of such Delivery Amount Notice). A failure to deliver such Delivery Amount Notice in writing to the Calculation Agent within the time limit specified above shall invalidate such Delivery Amount Notice.

The Value of any item of Eligible Credit Support (which is a Loan Asset) identified in a Delivery Amount Notice shall be deemed to be constant from the date of such notice to and including the date on which Party B ceases being the lender of record in respect of such Loan Asset.

For the avoidance of doubt, the Value of Eligible Credit Support that is in the form of:

- (A) loans or cash shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the settlement date in respect of the transfer of such loans or cash to Party A (in the case of Loan Assets, being the date upon which Party A becomes lender of record in respect thereof); and
- (B) securities shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the date on which Party B irrevocably instructs the transfer of such securities to Party A.

**(C) Return Amount**

When making a demand pursuant to Paragraph 2(b) (*Return Amount*), Party B shall simultaneously give notice in writing (in the form set out in Schedule 4 (*Form of Return Amount Notice*)) (a "**Return Amount Notice**") to the Note Guarantor, the

Calculation Agent, the Custodian, the Loan Servicer (if an item of Equivalent Credit Support is a Loan Asset), the Loan Administration Agent (if an item of Equivalent Credit Support is Loan Asset) and Party A of any proposed Equivalent Credit Support to be transferred pursuant to Paragraph 2(b) (*Return Amount*) no later than 5.00p.m. (London time) on the date falling (i) in the case of Loan Assets, 3 Business Days prior to the proposed date on which instructions in respect of such transfer are due to be given to the relevant facility agent or (ii) otherwise, 3 Business Days prior to the proposed date of such transfer (and following delivery of each Return Amount Notice Party B shall telephone Credit Suisse International to confirm that it has received such Return Amount Notice).

Such Return Amount Notice shall:

- I. specify the Equivalent Credit Support;
- II. contain a confirmation that following the transfer of such Equivalent Credit Support (but determined by reference to the prevailing Value of the Equivalent Credit Support, foreign exchange rates and then-current satisfaction of Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits on the proposed date of transfer or the proposed date on which instructions in respect of such transfer are due to be given to the relevant facility agent (as applicable); and
- III. contain a completed Portfolio Adjustment Notice (if a relevant item of Equivalent Credit Support is a Loan Asset).

A failure to deliver such Return Amount Notice in writing to the Note Guarantor within the time limit specified above shall invalidate such Return Amount Notice.

**(D) Miscellaneous**

Party B, the Custodian or the Loan Administration Agent on its behalf, shall give written notice to the Note Guarantor of the delivery of any Eligible Credit Support to Party A by Party B and of the delivery of any Equivalent Credit Support to Party B by Party A, in each case, prior to instructions being given and documentation being entered into to effect such transfer.

Party A and Party B agree that, in the event that any delivery of Eligible Credit Support and/or Equivalent Credit Support is made, any costs, fees or expenses incurred by Party A, Party B or any other party in connection with such transfer shall be payable by Party B.

Party B shall notify the Note Guarantor of the delivery of any Equivalent Credit Support to Party B by Party A on the day on which such transfer is effective.

Party B is deemed to represent in respect of each transfer of Eligible Credit Support to Party A, that such Eligible Credit Support satisfies the Eligibility Criteria (for such purposes, as if the words ", as determined by the Calculation Agent" were deleted from Exhibit B, Part 1), that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) (if a relevant item of Eligible Credit Support is a Loan Asset) and that following the transfer of such Eligible Credit Support (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then-current satisfaction of the Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits (for such

purposes, as if the words ", as determined by the Calculation Agent" were deleted from Exhibit B, Part 1).

Party A and Party B agree that, in the event that such representation is incorrect, this will not of itself constitute an Event of Default or a Termination Event and that any asset which is transferred to Party A notwithstanding such breach of representation shall instead be treated as having breached the Eligibility Criteria, Concentration Limits or Paragraph 11(h)(vi) and the Value of such asset or the relevant excess principal amount over the maximum permitted by the Concentration Limits shall be zero, but only for so long as Party B fails to remedy such breach.

The **Valuation Percentage** in respect of any Eligible Credit Support shall be as specified in Exhibit A hereto.

(iii) **Thresholds.**

(A) **Independent Amount** means with respect to Party A: Zero.

**Independent Amount** means with respect to Party B: Zero.

(B) **Threshold** means with respect to Party A: Zero.

**Threshold** means with respect to Party B: Zero.

(C) **Minimum Transfer Amount** means with respect to Party A and Party B, EUR 5,000,000, provided, that (i) if an Event of Default has occurred and is continuing with respect to Party A or Party B, as applicable or (ii) either Party A (or the Valuation Agent acting on Party A's behalf) or Party B shall have the right at any time to reduce the Minimum Transfer Amount to zero by notice in writing to the other party.

(D) **Rounding.** The Delivery Amount will be rounded up to the nearest integral multiple of EUR100,000 respectively, provided that if such Delivery Amount is comprised of Eligible Credit Support which are Loan Assets such Delivery Amount shall not be rounded.

(c) **Valuation and Timing**

(i) **Valuation Agent** means Credit Suisse International or, following the occurrence of a Note Guarantor Default in circumstances in which a Swap Counterparty Default (as defined in the Notes) has not previously occurred, the Custodian (subject to the Custodian's agreement with Party A at the time) or an Approved Dealer selected by Party B.

(ii) **Valuation Date** means each Local Business Day.

(iii) **Valuation Time** means the close of business London time on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **Notification Time** means, unless where otherwise stated, 4:00 p.m., London time, on a Local Business Day.

(d) **Exchange Date**

**Exchange Date** has the meaning specified in Paragraph 3(c)(ii) (as amended).

(e) **Dispute Resolution**

Paragraph 4 shall be deleted and replaced with the following:

"Without prejudice to Party A or Party B's obligations under this Transaction including, without limitation, under Paragraph 2 (*Credit Support Obligations*), if Party A (or the Note Guarantor on behalf of Party A) or Party B (the **Disputing Party**), acting reasonably, disputes the Valuation Agent's calculation of the Value of any Eligible Credit Support or Equivalent Credit Support (together, the "**Disputed Asset**"), it shall deliver its written objection to the Valuation Agent and Party A (and the Note Guarantor) or Party B by 5.00 p.m. (London time) on the Business Day immediately following receipt of the Valuation Agent's calculation (such Business Day, the "**Dispute Cut-Off Date**") specifying in reasonable detail: (i) the Disputed Asset, (ii) its objections together with supporting calculations, (iii) its proposed calculation and (iv) any amount with respect to the calculation which is not in dispute.

The parties shall negotiate in good faith to resolve the dispute, and in doing so shall apply the correct basis to determine the Value of any Eligible Credit Support as set out in this Agreement, provided that in the event that the dispute is not resolved by 5.00 p.m. (London time) on the Business Day following the Dispute Cut-Off Date, the Disputing Party will use its best endeavours on the following three Business Days either to propose a substitution of the Disputed Asset in accordance with the provisions below regarding Substitutions or to obtain Bid Quotations in respect of the full outstanding principal amount of each Disputed Asset which forms part of the Credit Support Balance from four Approved Dealers. If one or more Bid Quotations in respect of any Disputed Asset are provided to the Valuation Agent on or before 3.00 p.m. (London time) on such third Business Day (the "**Bid Quotation Cut-Off Date**"), then the Bid price of such Disputed Asset for the purposes of the relevant calculation shall be determined as follows:

- (i) if four Bid Quotations are provided, the highest and lowest of such Bid Quotations will be discarded and the arithmetic mean of the remaining quotes shall be used for the purposes of determining the Value of the relevant Disputed Asset;
- (ii) if three Bid Quotations are provided, the bid remaining after disregarding the highest and lowest Bid Quotations shall be used for the purposes of determining the Value of the relevant Disputed Asset;
- (iii) if two Bid Quotations are provided, the lowest of the two Bid Quotations shall be used for the purposes of determining the Value of the relevant Disputed Asset; and
- (iv) if only one Bid Quotation is provided, that quotation shall be used for the purposes of determining the Value of the relevant Disputed Asset.

and the value so determined shall apply, and may not be further disputed or changed for 10 Business Days following such determination unless the Valuation Agent (acting in good faith and in a commercially reasonable manner) determines that an event or circumstance occurs during such period that has a material effect on such value (a **Material Event Adjusted Value**) and provides a certificate to Party B that (a) specifies the facts relating to such event or circumstance and (b) is signed by a Managing Director of the Valuation Agent. For the avoidance of doubt, following the determination and application of a Material Event Adjusted Value by the Valuation Agent no restriction on the parties' right to dispute will apply.

If, in respect of any Disputed Asset, no Bid Quotations are received by the Disputing Party on or before 3.00 p.m. (London time) on the Bid Quotation Cut-Off Date, the Valuation Agent's original determination of the Value of the relevant Disputed Asset shall continue to be binding on the parties, unless it has been superseded by a subsequent determination by the Valuation Agent.

For the avoidance of doubt, the Valuation Agent's determination of the Value of any Disputed Asset shall continue to prevail pending resolution of any dispute with respect to the Value of such Asset in accordance with the above provisions and, notwithstanding any provision in the Credit Support Annex to the contrary, there shall be no suspension of either parties obligations to transfer Delivery Amounts or Return Amounts which have been calculated based on the Valuation Agent's original determination of the Value of any Disputed Asset pending resolution of such dispute.

**"Bid Quotation"** means, with respect to any Disputed Asset, a bid quotation provided by an Approved Dealer which is executable by the Valuation Agent with respect to the full outstanding principal amount of such Disputed Asset which forms part of the Credit Support Balance.

**"Approved Dealer"** means each of JPMorgan Chase & Co., Deutsche Bank AG, Barclays Bank Plc, BNP Paribas, Bank of America Corporation, The Royal Bank of Scotland plc, HSBC Bank plc, Goldman Sachs Group, Inc., Citibank N.A., UBS or Morgan Stanley or any of their respective affiliates or successors, or any other Approved Dealers agreed in writing from time to time between Party B and the Note Guarantor.

Following a recalculation pursuant to this Paragraph 4, the Valuation Agent will notify each party as soon as possible but in any event not later than 5.00 p.m. on the Business Day following the Bid Quotation Quote Cut-Off Date. The appropriate party shall on demand following such notice given by the Valuation Agent or a resolution as specified in the third paragraph of this Paragraph 4 above and subject to Paragraph 3(a), make any appropriate transfer."

(f) **Distributions and Interest Amount**

(i) **Interest Rate.** The **Interest Rate** in relation to the portion of the Credit Support Balance comprised of cash in an Eligible Currency (i) in respect of which Party B is the Transferor, will be Party A's Custodian's overnight rate (which for the avoidance of doubt may be zero or a negative rate) and (ii) in respect of which Party A is the Transferor, will be the overnight rate for deposits in respect of the Eligible Currency.

(ii) **Transfer of Interest Amount.** The transfer of the Interest Amount will be made on the first Local Business Day following the end of each calendar month to the extent that Party A has earned and received from its custodian such amount of interest and that a Delivery Amount would not be created or increased by that transfer, and on any other Local Business Day on which Equivalent Credit Support is transferred to the Transferor pursuant to Paragraph 2(b) (*Return Amount*), provided that Party A shall only be obliged to transfer any Interest Amount to Party B to the extent that it has received such amount.

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

(iv) Paragraph 5(c)(i) (*Distributions*) shall be deleted and replaced by the following:

"The Transferee will transfer to the transferor cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("**Equivalent Distributions**") to the extent that a Delivery Amount would not be created or increased by the transfer as calculated by the Valuation Agent. Any payments or transfers of Equivalent Distributions (i) in the form of any interest, coupon, dividend or other distributions of an



income nature received by Party A, or by the Custodian on behalf of Party A (as applicable), shall be made on the same day as Distributions would be received by Party A or the Custodian and (ii) in the form of principal, shall be made on the same day as Distributions would be received by Party A or the Custodian if such Distributions would be received no later than the Applicable Cut-off Time on such day in respect of such asset and on the Business Day immediately following the day such Distributions would be received by Party A or the Custodian if received after such Applicable Cut-off Time, in each case, net of any applicable withholding taxes (howsoever described).

**"Applicable Cut-off Time"** means:

- (a) 2:00p.m. (London time) in relation to GBP denominated assets;
- (b) 2:30p.m. (London time) in relation to EUR denominated assets; and
- (c) 5:30p.m. (London time) in relation to USD denominated assets.

Section 2(c) of the Agreement shall not apply to payments of Equivalent Distributions by Party A to Party B."

(g) **Address for Transfers**

Party A:	Cash:	Cash Account
	Bonds:	Collateral Account
Party B:	Beneficiary Bank:	Mediobanca International (Luxembourg) S.A.
	BIC Code:	MEOILUL1XXX
	Account with:	Clearstream Banking Luxembourg (CEDELULLXXX)
	Account No:	57347

(h) **Other Provisions**

(i) ***Early Termination***

The heading for Paragraph 6 shall be deleted and replaced with "Early Termination", the words "or a Termination Event" shall be added after the word "Default" in the first line of Paragraph 6 and the words "or an Affected Party, as relevant" shall be added after the words "Defaulting Party" in the bracketed text in the fourth line of Paragraph 6. For the avoidance of doubt only Party A, or a party on behalf of Party A, has the right to designate an Early Termination Date under the Agreement.

If an Early Termination Date is designated or deemed to occur, notwithstanding anything to the contrary in the Swap Agreement:

- I. for the purposes of determining the Value of the Credit Support Balance, the Value of any item of Eligible Credit Support shall be determined pursuant to this Annex (and as specifically amended in this Paragraph 11(h)(i)) other than in respect of any item of Eligible Credit Support that is sold by the Selling Agent in respect of which the Value shall be the price obtained in respect of the sale of such item, such price to be net of any costs and taxes where Party B is the Defaulting Party or the sole Affected Party, provided that for the avoidance of doubt the Selling Agent shall only sell such items of Eligible Credit Support in the circumstances specified in the Conditions;

- II. any provision of the Swap Agreement which deems or designates the Value of any item of Eligible Credit Support to have a Value of zero, shall be deemed not to apply and not to have effect, and the Valuation Percentage in respect of each item of Eligible Credit Support shall be 100 percent; and
- III. any transfer of Equivalent Credit Support by Party A to Party B which has commenced but not yet settled and which is revocable, shall be revoked by both parties.

(ii) ***Costs of Transfer on Exchange***

Notwithstanding Paragraph 8 (*Expenses*), Party B will be responsible for, and will reimburse Party A for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support.

(iii) ***Cumulative Rights***

The rights, powers and remedies of the Transferee under this Annex shall be in addition to all rights, powers and remedies given to the Transferee by the Agreement or by virtue of any statute or rule of law, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of the Transferee in the Credit Support Balance created pursuant to this Annex.

(iv) ***Amendment to Paragraph 3 (Transfers)***

Paragraph 3(a) (*Transfers*) shall be amended to delete the "and" after the semi-colon at the end of sub-clause (ii) and to insert in place of the full stop at the end of sub-clause (iii) a semi colon and to add the following additional sub-clause (iv):

"(iv) in the case of an asset that is an interest in a Loan Asset to be transferred by way of assignment or novation, the assignment or novation of such interest in such Loan Asset in accordance with the terms of such Loan Asset such that the transferee becomes lender of record thereof."

Paragraph 3(c) (*Exchanges*) shall be deleted and replaced with the following:

"Paragraph 3(c) (*Substitutions*)

- (A) Subject to paragraph (B) and Paragraph 3(d) (*Substitution Procedure*), Party B may (but shall not be obliged to) on any Business Day by giving no less than 3 Business Days' notice in writing to Party A, the Note Guarantor, the Custodian, and the Loan Administration Agent (if a relevant item of Eligible Credit Support is a Loan Asset) substitute Eligible Credit Support ("**Original Eligible Credit Support**") for the Eligible Credit Support specified in such notice ("**New Eligible Credit Support**"). Upon receipt of such notice, and provided that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) in the case of Loan Assets and Paragraph 3(d) (*Substitution Procedure*) Party A will be required to transfer, or procure such transfer by the Custodian or the Loan Administration Agent (as applicable), Equivalent Credit Support in respect of the Original Eligible Credit Support in exchange for New Eligible Credit Support with a Value at least equal to such Original Eligible Credit Support (or, if less, a value sufficient to ensure that no Delivery Amount would arise as a result of such substitution).

For the avoidance of doubt, the Value of Eligible Credit Support that is in the form of:

- (A) loans or cash shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the settlement date in respect of the transfer of such loans or cash to Party A (in the case of Loan Assets, being the date upon which Party A becomes lender of record in respect thereof); and
- (B) securities shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the date on which Party B irrevocably instructs the transfer of such securities to Party A.
- (B) Party B shall effect substitutions on no more than one Business Day in each Substitution Period, and with respect to no more than 5 items of Eligible Credit Support in each Substitution Period.
- (C) In the event that the Valuation Agent determines that any asset in the relevant Credit Support Balance no longer satisfies the Eligibility Criteria (whether as a result of a restructuring of the terms of such asset or otherwise) and notifies Party A, Party B, the Note Guarantor, the Custodian, the Loan Servicer and the Loan Administration Agent (in respect of a Loan Asset) in writing the Value of such asset shall be zero as of the effective date of such notice and, in the event that a Delivery Amount is created or increased as a result of the Value of such asset being reduced to zero, Party B shall substitute Equivalent Credit Support to such asset for Eligible Credit Support with a Value at least equal to the amount by which a Delivery Amount is created or increased.
- (D) For the avoidance of doubt, the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) shall not be subject to the restrictions set out in sub-paragraph (B) above."

Paragraph 3(d) (*Substitution Procedure*) shall be added as follows:

"(d) *Substitution Procedure*

Party B shall give written notice (in the form set out in Schedule 5 (*Form of Substitution Notice*)) (a "**Substitution Notice**") to Credit Suisse International, Party A, the Note Guarantor, the Custodian, and the Loan Servicer and the Loan Administration Agent (if a relevant item of Original Credit Support or new Eligible Credit Support is a Loan Asset) of any proposed substitution no later than 5.00 p.m. (London time) on the date falling 3 Business Days prior to the proposed date of such substitution or, in the case of Loan Assets, the date falling 3 Business Days prior to the proposed date on which instructions in respect of such substitution are due to be given by the Loan Servicer to the relevant facility agent(s). Such Substitution Notice shall:

- I. specify the Original Eligible Credit Support;
- II. specify the New Eligible Credit Support;
- III. contain a completed Portfolio Adjustment Notice (as defined in the Loan Servicing Agreement) in respect of each item of Original Eligible Credit Support and New Eligible Credit Support that is a Loan Asset;

- IV. specify the proposed settlement date for such substitution (which shall be subject to agreement with the relevant facility agent (as applicable));
- V. contain a confirmation that Paragraph 11(h)(vi) (*Undertakings regarding due diligence*) has been complied with (if a relevant item of Eligible Credit Support is a Loan Asset); and
- VI. contain a confirmation that the New Eligible Credit Support satisfies the Eligibility Criteria and that upon such substitution taking effect (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then current satisfaction of the Eligibility Criteria as of the date of the Substitution Notice), the Credit Support Balance will satisfy the Concentration Limits.

Each Substitution Notice must be given to the Note Guarantor, Party A, the Custodian, the Loan Servicer and the Loan Administration Agent by Party B in writing (and following delivery of each Substitution Notice Party B shall telephone the Note Guarantor to confirm receipt of such Substitution Notice). A failure to deliver such Substitution Notice in writing to the Note Guarantor within the time limit specified above shall invalidate such Substitution Notice.

Party A, or the Custodian or Loan Administration Agent on its behalf, shall give written notice to the Note Guarantor of any substitution of Eligible Credit Support pursuant to this provision prior to instructions being given and documentation being entered into to effect such transfer.

Paragraph 3(e) (*Substitution Period*) shall be added as follows:

"(e) *Substitution Period*

Each period from, and including, one Interest Payment Date to, but excluding, the immediately following Interest Payment Date with the first Substitution Period commencing on, and including, the Issue Date and the last Substitution Period ending on but excluding the earlier to occur of (a) the Maturity Date and (b) the date on which a Mandatory Early Redemption Event occurs."

(v) *Loans as Eligible Credit Support*

References in this Annex to a "security" shall, unless otherwise expressly provided or the context otherwise requires, include a Loan Asset.

(vi) *Undertakings Regarding Due Diligence*

Party B undertakes and agrees to procure that due diligence is carried out in respect of each item of Eligible Credit Support in accordance with Exhibit C (*Due Diligence*), and to provide Credit Suisse International with (i) completed due diligence reports updated and/or supplemented for each new proposed asset and (ii) legal opinions in respect of the enforceability of the transfer of such Eligible Credit Support to Party A under the laws governing such Loan Assets (in each case provided by reputable external counsel and in form and substance satisfactory to Credit Suisse International), in each case prior to the proposed transfer date in respect of such Eligible Credit Support under the Credit Support Annex.

Without prejudice to Party B's undertaking above in respect of due diligence, prior to the transfer of any proposed Eligible Credit Support, Party B undertakes (i) to provide Credit Suisse International (and/or its legal counsel) with any offering documents, credit agreements, security agreements and other related documentation in respect of such proposed Eligible Credit Support as reasonably requested by Credit Suisse International (subject to any confidentiality restrictions applicable to such proposed Eligible Credit Support) and (ii) that each representation, warranty or undertaking to be given by Party A pursuant to any such credit agreement, security agreement and other related documentation in respect of such proposed Eligible Credit Support is true and accurate as at the Effective Date.

(vii) ***Voting Rights***

If the Custodian or the Loan Administration Agent receives any notice in respect of the right to vote or to give consents or instructions in respect of and pursuant to the terms of any Eligible Credit Support which forms part of Party B's Credit Support Balance including, without limitation, tender and exchange offers, amendments and waivers, voting on accelerations, participation in creditors' committees, attending and voting at meetings, agreeing to compositions, restructurings and similar arrangements, and exercising any other discretionary rights of the holder given under the underlying instruments in respect of such Eligible Credit Support (such rights, "**Voting Rights**"), it shall as soon as reasonably practicable (or if such notice is received by the Custodian, the Loan Servicer or the Loan Administration Agent, the Custodian, the Loan Servicer or the Loan Administration Agent shall) following the date on which such notice is received deliver a copy of such notice to Party B (with a copy to the Valuation Agent) and Party B will have the right to exercise (and/or direct the Custodian, or the Loan Servicer on its behalf to exercise) such Voting Rights. The Custodian and the Loan Servicer shall, act solely in accordance with written instructions of Party B or its designee in respect of the exercise of any Voting Rights and in the absence of any such instruction from Party B or its designee, it will abstain from exercising any such Voting Rights.

Party A (or the Custodian, Loan Servicer or the Loan Administration Agent on its behalf) will deliver to Party B, a copy of any other notices received in relation to any Eligible Credit Support (with a copy to the Valuation Agent) as soon as reasonably practicable following receipt thereof.

(viii) ***Contracts (Rights Of Third Parties) Act 1999***

Credit Suisse International in its capacity as Note Guarantor shall be granted the benefit of and may rely on:

- (A) the undertakings given by Party B to Party A in Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) and Exhibit C (*Due Diligence*); and
- (B) the confirmation in each Delivery Amount Notice provided by Party B to Party A pursuant to Paragraph 11(b)(ii) (*Eligible Credit Support*) that each item of Eligible Credit Support satisfies the Eligibility Criteria and that, following the transfer of such Eligible Credit Support, (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then-current satisfaction of the Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits,

provided that Party A acknowledges that no double-liability should arise from this granting such of benefit.

(ix) ***Amendments to Paragraph 10 (Definitions)***

- (A) Capitalised words and expressions defined in the Confirmation (as defined below) shall, except so far as the context otherwise requires, have the same meaning in this Annex. In the event of any inconsistency between the definitions in the Confirmation and this Annex, this Annex shall prevail.
- (B) The following additions and amendments shall be made to the definitions in Paragraph 10 (*Definitions*) of this Annex:

The definition of Base Currency Equivalent shall be deleted and replaced as follows:

**"Base Currency Equivalent"** means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the **"Other Currency"**), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date, by reference to the rates published by the European Central Bank.

**"Confirmation"** means the Confirmation dated 20 December 2012 and entered into between Party A and Party B.

The definition of "Equivalent Credit Support" shall be deleted and replaced with the following:

**"Equivalent Credit Support"** means, in respect of any Eligible Credit Support (which term shall include for the purposes of this definition, any assets held by Party A which would be Eligible Credit Support but for a failure to satisfy the Eligibility Criteria), Eligible Credit Support of the same type, nominal value, description and amount as such Eligible Credit Support or in the case of items of Eligible Credit Support which are Loan Assets, (i) obligations of the same borrower(s), obligors(s), issuer(s) and guarantor(s) (as applicable), (ii) commitments made as part of the same tranche or facility which have the same seniority pursuant to the applicable loan, intercreditor and ancillary documentation, (iii) obligations which are secured by the same security and guarantee package (if any) and (iv) of an identical type, original principal amount, description, obligation ranking, and (except where otherwise stated) amount as those loans, provided that where such Eligible Credit Support has been converted, subdivided or consolidated or has become the subject of a takeover or the holders of Eligible Credit Support have become entitled to receive or acquire other assets or other property or the Eligible Credit Support have become subject to any similar event, the term **"Equivalent Credit Support"** shall mean assets equivalent to (in accordance with foregoing criteria) the original Eligible Credit Support together with or replaced by a sum of money or assets or other property equivalent to (in accordance with the foregoing criteria) that is receivable by holders of such original Eligible Credit Support resulting from such event."

**"Equivalent Distributions"** means assets of the same type, nominal value, description and amount as the relevant Distribution.

The definition of "**Value**" shall be deleted and replaced as follows:

"**Value**" means, for any Valuation Date in respect of each item of Eligible Credit Support, the amount determined by the Valuation Agent by reference to:

- (i) in the case of Loan Assets, the Base Currency Equivalent of the product of (x) the price quoted on Markit (or such other pricing source as may be agreed between the parties from time to time) (provided that there are 3 or more contributors for the purposes of determining such price on Markit (or such alternative pricing source as agreed between the parties), and the Valuation Agent determines that at least one of such contributors has updated their price in the immediately preceding 10 Business Days) or, if such quotation is not available, or there are less than 3 contributors, or none of such contributors has updated their price in the immediately preceding 10 Business Days, by reference to such independent price source(s), including, without limitation, Markit, independent market bids and/or proprietary valuation methodology (including, without limitation, by reference to any liquid credit default swap curve or asset swap curve of the relevant obligor as determined by the Valuation Agent) as the Valuation Agent may determine in good faith and a commercially reasonable manner, on or about the Valuation Time (as defined in the Credit Support Annex), (y) the nominal amount of the relevant Loan Asset and (z) the applicable Valuation Percentage (if any);
- (ii) in the case of an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage (if any); and
- (iii) in the case of securities, the Base Currency Equivalent of the product of (x) the bid price of the relevant security as determined by the Valuation Agent (y) the nominal amount of such security and (z) the applicable Valuation Percentage,

in each case subject to the Dispute Resolution procedures above and provided always that the Value of any asset that the Valuation Agent determines does not satisfy the Eligibility Criteria shall be equal to zero. For the avoidance of doubt, the clean bid price of an asset shall be used by the Calculation Agent for the purpose of calculating the Value of such asset.

(x) ***Demands and Notices***

All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of the Agreement, save that any demand, specification or notice:

- (A) shall be given to or made at the following addresses:

**If to Credit Suisse International:**

Address: Credit Suisse International  
One Cabot Square  
London E14 4QJ

Attention: Structured Credit Solutions Group

Email: [list.tern-series-1-notices@credit-suisse.com](mailto:list.tern-series-1-notices@credit-suisse.com)

Telephone: +44 20 7888 5996 (Federico Foca)  
+44 20 7888 0314 (Laurent Montete)  
+44 20 7888 3449 (Arun Cronin)  
+852 2101 7209 (Glen Bowler)  
+44 20 7888 3419 (Omar Waly)

**If to Party B:**

Address: Mediobanca International (Luxembourg) S.A.  
4, boulevard Joseph II  
L-1840 Luxembourg  
Grand Duchy of Luxembourg

Attention: Middle Office Depti  
Fax: + 352 26 73 03 05  
Email: [mlbux.middleoffice@mediobancain.lu](mailto:mlbux.middleoffice@mediobancain.lu)

With a copy to:

Address: Mediobanca – Banca di Credito Finanziario S.p.A.  
Piazzetta Cuccia, 1  
20121 Milano  
Italia

Attention: Dario Aggio  
Facsimile No: +39 02 8829 454  
Email: [Non-Italian.Settlement.Operations@mediobanca.it](mailto:Non-Italian.Settlement.Operations@mediobanca.it)  
[Collateral@mediobanca.it](mailto:Collateral@mediobanca.it)

**If to Party A:**

Address: Triple Enhanced Rated Notes (TERN) Limited  
5 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

Attention: The Directors  
Tel: +353 680 6050  
Fax: +353 680 6000

or at such other address as the relevant party may from time to time designate by giving notice (in accordance with the terms of this subparagraph) to the other party; and

- (B) shall be deemed to be effective at the time such notice is actually received unless such notice is received on a day which is not a Local Business Day or after the Notification Time on any Local Business Day in which event such notice shall be deemed to be effective on the next succeeding Local Business Day.

(xi) ***Eligible Account***

- (A) If at any time any Eligible Credit Support comprised in the Credit Support Balance consists of cash (regardless of the currency of such cash), Party A shall, promptly



upon receiving such Eligible Credit Support and at all times until such Eligible Credit Support is returned to Party B, maintain such Eligible Credit Support in an Eligible Account, provided that any costs or expenses incurred by Party A in maintaining such Eligible Credit Support in an Eligible Account (including opening such account, if applicable) shall be for the account of Party B.

(B) For the purposes of paragraph (A) above,

**Eligible Account** means an account, specified by Party A in the name of Party A, with an Eligible Bank.

**Eligible Bank** means an internationally recognised bank whose long-term debt rating is at least "BBB" by S&P, "BBB" by Fitch or "Baa2" by Moody's and in respect of which consent from Party B has been obtained (such consent by Party B not to be unreasonably withheld). Party B has provided its consent, as at the date of the Agreement, in respect of The Bank of New York Mellon and its Affiliates acting as the Eligible Bank.

As of the date of this Agreement the Eligible Account in respect of Eligible Credit Support in the form of securities shall be the Collateral Account and the Eligible Account in respect of Eligible Credit Support in the form of cash will be the Cash Account.

"**Cash Account**" means, on the Issue Date, the segregated cash accounts with segregated sub-accounts denominated in EUR, GBP and USD, opened with the Custodian in the name of Party A and thereafter, as may be updated from time to time.

"**Collateral Account**" means, on the Issue Date, the segregated securities accounts with segregated sub-accounts for deposits, for securities denominated in EUR, GBP and USD, opened with the Custodian in the name of Party A and thereafter, as may be updated from time to time.

"**Distributions**" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance, all principal, interest and other payments and distributions of cash or other property to which a holder of such Eligible Credit Support in the same jurisdiction as Party A and with the same tax status would be entitled from time to time, net of any applicable withholding taxes imposed (howsoever described).

(xii) ***Delivery of Equivalent Credit Support with a Value of Zero***

If the Valuation Agent determines that any Eligible Credit Support or Equivalent Credit Support has a value of zero, Party B may instruct Party A to deliver Equivalent Credit Support to Party B and provided that no Delivery Amount exists at the time of such request or would exist immediately following such delivery of Equivalent Credit Support Party A shall as soon as reasonably practicable transfer such Equivalent Credit Support to Party B.

(xiii) ***Delivery of Eligible Credit Support on the Effective Date***

Each of the parties agree that, notwithstanding anything to the contrary herein, a Delivery Amount Notice shall be delivered by Party B on the date of this Annex and shall be deemed to be effective on the Effective Date and that Party B shall transfer the Eligible Credit Support specified in such Delivery Amount Notice to Party A for value on the Effective

Date. For the purposes of the Transaction constituted by this Annex and the Transaction under the Confirmation dated the date of this Annex, Section 2(c)(ii) shall not apply.

**EXHIBIT A**

**VALUATION PERCENTAGES**

<b>Eligible Credit Support</b>	<b>Rating (including Internal Rating in respect of Loan Assets (if applicable))</b>	<b>Unadjusted Valuation Percentage</b>
Cash in EUR	N/A	100%
Cash in USD	N/A	97%
Government Securities	AAA/Aaa	96%
	AA+/Aa1 to AA-/Aa3	94%
	A+/A1 to A-/A3	90%
	Below A-/A3	89%
Corporate Bonds	AAA/Aaa	97%
	AA+/Aa1 to AA-/Aa3	95%
	A+/A1 to A-/A3	89%
	BBB+/Baa1 to BBB-/Baa3	87%
	BB+/Ba1 to BB-/Ba3	81%
	B+/B1 to B-/B3	76%
Loan Assets	A+/A1 or better	86%
	BBB+/Baa1 to BBB-/Baa3	81%
	BB+/Ba1 to BB-/Ba3	76%
	B+/B1 to B-/B3	76%
	Internal Rating only if Basel IRB Model used to assign such rating has not been approved by the Bank of Italy	71%

The Valuation Percentage shall be a percentage equal to the Unadjusted Valuation Percentage specified in the table above opposite the relevant Eligible Credit Support reduced, if applicable, as follows:

- (a) by 3%, in respect of any Government Securities, Corporate Bonds or Loan Assets that are denominated in any currency other than EUR;
- (b) by 5%, in respect of any Government Securities, Corporate Bonds or Loan Assets that are issued or guaranteed by, or in respect of which the ultimate credit exposure (as determined by the Valuation Agent) is to, a "financial" obligor (as defined on Bloomberg (or any successor service) and, for the avoidance of doubt for these purposes, insurers, banks and other entities with their principal business in the financial sector as determined by the Valuation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) or one of its Affiliates; and
- (c) by 10% in respect of any Government Securities, Corporate Bonds or Loan Assets that are issued or guaranteed by, or in respect of which the ultimate credit exposure (as determined by the Valuation Agent) is to, a Spanish entity.

Where an Internal Rating is used for the purpose of determining the Valuation Percentage, the Valuation Percentage shall be equal to the lesser of (a) the Valuation Percentage determined using such Internal Rating in accordance with the table above (as adjusted pursuant to the above provisions) and (b) 80 per cent.

The lowest of the S&P, Moody's and/or Fitch ratings should be used for the purpose of determining the Valuation Percentage.

## EXHIBIT B

### ELIGIBILITY CRITERIA AND CONCENTRATION LIMITATIONS

#### PART 1

#### ELIGIBILITY CRITERIA

An asset shall constitute Eligible Credit Support if it complies with the following criteria on each day during the term of the Swap Agreement as determined by the Calculation Agent:

- (A) it is cash in EUR or the lawful currency of the United States of America; or
- (B)
  - (1) it is denominated in EUR or the lawful currency of the United States of America or the United Kingdom;
  - (2) it represents a claim against a primary obligor and any applicable secondary obligors of material significance to the credit quality of the asset, which is a sovereign state of, or incorporated or established in, any Eligible Country, provided that securities or loans which represent a claim upon an obligor which is a "financial" obligor (as such term is defined on Bloomberg (or any successor service) and, for the avoidance of doubt, for these purposes insurers, banks and other entities with their principal business in the financial sector as determined by the Calculation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) as determined by the Valuation Agent which is incorporated or established in Hungary shall not constitute Eligible Credit Support;
  - (3) it is within one of the following asset classes (each, an **Eligible Asset Class**):
    - (i) a security issued by a sovereign state or government entity (a **Government Security**);
    - (ii) a vanilla, non-structured debt security issued or guaranteed by a commercial corporation or entity (a **Corporate Bond**); or
    - (iii) a loan or credit facility (or in each case a specified drawn portion thereof) where the borrower or guarantor is a commercial corporation or entity but where the lenders may either be a single lender or a syndicate (**Loan Asset**) acquired by Party A pursuant to an Assignment effected in accordance with the terms of such Loan Asset;
  - (4)
    - (i) in respect of a Government Security or a Corporate Bond, such asset or its issuer or guarantor shall have a long-term public rating (a **Public Rating**) available to the Calculation Agent of at least "B-" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**), and/or at least "B3" by Moody's Investors Service Limited (**Moody's**), and/or at least "B-" by Fitch Ratings Limited (**Fitch**) and/or at least the equivalent of a "B-"/"B3" rating from any reputable rating agency agreed in writing between Party A and the Calculation Agent from time to time (such agency, an **Approved Rating Agency**) (such rating requirement, the **External Rating Condition**), and (ii) in respect of a Loan Asset, such Loan Asset shall either satisfy the External Rating Condition or shall have an internal rating assigned to it by Party B or the Swap Guarantor based on the latest Basel IRB model reviewed or approved by the Bank of Italy of at least "B-"/"B3" in each case, as notified to Party A and the Note Guarantor, (such rating an **Internal Rating**);

- (5) it shall not be a bond, note, other debt security, loan or credit facility where Mediobanca – Banca di Credito Finanziario S.p.A., Credit Suisse AG or one of their respective affiliates is an obligor or guarantor;
- (6) it is not a structured finance asset, a convertible asset or an asset which is primarily serviced by the cash flows of a discrete pool of receivables or other financial assets (including, without limitation, so-called "asset-backed securities", "asset-backed commercial paper", "mortgage-backed securities", "collateralised mortgage obligations" securities, "collateralised loan obligations" securities or "collateralised debt obligations" securities. For the avoidance of doubt, covered bonds shall not fall within this exclusion);
- (7) it is a senior first lien obligation of the relevant issuer or borrower;
- (8) it has a scheduled maturity which is not greater than 7 years from the date of its inclusion in the portfolio of Eligible Credit Support;
- (9) it is not a Defaulted Obligation;
- (10) in respect of a Corporate Bond or Government Security, it shall comprise part of an issuance with an aggregate outstanding issue size (as of the date of its inclusion in the Portfolio) which is equal to or greater than USD 300,000,000 (or the USD equivalent as determined by the Calculation Agent by reference to the prevailing spot rate of exchange as at the time at which such asset is first included in the Credit Support Balance);
- (11) in respect of a Corporate Bond or a Government Security, it shall (i) not be a private placement as determined by the Calculation Agent, which shall include without limitation, securities which were initially sold to a single or limited number of investors or in respect of which there is no or limited trading in the secondary market, and (ii) be settled through Euroclear, Clearstream, DTC or any other clearing system pursuant to which the Custodian can hold assets on behalf of Party A;
- (12) on the date of its transfer to Party A, there shall be an independent reliable pricing source (an "**Acceptable Pricing Source**") in respect of such Loan Asset as determined by the Calculation Agent (including, without limitation, a liquid credit default swap curve or liquid asset swap curve of the relevant obligor as determined by the Valuation Agent), provided always that Markit (or any successor service) shall be deemed to be an Acceptable Pricing Source in respect of a Loan Asset in the event that on any day (i) a price for such Loan Asset is available on Markit, (ii) there are 3 or more contributors for the purposes of determining such price, and (iii) the Calculation Agent determines that at least one of such contributors has updated their price in the immediately preceding 10 Business Days;
- (13) on the date of its transfer to Party A, it shall have a minimum bid price determined by the Valuation Agent in accordance with the definition of "Value" above of 70 per cent;
- (14) in the case of each Loan Asset, (i) it has been transferred to Party A by way of Assignment in accordance with its terms and the underlying obligor(s) have been notified of such transfer where required pursuant to its terms, (ii) it is capable of being transferred by way of Assignment by Party B without any breach of applicable selling restrictions or any legal or regulatory requirement applicable to Party A or Party B and neither Party A nor Party B requires any authorisation, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with such Assignment or, in the case of Party A, to hold such Loan Asset, under any applicable law and such transfer would be effective as against Party A, the transferee and the underlying obligor(s), and (iii) it has been transferred in compliance with Paragraph 11(h)(vi) (*Undertakings regarding due diligence*);

- (15) the sale and transfer of such asset to Party A would not violate any law or agreement by which the applicable transferor is bound (other than such restrictions as will not have an adverse effect on the enforceability or collectability of the asset or on Party A's rights to the proceeds of such asset);
- (16) it is not an obligation pursuant to which future advances may be required to be made by Party A; and
- (17) no withholding or deduction including any withholding or deduction as a result of FATCA will be required by the issuer or borrower (as applicable) in making any payment on such obligation to Party A or the Note Guarantor.

In respect of a security or loan which is rated by more than one of Moody's, Fitch, S&P and/or an Approved Rating Agency, the lowest rating shall be used for the purposes of assessing compliance with sub-paragraph (B)(4) above.

**"Assignment"** means an interest in a Loan Asset acquired directly by way of novation or assignment pursuant to and in accordance with the transfer provisions in such Loan Asset resulting in Party A becoming lender of record in respect thereof (excluding, for the avoidance of doubt, an equitable assignment or similar methods of transfer which do not involve a fully perfected legal transfer).

**"Defaulted Obligation"** means an asset in respect of which:

- (a) there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto, which entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, until such default has been cured or waived; or
- (b) any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the obligor in respect of such asset and such proceeding has not been stayed and dismissed; or
- (c) the Calculation Agent knows (based upon publicly available information) that the obligor in respect thereof is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable obligor is disputing in good faith (and such default has not been cured), but only if the other obligation is senior to, or *pari passu* with, the asset in right of payment.

**"Eligible Country"** means each of Austria, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, the United States of America and the United Kingdom.

## PART 2

### CONCENTRATION LIMITS

The portfolio of Eligible Credit Support (other than Eligible Credit Support in the form of cash) shall comply with the following Concentration Limits on each day during the term of the Swap Agreement as determined by the Calculation Agent:

- (1) the aggregate Value of all assets which are issued by a single obligor shall not exceed 10 per cent. of the Principal Amount of the Notes then outstanding, save in respect of the Single Obligor Waived Assets in respect of which the applicable percentage shall be 15 per cent.;
- (2) the aggregate Value of all assets comprising Eligible Credit Support in each case that represent a claim upon an obligor which is either a sovereign state or incorporated or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, the same country shall not, in each case, exceed 30 per cent. of the Principal Amount of the Notes then outstanding, except for (i) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, the United States of America, in respect of which this percentage shall be 100 per cent., (ii) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, any of Germany, France or the United Kingdom, in respect of which this percentage shall be 60 per cent., (iii) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, Italy or Spain, in respect of which this percentage shall be 25 per cent. and an aggregate cap of 30 per cent. shall apply in respect of Spain and Italy, and (iv) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, Czech Republic, Hungary, Poland or Russia, in respect of which this percentage shall be 10 per cent. and an aggregate cap of 25 per cent. shall apply in respect of Czech Republic, Hungary, Poland and Russia;
- (3) the aggregate Value of all assets comprising Eligible Credit Support in each case that represent a claim upon an obligor which is in the same Bloomberg Industry Group (or where no Bloomberg Industry Group is specified in respect of such Eligible Credit Support, the equivalent industry group so specified under the available market data source) in each case as determined by the Valuation Agent shall not, in each case, exceed 40 per cent. of the Principal Amount of the Notes, provided that the aggregate Value of all assets comprising Eligible Credit Support that represent a claim upon an obligor which is a "financial" obligor (as such term is defined on Bloomberg (or any successor service) and, for the avoidance of doubt, for these purposes insurers, banks and other entities with their principal business in the financial sector as determined by the Calculation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) as determined by the Valuation Agent shall not exceed 20 per cent. of the Principal Amount of the Notes;
- (4) in respect of Corporate Bonds and Government Securities only, the outstanding principal amount of any bonds comprising Eligible Credit Support which are part of the same issuance shall not be greater than 5 per cent. of the total issue size; and
- (5) the aggregate nominal amount of items of Eligible Credit Support comprising Loan Assets shall not exceed EUR 727,400,000.

**"Single Obligor Waived Assets"** means any three assets comprising Eligible Credit Support as selected by Party B from time to time, provided always that any change to the Single Obligor Waived Assets shall not be effective until it has been notified in writing to the Calculation Agent.

## **EXHIBIT C**

### **DUE DILIGENCE**

- (1) Party B (acting on behalf of Party A) shall procure that due diligence is carried out in relation to each item of Eligible Credit Support which is a Loan Asset (including, without limitation, as to the transferability thereof). Party B shall provide or procure the provision of due diligence reports and legal opinions as specified in the section entitled "Undertakings regarding Due Diligence" above to Credit Suisse International.
- (2) Party B undertakes that it shall ensure that each Eligible Credit Support which is a Loan Asset is transferred (together with any security interests over collateral on which such Loan Asset is secured) to Party A by way of novation or assignment, or local law equivalents pursuant to the method(s) set out in or permitted by the underlying transaction documents which establishes such Loan Asset or otherwise as permitted in writing by the parties that are authorised to waive or amend the relevant provisions in the underlying transaction documents.
- (3) Party B shall ensure that for each item of Eligible Credit Support which is a Loan Asset (together with any security interests over collateral on which such Eligible Credit Support is secured) to be transferred to Party A, the governing law of such Eligible Credit Support and any such related collateral allows for the transfer to be effected pursuant to the method adopted by Party B.
- (4) Prior to any acquisition of an item of Eligible Credit Support in the form of a Loan Asset, Party B shall carry out due diligence in good faith and (to the extent that it deems necessary) procure that due diligence is carried out in good faith by its legal advisers, in respect of such matters relating to the Eligible Credit Support as Party B considers appropriate, including without limitation:
  - (i) to determine compliance with the Eligibility Criteria and the Concentration Limits (which, for the avoidance of doubt shall apply to both Loan Assets and securities);
  - (ii) to determine compliance with applicable laws and regulations (including laws and regulations related to banking related activities) in the jurisdiction of incorporation or principal place of business of any obligor under an item of Eligible Credit Support in connection with the acquisition, holding and/or performance of obligations by Party A under such Eligible Credit Support;
  - (iii) to determine that no withholding or deduction will apply to any payments made by the issuer or borrower (as applicable) to Party A when Party A holds such Eligible Credit Support or to the Note Guarantor if it held such Eligible Credit Support; and
  - (iv) to determine compliance with any confidentiality undertakings applicable to such Eligible Credit Support.
- (5) In respect of the transfer of any item of Eligible Credit Support which is a Loan Asset, Party B represents that it has carried out such analysis of the legal structure of and documentation for each item of Eligible Credit Support as is reasonable including, the validity, enforceability, extent and efficacy of any security therefore in all relevant jurisdictions in the context of the Eligible Credit Support as a whole and that the relevant item of Eligible Credit Support was originated or acquired (as applicable) by Party B in accordance with its usual origination and credit policies.
- (6) In respect of the transfer of any item of Eligible Credit Support that is a Loan Asset, Party B represents that (i) such Eligible Credit Support is assignable in accordance with its terms, (ii) such Eligible Credit Support has been transferred in a legally valid and enforceable manner pursuant to



the method(s) set out in or permitted by the underlying transaction documents which establish such Loan Asset, (iii) such transfer is valid and effective under the governing law of the loan agreement, (iv) the transfer is in compliance with and effective under all applicable laws of the jurisdiction of incorporation or principal place of business of each obligor and (v) the transfer of the beneficial interest in any security related to the Loan Asset is valid and effective under the governing law and jurisdiction of situs of such security.

- (7) Party B shall ensure that the benefit of the security in relation to each item of Eligible Credit Support will be transferred to Party A along with title to such Eligible Credit Support in a legally valid and enforceable manner under the laws applicable to the relevant obligors in respect of such Eligible Credit Support and any related security.

## SCHEDULE 1

### FORM OF CONCENTRATION LIMIT BREACH NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (as **Valuation Agent**)

To: MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (**Party B**)

Party B and Triple Enhanced Rated Notes (TERN) Limited (**Party A**) have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 1. Concentration Limit Breach

We hereby give notice, pursuant to Paragraph 11(b)(ii)(A) (*Concentration Limits*) of the Credit Support Annex, of a breach of the following Concentration Limits: [●].

#### 2. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 3. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International.

**CREDIT SUISSE INTERNATIONAL**

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

## SCHEDULE 2

### FORM OF PROPOSED SUBSTITUTIONS NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL

To: MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (**Party B**), THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administrating Agent**), MEDIOBANCA – BANCA DI CREDITO FINANZARIO S.P.A. (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 1. Proposed Substitutions

We hereby propose, pursuant to Paragraph 11(b)(ii)(A) (*Concentration Limits*) of the Credit Support Annex, the following substitutions of Eligible Credit Support (or a proportion thereof): *[insert details]*

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

#### 2. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 3. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International.

**CREDIT SUISSE INTERNATIONAL**

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:

Seller / Transferor: [name of entity selling / transferring the loan]

Buyer / Transferee: [name of company buying / taking delivery of the loan]

Credit: [description of loan]

Borrower: [name of borrower]

Traded portion : [amount of loan purchased or sold]

Tranche breakdown: [amount per tranche if applicable]

Legal transfer only: [yes / no]

Agent Notification:

Transfer Costs: Payable by Mediobanca International (Luxembourg) S.A.

## SCHEDULE 3

### FORM OF DELIVERY AMOUNT NOTICE

Date: [●]

From: MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (**Party B**)

To: CREDIT SUISSE INTERNATIONAL, THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administration Agent**), MEDIOBANCA – BANCA DI CREDITO FINANZARIO S.P.A. (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 1. Delivery Amount

We hereby propose, pursuant to Paragraph 11(b)(ii)(B) (*Delivery Amount*) of the Credit Support Annex, that the following items of Eligible Credit Support are transferred pursuant to paragraph 2(a) (*Delivery Amount*) of the Credit Support Annex: [●].

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

#### 2. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 3. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Mediobanca International (Luxembourg) S.A.

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.** (*société anonyme*)  
Registered Office: 4, boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:



**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:

Seller / Transferor: [name of entity selling / transferring the loan]

Buyer / Transferee: [name of company buying / taking delivery of the loan]

Credit: [description of loan]

Borrower: [name of borrower]

Traded portion : [amount of loan purchased or sold]

Tranche breakdown: [amount per tranche if applicable]

Legal transfer only: [yes / no]

Agent Notification:

Transfer Costs: Payable by Mediobanca International (Luxembourg) S.A.

## SCHEDULE 4

### FORM OF RETURN AMOUNT NOTICE

Date: [●]

From: MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (**Party B**)

To: CREDIT SUISSE INTERNATIONAL, THE BANK OF NEW YORK MELLON (as **Custodian and Loan Administration Agent**), MEDIOBANCA – BANCA DI CREDITO FINANZARIO S.P.A. (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED. (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 1. Return Amount

We hereby give notice, pursuant to Paragraph 11(b)(ii)(C) (*Return Amount*) of the Credit Support Annex, of the following Equivalent Credit Support to be transferred, on [*insert date*], pursuant to Paragraph 2(b) (*Return Amount*) of the of the Credit Support Annex: [●].

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

We confirm that following this transfer, the Credit Support Balance will satisfy the Concentration Limits.

#### 2. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 3. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Mediobanca International (Luxembourg) S.A.

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.** (*société anonyme*)  
Registered Office: 4, boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

## ANNEX

### PORTFOLIO ADJUSTMENT NOTICE

*In the following form (or substantially similar form):*

Date:

Seller / Transferor: [name of entity selling / transferring the loan]

Buyer / Transferee: [name of company buying / taking delivery of the loan]

Credit: [description of loan]

Borrower: [name of borrower]

Purchase price (if applicable): [expressed as a percentage of par value plus any additional fees]

Tranche breakdown: [amount per tranche if applicable]

Legal transfer only: [yes / no]

Agent Notification:

Transfer Costs: Payable by Mediobanca International (Luxembourg) S.A.

## SCHEDULE 5

### FORM OF SUBSTITUTION NOTICE

Date: [●]

From: MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A. (**Party B**)

To: CREDIT SUISSE INTERNATIONAL, TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**), MEDIOBANCA – BANCA DI CREDITO FINANZARIO S.P.A. (as **Loan Servicer**) and THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administration Agent**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Credit Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 1. Substitution

We hereby give notice, pursuant to paragraph 3(d) (*Substitution Procedure*) of the Credit Support Annex, of the following proposed substitution of Eligible Credit Support:

- (a) The Original Eligible Credit Support was [●];
- (b) The New Eligible Credit Support will be [●]; and
- (c) The proposed settlement date for such substitution is [●], subject to agreement with the relevant facility agent (if applicable).

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

We confirm that the New Eligible Credit Support satisfies the Eligibility Criteria and that upon such substitution taking effect (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then current satisfaction of the Eligibility Criteria as of the date of the Substitution Notice), the Credit Support Balance will satisfy the Concentration Limits.

#### 2. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 3. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Mediobanca International (Luxembourg) S.A.

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.** (*société anonyme*)

Registered Office: 4 boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:

Seller / Transferor: [name of entity selling / transferring the loan]

Buyer / Transferee: [name of company buying / taking delivery of the loan]

Credit: [description of loan]

Borrower: [name of borrower]

Purchase price (if applicable): [expressed as a percentage of par value plus any additional fees]

Tranche breakdown: [amount per tranche if applicable]

Legal transfer only: [yes / no]

Agent Notification:

Transfer Costs: Payable by Mediobanca International (Luxembourg) S.A.

**IN WITNESS WHEREOF** the parties have executed and delivered this Annex by their duly authorised officers as of the date hereof.

**MEDIOBANCA INTERNATIONAL  
(LUXEMBOURG) S.A.**

**TRIPLE ENHANCED RATED NOTES (TERN)  
LIMITED**

Party B

Party A

By: .....

Name:

Title:

Date:

By: .....

Name:

Title:

Date:



## ANNEX IV: FORM OF CONFIRMATION

DATE: 20 December 2012

TO: Triple Enhanced Rated Notes (TERN) Limited

FROM: Mediobanca International (Luxembourg) S.A.

**RE: TRANSACTION**

The purpose of this letter agreement (the "**Confirmation**") is to confirm the terms and conditions of the swap transaction entered into on the Trade Date specified below (the "**Transaction**") between Triple Enhanced Rated Notes (TERN) Limited ("**Party A**") and Mediobanca International (Luxembourg) S.A. ("**Party B**").

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

This Confirmation constitutes a "Confirmation" as referred to in, and supplements, forms part of and is subject to, the 2002 ISDA Master Agreement, dated as of 20 December 2012 (together with the Schedule and the Credit Support Annex thereto), as amended and supplemented from time to time (the "**Agreement**"), between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below. The Transaction relates to the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the "**Notes**"). Terms used but not defined in the Agreement shall have the meaning given in the Notes.

### 1. GENERAL TERMS.

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

Trade Date:	18 December 2012
Effective Date:	The Issue Date.
Termination Date:	The earlier to occur of (a) the Maturity Date and (b) the Mandatory Early Redemption Date.
Business Days:	London and TARGET Settlement Day.
Business Day Convention:	Modified Following.
Calculation Agent:	Credit Suisse International.

### A. INITIAL EXCHANGE

Initial Exchange Amount:	EUR 300,000,000
Initial Exchange Amount Payer:	Party A.
Initial Exchange Date:	The Effective Date.

## **B. INITIAL DELIVERY**

Initial Delivery On the Initial Delivery Date, Party B will deliver to Party A, EUR 300,000,000 of the Senior Unsecured Floating Rate Notes due 27 July 2018 with ISIN: XS0857596398 issued by Mediobanca - Banca di Credito Finanziario S.p.A (the **Mediobanca MTN**).

Initial Delivery Date The Effective Date

Party A and Party B agree in respect of the transfer of the Mediobanca MTN, that all right, title and interest in and to the Mediobanca MTN which it transfers to the other party shall vest in the recipient free and clear of any liens, claims, charges or encumbrances or any other interest of the transferring party or of any third person (other than a lien routinely imposed on all securities in a relevant clearing system).

## **C. FLOATING AMOUNTS**

Floating Rate Payer: Party B.

Floating Rate Payer Payment Dates: Each Interest Payment Date.

Floating Rate Payer Calculation Amount: EUR 300,000,000

Floating Rate Option: EUR-EURIBOR-Reuters.

Designated Maturity: 3 months provided that Linear Interpolation shall apply to the final (short) Calculation Period.

Spread: Plus 1.85 per cent. per annum.

Reset Dates: The first day of each Floating Rate Payer Calculation Period.

## **D. FINAL EXCHANGE**

Final Exchange Date: The Termination Date.

Final Exchange Amount Payer: Party B.

Final Exchange Amount: EUR300,000,000.

## **F. FINAL DELIVERY**

Final Delivery: On the Final Exchange Date Party A will (a) if the Mediobanca MTN is outstanding on such date, deliver to Party B the Mediobanca MTN or (b) if the Mediobanca MTN has redeemed on such date, pay the net proceeds of such redemption to Party B. For the avoidance of doubt, if the Mediobanca MTN has

redeemed on the Final Exchange Date, Section 2(c) (*Netting*) will apply in respect of the payment obligation of Party B pursuant to Final Exchange Amount and Party A pursuant to Final Delivery.

## **2. PAYMENTS AND DELIVERIES FOLLOWING DESIGNATION OF AN EARLY TERMINATION DATE**

- (a) If Party B has, by notice to Party A, the Trustee and the Note Guarantor within one Business Day of the earlier of the designation or occurrence of an Early Termination Date elected to receive Charged Assets in lieu of payment and after determination of the Value of the Credit Support Balance, an amount is payable by Party A to Party B under Section 6(e) of the Agreement then, notwithstanding the provisions of Section 6 of the Agreement, Equivalent Credit Support in the form of securities and/or cash with an aggregate Value (as determined by the Calculation Agent) equal to such amount will be transferred to Party B by Party A in satisfaction of the termination payment (such transfer to be instructed by Party A by the time at which such payment would otherwise have been made).

The composition of such Equivalent Credit Support will be as selected by the Calculation Agent in its sole discretion.

- (b) Notwithstanding the provisions of Section 6 of the Agreement, upon the occurrence or effective designation of an Early Termination Date or a deemed Early Termination Date pursuant to a Voluntary Early Termination:
- (i) Party A will first deliver the Mediobanca MTN to Party B; and
  - (ii) Party A and Party B agree that none of (1) sub-paragraph 2(b)(i) above or 2(c) below, (2) the Final Delivery provisions or (3) paragraph 7 (*Additional Terms*) below shall be taken in account for the purposes of any calculations pursuant to Section 6(e) of the Agreement.
- (c) If, following an election by Party B pursuant to sub-paragraph (a) or (b) above, Party A attempts to deliver to Party B any Equivalent Credit Support or the Mediobanca MTN and such delivery is impossible, illegal, impracticable or refused by Party B or any insolvency official or agent of Party B, Party A shall satisfy its obligations pursuant to sub-paragraph (a) or (b) above (as applicable) by procuring that the relevant Equivalent Credit Support or Mediobanca MTN to be delivered to Party B is sold or liquidated and by paying the net proceeds of such sale or liquidation to Party B (following the deduction of all costs, fees, expenses and taxes (if any) relating to such sale or liquidation).

## **3. TAXES**

If any withholding or deduction for or on account of Tax is required to be made in respect of the Floating Amounts, Party B will pay such additional amounts as may be necessary in order that the net amounts received by Party A after such withholding or deduction shall equal the respective amounts which would have been received in respect of such payments in the absence of such withholding or deduction. For the avoidance of doubt, Section 6(b)(ii) shall apply in respect of such gross-up.

In the event that Party B is obliged to pay such additional amounts in accordance with the paragraph immediately above as a result of an event which would constitute a Termination Event under Sections 5(b)(iii) or 5(b)(iv) of the Agreement, Party B may, subject to the prior written consent of Credit Suisse International, transfer all of its rights and obligations under the Agreement to another of its Offices or Affiliates.

#### 4. ACCOUNT DETAILS AND SETTLEMENT INFORMATION.

##### **PARTY A PAYMENT DETAILS:**

Correspondent Bank: Deutsche Bank, Frankfurt  
Correspondent BIC: DEUTDEFF  
Beneficiary Bank: The Bank of New York Mellon  
BIC Code: IRVTBEBB  
Account No: 922 1292 00  
Ref: Corporate Trust, ISIN: XS0859780982  
Triple Enhanced Rated Notes (TERN) Limited  
Series 1

##### **PARTY B PAYMENT DETAILS:**

Beneficiary Bank: Mediobanca International (Luxembourg) S.A.  
BIC Code: MEOILUL1XXX  
Account with: Clearstream Banking Luxembourg (CEDELULLXXX)  
Account No: 57347

Any change to the account details of either party shall be notified by, or on behalf of, such party to S&P.

#### 5. COUNTERPARTS.

This Confirmation may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

#### 6. OFFICE.

Party A is acting through its Head Office. Party B is acting through its Head Office.

#### 7. ADDITIONAL TERMS

- (a) Party A will transfer to Party B not later than the Business Day following each Distributions Date any Distributions Party A receives on such Distributions Date.

“**Distributions**” means, with respect to the Mediobanca MTN, all principal (other than the scheduled repayment of principal), interest and other payments and distributions of cash or other property with respect to the Mediobanca MTN.

“**Distributions Date**” means, with respect to the Mediobanca MTN, each date on which Party A is entitled to receive Distributions.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to us.

Very truly yours,

**MEDIOBANCA INTERNATIONAL (LUXEMBOURG) S.A.** (*société anonyme*)

Registered Office: 4, boulevard Joseph II, L-1840 Luxembourg, Grand Duchy of Luxembourg.

By: \_\_\_\_\_  
Name:  
Title:

Triple Enhanced Rated Notes (TERN) Limited acting through its duly authorised signatory, hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

**TRIPLE ENHANCED RATED NOTES (TERN) LIMITED**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

## ANNEX V: FORM OF SWAP GUARANTEE

**THIS GUARANTEE** is made as a deed on 20 December 2012 by Mediobanca - Banca di Credito Finanziario S.p.A. (the **Guarantor**) in favour of Triple Enhanced Rated Notes (TERN) Limited (the **Swap Beneficiary**).

### 1. INTERPRETATION

- (a) In this Guarantee the following terms and expressions shall have the following meanings:

**Agreement** means the 2002 ISDA Master Agreement and Schedule thereto, each dated as of 20 December 2012 between the Obligor and the Swap Beneficiary, as supplemented and amended from time to time and including the Credit Support Annex and all Transactions entered into thereunder.

**Obligor** means Mediobanca International (Luxembourg) S.A.

**Taxes** means all present or futures taxes, duties, assessments or governmental charges of whatever nature.

**Proceedings** means any suit, action or proceedings.

- (b) Unless the context otherwise requires, words and expressions defined in the Agreement shall have the same meaning in this Guarantee.

### 2. GUARANTEE AND INDEMNITY

The Guarantor as primary obligor unconditionally and irrevocably:

- (a) guarantees to the Swap Beneficiary by way of continuing guarantee:
- (i) the due and punctual payment of all amounts payable by the Obligor in respect of the relevant Agreement as and when the same shall become due according to such Agreement; and
  - (ii) the due and punctual performance and observance by the Obligor of each of the other obligations contained within the relevant Agreement (including due and punctual delivery of all property as and when the same shall become deliverable according to such Agreement) (the **Relevant Obligations**) to be performed or observed by the Obligor;
- (b) agrees that, if and each time that the Obligor shall fail to make any payments and/or deliveries as and when the same become due or, as the case may be, deliverable under the relevant Agreement, or perform or observe any other Relevant Obligation as and when the same are due to be performed or observed, the Guarantor will on demand (without first requiring the Swap Beneficiary to take steps against the Obligor or any other person or to enforce any other rights):
- (i) pay to the Swap Beneficiary the amounts in the currency in which the amounts are payable by the Obligor; or
  - (ii) both (A) take any necessary actions (excluding actions referred to in sub-paragraph (B) below) to perform the Relevant Obligation and (B) if such Relevant Obligation cannot be performed by the Guarantor without an action being taken by the Obligor, use commercially reasonable efforts (including payment of any reasonable costs in

relation to the performance of such action) to procure that the Obligor takes such action; and

- (c) indemnifies the Swap Beneficiary immediately on demand against any loss or liability suffered by the Swap Beneficiary if any obligation guaranteed is or becomes unenforceable, invalid or illegal; the amount of the loss or liability under this indemnity will be equal to the amount the Swap Beneficiary would otherwise have been entitled to recover.

The certificate of the Swap Beneficiary of the amounts payable or the property deliverable by the Obligor in respect of the relevant Agreement shall, in the absence of manifest error, be conclusive.

### **3. CONTINUING OBLIGATIONS**

The obligations of the Guarantor under this Guarantee will extend to all the obligations of the Obligor under the Agreement.

### **4. NO SET-OFF**

It is a fundamental term of any debt comprising any amounts due to the Guarantor from the Issuer that the Guarantor shall not be entitled to exercise any right of set-off, lien, consolidation of accounts or other similar right arising by operation of law or otherwise against the Issuer, in respect of such debt.

### **5. STATUS OF THE GUARANTOR'S OBLIGATIONS**

The Guarantor's obligations under this Guarantee shall rank pari passu with all existing and future senior unsecured debt obligations of the Guarantor.

### **6. WITHHOLDING TAXES**

All payments by the Guarantor under this Guarantee will be made without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of the Taxes is required by law. In that event, the Guarantor will pay such additional amounts as may be necessary in order that the net amount received by the Swap Beneficiary after the withholding or deduction shall equal the amount which would have been receivable in respect of the relevant Agreement, in the absence of the withholding or deduction.

### **7. PRESERVATION OF RIGHTS**

The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation:

- (a) any time or indulgence granted to or composition with the Obligor or any other person;
- (b) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of the Obligor or any other person or any non-presentation or non-observance of any other requirement in respect of any agreement or any failure to realise the full value of any security;
- (c) any incapacity or lack of powers, authority or legal personality of or dissolution or change in the members or status of the Obligor or any other person;
- (d) any variation (however fundamental) or replacement of the Agreement, or any other relevant document so that references to such Agreement shall include each variation or replacement;

- (e) any postponement, discharge, reduction, voidness, avoidance, non-provability or other similar circumstance affecting any obligation of the Obligor under the Agreement, resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order so that each obligation shall, for the purposes of the Guarantor's obligations under this Guarantee, be construed as if there were no such circumstance; or
- (f) any unenforceability, invalidity, irregularity or illegality of any obligation of any person under the Agreement, or any other relevant document, so that the Guarantor's obligations under this Guarantee shall remain in full force and effect and its guarantee shall be construed accordingly, as if there were no unenforceability, illegality, invalidity or irregularity.

## 8. NON-DISCHARGE

Where any discharge (whether in respect of the obligations of the Obligor or any security for the obligations of the Obligor or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement. The Swap Beneficiary acting in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.

## 9. IMMEDIATE RECOURSE

The Guarantor waives any right it may have of first requiring the Swap Beneficiary (or any trustee or agent on behalf of the Swap Beneficiary) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor under this Guarantee.

## 10. REPRESENTATIONS AND WARRANTIES

The Guarantor represents and warrants (which representations and warranties are deemed to be repeated on each date on which a Transaction is entered into under the relevant Agreement) that:

- (i) **Status.** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing.
- (ii) **Powers.** It has the power to execute this Guarantee, to deliver this Guarantee and to perform its obligations under this Guarantee and has taken all necessary action to authorise such execution, delivery and performance.
- (iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets.
- (iv) **Consents.** All governmental and other consents that are required to have been obtained by it in connection with this Guarantee have been obtained and are in full force and effect and all conditions of any such consents have been complied with.
- (v) **Obligations Binding.** Its obligations under this Guarantee constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation or insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application).



- (vi) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to the Obligor or to it has occurred and is continuing (or would have occurred and been continuing in respect of it if it were a party to the Agreement) and no such event or circumstance would occur as a result of the Guarantor entering into or performing its obligations under this Guarantee.
- (vii) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any Proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Guarantee or its ability to perform its obligations under this Guarantee.
- (viii) **Non Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into this Guarantee and as to whether this Guarantee is appropriate or proper for it based upon its own judgement 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 this Guarantee.
- (ix) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of this Guarantee. It is also capable of assuming, and assumes, the financial and other risks of this Guarantee.
- (x) **Status of Parties.** The Swap Beneficiary is not acting as a fiduciary or an adviser for it in respect of this Guarantee.

## 11. NON-SUBROGATION

Until all obligations under the relevant Agreement have been irrevocably discharged in full, the Guarantor shall not, after a demand has been made or by virtue of any payment or performance by it under this Guarantee:

- (a) be subrogated to any rights, security or moneys held, received or receivable by the Swap Beneficiary (or any trustee or agent on behalf of the Swap Beneficiary) or be entitled to any right of contribution or indemnity in respect of any payment made or moneys received on account of the Guarantor's liability under this Guarantee;
- (b) claim, rank, prove or vote as a creditor of the Obligor or its estate in competition with the Swap Beneficiary (or any trustee or agent on behalf of the Swap Beneficiary); or
- (c) receive, claim or have the benefit of any payment, distribution or security from or on account of the Obligor, or exercise any right of set off as against the Obligor.

## 12. APPROPRIATIONS

Until all the obligations of the Obligor under the relevant Agreement have been irrevocably discharged in full, the Swap Beneficiary (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Swap Beneficiary (or any trustee or agent on behalf of the Swap Beneficiary) in respect of those obligations, or apply and enforce the same in such manner and order as it sees fit, and the Guarantor shall not be entitled to the benefit of the same; and

- (b) hold in a suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee, without liability to pay interest on those moneys.

### **13. TRANSFERS**

- (a) This Guarantee shall enure for the benefit of the Swap Beneficiary and any of its successors, assignees or transferees.
- (b) The Guarantor may not transfer (whether by way of security or otherwise) this Guarantee nor any interest or obligation in or under this Guarantee. Any purported transfer that is not in compliance with this clause shall be void.

### **14. GOVERNING LAW**

This Guarantee, and any non-contractual obligations arising out of or in relation to this Guarantee, will be governed by and construed in accordance with English law.

### **15. JURISDICTION**

- (a) The Guarantor irrevocably agrees for the exclusive benefit of the Swap Beneficiary that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including in respect of any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any Proceedings arising out of or in connection with this Guarantee (including in respect of any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.
- (b) The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and may be enforced in the courts of any other jurisdiction.
- (c) Nothing contained in this clause shall limit any right to take Proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.
- (d) The Guarantor appoints Mediobanca – Banca di Credito Finanziario S.p.A., London Branch to accept service of process on its behalf. If such person shall cease to have an office in London, the Guarantor shall appoint another person with an office in London to accept service. The Guarantor will procure that, so long as any obligations under the Guarantees remain outstanding, a person with an office in London shall be appointed to accept service.
- (e) Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

This Deed of Guarantee has been executed as a deed and delivered on the date stated at the beginning of this Deed of Guarantee.

**SIGNATORIES**

Executed as a deed under seal )  
by **Mediobanca – Banca di** )  
**Credito Finanziario S.p.A.** and )  
signed and delivered as a deed )  
on its behalf by )  
)

in the presence of: )

Witness

Signature: .....

Name: .....

Address: .....

.....

**ANNEX VI: FORM OF NOTE GUARANTEE**

**GUARANTEE AND UNDERTAKING AGREEMENT**

**DATED 20 DECEMBER 2012**

**between**

**TRIPLE ENHANCED RATED NOTES (TERN) LIMITED**  
**as Issuer**

**and**

**CREDIT SUISSE INTERNATIONAL**  
**as Guarantor**

**and**

**BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED**  
**as Trustee**

**relating to**

**Series 1**

**EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018**

**ALLEN & OVERY**

**Allen & Overy LLP**

0010446-0002593 ICM:16216891.16

## CONTENTS

Clause	Page
1. Interpretation .....	126
2. Guarantee and Indemnity .....	128
3. Payment Obligations .....	131
4. Guarantor Support Annex .....	132
5. Early Termination.....	132
6. Rights and Entitlements of the Guarantor .....	133
7. Tax Gross Up.....	133
8. Security.....	133
9. Limited Recourse .....	133
10. Status of the Guarantor's Obligations.....	134
11. Representations and Warranties .....	134
12. Miscellaneous.....	135
13. Right to Delegate Powers .....	136
14. Changes to the Parties .....	136
15. Responsibility for Documentation.....	136
16. Notices.....	136
17. Language .....	138
18. Severability.....	138
19. Counterparts .....	138
20. Governing Law.....	138
21. Enforcement .....	138
 <b>Schedule</b>	
1. Form of Notice to Pay .....	140
2. Guarantor Support Annex .....	141
3. Basis of entry into the Guarantor Support Annex .....	179
 Signatories.....	 181

**THIS AGREEMENT** is dated 20 December 2012 and is made **BETWEEN**:

- (1) **TRIPLE ENHANCED RATED NOTES (TERN) LIMITED** whose registered office is at 5 Harbourmaster Place, IFSC, Dublin 1, Ireland, as issuer (the **Issuer**);
- (2) **CREDIT SUISSE INTERNATIONAL** whose registered office is at One Cabot Square, London E14 4QJ as guarantor (the **Guarantor**); and
- (3) **BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED** whose registered office is at One Canada Square, London E14 5AL, as trustee (the **Trustee**).

## **BACKGROUND**

The Guarantor and the Issuer enter into this Agreement in connection with the Conditions (as defined below). In consideration for the payment of the Note Guarantee Fee Amounts by the Issuer to the Guarantor, the Guarantor will pay to the Issuer certain amounts set out herein and guarantee the Noteholder Guarantee Amounts payable by the Issuer on the Notes.

**IT IS AGREED** as follows:

### **1. INTERPRETATION**

#### **1.1 Definitions**

In this Agreement the following capitalised words shall have the meaning ascribed thereto unless the context otherwise requires:

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

**Guarantee** means the guarantee and indemnity provided by the Guarantor pursuant to Clause 2 (*Guarantee and Indemnity*).

**Guarantee Document** means this Agreement, any notice delivered in connection with this Agreement or any other document designated as such by the Guarantor, the Issuer and the Trustee.

**Guarantee Period** means the period beginning on the date of this Agreement and ending on the date on which the Notes have been redeemed in full.

**Medio Payment Conditions** means the occurrence of each of the following:

- (a) a Swap Counterparty Default has occurred;
- (b) an Early Termination Date has been designated and an Early Termination Amount is due and payable by the Issuer to the Swap Counterparty pursuant to the Charged Agreement and such payment will not be satisfied by delivery of Charged Assets pursuant to paragraph 2(a) of the Confirmation or by payment of the proceeds of Charged Assets pursuant to paragraph 2(c) of the Confirmation; and
- (c) no Mandatory Early Redemption Event has occurred, or would with the giving of notice or the passing of time occur.

**Noteholder Guarantee Amount** means each amount of interest or principal due and payable under the Condition of the Notes by the Issuer.

**Notes** means the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 issued by the Issuer on or about 20 December 2012.

**Notice to Pay** means a notice delivered by the Trustee to the Guarantor substantially in the form of Schedule 1 (*Form of Notice to Pay*).

**Party** means a party to this Agreement.

**Qualifying Person** means a person which is beneficially entitled to amounts payable by the Issuer pursuant to Condition 4(d)(vi) of the Notes and:

- (a) in respect of Credit Suisse International only, which:
  - (i) is, by virtue of the laws of the United Kingdom, resident for tax purposes in the United Kingdom; and
  - (ii) is subject to United Kingdom corporation tax in respect of amounts received from the Issuer under this Agreement (being a tax which generally applies to profits, income or gains received in the United Kingdom from sources outside of the United Kingdom); and
  - (iii) in calculating its profits for United Kingdom tax purposes, is not entitled to any deduction or exemption the amount of which falls to be calculated by reference to the amounts received by it from the Issuer under this Agreement (other than a tax deduction for amounts actually paid by it by reference to amounts received from the Issuer),

and

- (a) in respect of any other person, a person which is, under the laws of a Qualifying Jurisdiction, subject to a tax in respect of amounts payable by the Issuer (without any reduction computed by reference to such amounts) which corresponds to Irish income or Irish corporation tax and which generally applies to profits, income or gains received in that Qualifying Jurisdiction by persons from sources outside that Qualifying Jurisdiction.

**Qualifying Jurisdiction** means:

- (a) a member state of the European Communities (other than Ireland);
- (b) a jurisdiction with which Ireland has entered into a Tax Treaty that has the force of law; or
- (c) a jurisdiction with which Ireland has entered into a Tax Treaty where that treaty will (on completion of necessary procedures) have the force of law.

**Tax Treaty** means a double taxation treaty into which Ireland has entered which contains an article dealing with interest or income from debt claims.

**Transaction Documents** has the meaning given to such term in the Conditions.

## 1.2 Construction

- (a) Capitalised terms defined in the Transaction Documents have, unless expressly defined in this Agreement, the same meaning in this Agreement. In the event of any inconsistency between the Transaction Documents and this Agreement, the Transaction Documents will prevail.

- (b) Words denoting the singular number only shall include the plural also and vice versa, words denoting one gender only shall include the other gender and words denoting individuals only shall include firms and corporations and vice versa.
- (c) References to:
  - (i) any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment;
  - (ii) anything contained within any Transaction Document or other agreement, deed or document relating to the Notes shall be deemed also to refer to such Transaction Document, agreement, deed or document as amended, supplemented, varied, replaced or novated (in whole or in part) from time to time in accordance with their respective terms and to agreements, deeds and documents executed pursuant thereto;
  - (iii) any schedule, appendix, annex or exhibit annexed to any Transaction Document or other agreement, deed or document forms part thereof and shall have the same force and effect as if set out in the body thereof. Any reference to the Agents, Arranger, Calculation Agent, Dealer, Principal Paying Agent, Selling Agent, Valuation Agent and Trustee shall include any successor thereto as permitted by the documents to which they are a party;
  - (iv) clauses, sub-clauses and schedules shall be construed as references to, respectively, the clauses of, the sub-clauses of and the schedules to, the document referred to; and
  - (v) A Condition in conjunction with a number shall be construed as a reference to the Condition bearing such number.

## **2. GUARANTEE AND INDEMNITY**

### **2.1 Guarantee and indemnity**

- (a) The Guarantor irrevocably and unconditionally guarantees to the Trustee on behalf of the Noteholders, the prompt performance by the Issuer of its obligations to pay the Noteholder Guarantee Amounts as and when they are due subject to the application of the grace period specified in Condition 9.
- (b) The Guarantor shall, as principal obligor upon failure of the Issuer punctually to pay any of the Noteholder Guarantee Amounts following service by the Trustee of a Notice to Pay, pay or procure to be paid unconditionally and irrevocably to or to the order of the Trustee (for the benefit of the Trustee and the Noteholders), an amount equal to each Noteholder Guarantee Amount on each relevant date for payment (but without regard to any application of priorities of payment pursuant to Condition 7 or limited recourse provisions pursuant to Condition 10 which would otherwise reduce the amount that would be due and payable hereunder), provided that delay by the Trustee in giving such Notice to Pay shall in no event affect the Guarantor's obligations under this Deed.
- (c) The Guarantee:
  - (i) is a continuing guarantee;
  - (ii) extends to the ultimate balance of the Noteholder Guarantee Amounts due to be paid or which would have been due to be paid by the Issuer when the same shall become due and payable in accordance with the Conditions;



- (iii) shall not be discharged except by complete performance of the obligations under the Guarantee;
  - (iv) is additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person (whether from the Guarantor or otherwise);
  - (v) shall remain in force until all moneys payable by the Guarantor pursuant to the terms of the Guarantee shall have been paid; and
  - (vi) it is a guarantee of payment and not collection.
- (d) The Guarantor shall not in respect of any payment due to be made pursuant to the Guarantee be released from its obligations under or pursuant to the Guarantee in any circumstances (notwithstanding anything which but for this provision would release the Guarantor or would affect their liability under or pursuant to the Guarantee in respect of such payment) except upon the receipt by or for the account of the Trustee and/or the Noteholders of the full amount of such payment from the Issuer or the Guarantor in the currency, at the place and in the manner provided for in this Guarantee, provided that every payment of principal or interest in respect of the Notes made to the Issuer or the Agents in the manner provided in the Conditions shall be in satisfaction *pro tanto* of the liability of the Guarantor under this Guarantee and shall be deemed for the purpose of this Clause 2.1(d) to have been paid to the order of the Trustee.
- (e) If any payment received by the Trustee or any Noteholder pursuant to the provisions of this Guarantee shall, on the subsequent bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other such similar event of the Issuer or the Guarantor, be set aside or avoided in whole or in part under any laws relating to bankruptcy, sequestration, liquidation, insolvency, corporate reorganisation or other similar event, such payment shall not be considered as having discharged or diminished the liability of, the Issuer or, as the case may be, the Guarantor and this Guarantee shall continue to apply in accordance with its terms as if the underlying payment in respect of which the liability of the Guarantor under this Guarantee arose had at all times remained owing by the Issuer or the Guarantor, as the case may be, and Guarantor shall indemnify the Trustee and the Noteholders (as the case may be) in respect thereof.
- (f) Without prejudice to the generality of the foregoing provisions of this Clause 2.1, the Guarantor agrees that its obligations under this Guarantee shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (following service of a Notice to Pay) unconditional, irrespective of, and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Guarantee, any other Transaction Document or the Notes, or the absence of any action to enforce the same or the waiver, modification or consent by the Trustee acting upon the direction of the Noteholders or the Controlling Creditor in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer or any action to enforce the same or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor. Accordingly, the validity of the Guarantee shall not be affected by any invalidity, irregularity or unenforceability of all or any of the obligations of the Issuer under the Conditions or any Transaction Document and the Guarantee shall not be discharged nor shall the liability of the Guarantor under the Guarantee be affected by any act, thing or omission or means whatsoever whereby its liability would not have been discharged if it had been the principal debtor.
- (g) To the extent that the Guarantor makes, or there is made on its behalf, a payment under the Guarantee, the Issuer will on such payment being made become indebted to the Guarantor for an amount equal to such payment, such amounts being subject to the Conditions and the Transaction Documents and only payable in accordance with the Priority of Payments.

- (h) As a separate, independent, alternative and primary obligation, the Guarantor unconditionally and irrevocably agrees that (following the service by the Trustee of a Notice to Pay on the Guarantor) should any amount which, although expressed to be a Noteholder Guarantee Amount, for any reason (including without limitation any provisions of this Guarantee or the Transaction Documents being or becoming void, voidable or unenforceable for any reason and whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor, the Trustee or any Noteholder) not be recoverable from the Guarantor on the basis of a guarantee, such amount will nevertheless be recoverable from the Guarantor on the basis of a full indemnity and will be paid by it to the Trustee on demand provided that the Guarantor's obligation hereunder shall in no circumstances exceed the relevant Noteholder Guarantee Amount (without regard to any application of priorities of payment pursuant to Condition 7 or limited recourse provisions pursuant to Condition 10 which would otherwise reduce the amount that would be due and payable hereunder).

## **2.2 Waiver of defences**

The obligations of the Guarantor under the Guarantee will not be affected by any act, omission or thing (whether or not known to it or the Issuer) which, but for this provision, would reduce, release or prejudice any of its obligations under this Clause. This includes:

- (a) any time or waiver granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment of the Conditions or any other document or security;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under the Conditions or any other document or security; or
- (h) any insolvency or similar proceedings.

## **2.3 Immediate recourse**

- (a) The Guarantor waives any right it may have of first requiring the Issuer (or the Trustee or Agents on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Guarantor under the Guarantee.
- (b) This waiver applies irrespective of any law or any provision of Conditions to the contrary.

## **2.4 Appropriations**

Until all amounts which may be or become payable by the Issuer under or in connection with the Conditions have been irrevocably paid in full, but subject to the Priority of Payments and any other applicable terms under the Conditions and the Transaction Documents, the Issuer (or the Trustee or Agents on its behalf) may without affecting the liability of the Guarantor under the Guarantee:

- (a) (i) refrain from applying or enforcing any other moneys, security or rights held or received by the Issuer (or the Trustee or Agents on its behalf) against those amounts; or
  - (ii) apply and enforce them in such manner and order as it sees fit (whether against those amounts or otherwise); and
  - (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under the Guarantee,
- in each case subject to the Conditions and Transaction Documents.

## **2.5 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Trustee in respect of the Notes.

## **2.6 Reimbursement**

The Issuer will, subject to available funds, reimburse the Guarantor in relation to any payment made by the Guarantor in respect of the Notes pursuant to the Guarantee.

## **3. PAYMENT OBLIGATIONS**

### **3.1 Medio Termination Payment**

Upon satisfaction of the Medio Payment Conditions, on or prior to the date such payment is due to be paid by the Issuer under the Charged Agreement the Guarantor will pay to the Issuer an amount equal to the Early Termination Amount payable by the Issuer to the Swap Counterparty (if any) pursuant to the Charged Agreement.

### **3.2 Note Guarantee Fee Payment**

On each Interest Payment Date, the Issuer shall pay to the Guarantor a fee (exclusive of any applicable value added tax, whether arising in the United Kingdom or elsewhere and regardless of the manner in which any such valued added tax is levied) equal to the product of:

- (a) 1.00 per cent. per annum (the **Note Guarantee Fee Percentage**);
- (b) the Principal Amount; and
- (c) (i) the actual number of days in the period from, and including, the immediately preceding Interest Payment Date (or the Issue Date in respect of the first Interest Period) to, but excluding, the relevant Interest Payment Date divided by (ii) 360,

(the **Note Guarantee Fee Amount**).

### **3.3 Excess Waterfall Payments**

On any Mandatory Early Redemption Date, the Issuer will pay to the Guarantor any amount available for such payment pursuant to Condition 4(d)(iii) and (vi) and 7(e)(iii)(C) and (F).

### 3.4 Gross-up Payment

If the Guarantor receives notice from the Issuer pursuant to Condition 7(c)(A)(1) of the Notes that on the occasion of the next payment due in respect of the Notes the Issuer would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount that would otherwise be due in respect of the Notes but for the imposition of such tax, the Guarantor (in its sole and absolute discretion) may not later than 10 Business Days prior to such scheduled payment date elect by notice to the Issuer and the Trustee to pay to the Issuer such amount as is required to enable the Issuer to make such payment of the full amount.

## 4. GUARANTOR SUPPORT ANNEX

The Issuer and the Guarantor hereby enter into a 1995 ISDA Credit Support Annex with a Paragraph 11 thereto as attached as Schedule 2 (*Guarantor Support Annex*) to this Agreement (the **Guarantor Support Annex**) on the basis specified in Schedule 3 (*Basis of entry into the Guarantor Support Annex*).

## 5. EARLY TERMINATION

- (a) Upon the occurrence of a default by the Issuer in respect of its obligations under this Agreement, the Note Guarantor will be entitled to deliver a notice to the Issuer (copied to the Trustee) requiring the Issuer to early redeem the Notes pursuant to Condition 7(b) of the Notes (such notice, a **Note Guarantee Redemption Notice**).
- (b) Upon the occurrence of a Note Guarantor Default in circumstances in which a Swap Counterparty Default has not occurred, except (i) in respect of the amounts then already due and payable, (ii) amounts payable pursuant to Clause 3.2 above and (iii) amounts payable pursuant to the Guarantee as set out in Clause 2 (*Guarantee and Indemnity*), no further payments or deliveries that would otherwise be required to be made under this Agreement (including under the Guarantor Support Annex) will be required to be made.
- (c) Upon the occurrence of a Note Guarantor Default in circumstances in which a Swap Counterparty Default has occurred, except pursuant to the Guarantee as set out in Clause 2 (*Guarantee and Indemnity*), no further payments or deliveries that would otherwise be required to be made under this Agreement (including under the Guarantor Support Annex) will be required to be made other than as provided in this sub-clause (c). The amount, if any, payable on the Mandatory Early Redemption Date in respect of this Agreement (except for any amount due and payable pursuant to the Guarantee) will be calculated as an amount equal to:
  - (i) an amount equal to the Mandatory Early Redemption Amount due and payable on the relevant Mandatory Early Redemption Date; minus
  - (ii) any amounts that became payable by the Issuer on or prior to the date of the Note Guarantor Default and which remain unpaid; minus
  - (iii) the amount determined to be the Unpaid Amount pursuant to Paragraph 6 of the Guarantor Support Annex.

If such amount is positive, the Guarantor shall pay such amount to the Issuer. If such amount is negative, the Issuer shall pay the absolute value of such amount to the Guarantor.

## **6. RIGHTS AND ENTITLEMENTS OF THE GUARANTOR**

The Issuer agrees that the Guarantor may exercise the rights expressed to be granted to the Guarantor (whether in its capacity as Guarantor or Controlling Creditor) in the Conditions and the Transaction Documents.

## **7. TAX GROSS UP**

- (a) The Guarantor must make all payments under this Agreement without any deduction or withholding for or on account of tax, unless a deduction or withholding is required by law.
- (b) If the Guarantor is required by law to make a deduction or withholding for or on account of tax, the amount of the payment due from the Guarantor will be increased to an amount which (after making the deduction or withholding) leaves an amount equal to the payment which would have been due if no deduction or withholding had been required.
- (c) The Issuer must take all steps and actions as are requested by the Guarantor and co-operate with the Guarantor in full in completing and submitting all formalities necessary, whether under the Treaty or otherwise, for the Issuer to obtain authorisation from HM Revenue & Customs (or any other relevant tax or fiscal authority) to make payments under this Agreement without any deduction or withholding for or on account of tax.
- (d) If the Guarantor makes a payment under this Agreement subject to a deduction or withholding for or on account of tax, then the Issuer must take all steps and actions as are requested by the Guarantor and co-operate with the Guarantor in full in completing and submitting all formalities necessary, whether under the Treaty or otherwise, for the Issuer to receive a repayment from HM Revenue & Customs (or any other relevant tax or fiscal authority) in respect of the amount so deducted or withheld or to claim the benefit of any other credit, deduction or other relief which might be available in respect of the amount so deducted or withheld. The Issuer must, immediately upon receipt, pay to the Guarantor an amount equal to all sums received by the Issuer in respect of an amount so deducted or withheld.

## **8. SECURITY**

The parties to this Agreement acknowledge that, pursuant to and in accordance with the provisions of the Trust Deed, the present and future rights of the Issuer under this Agreement constitute "Mortgaged Property" and the Issuer has assigned, by way of security, all of its present and future rights under this Agreement in favour of the Trustee for the benefit of the Secured Creditors.

## **9. LIMITED RECOURSE**

Each party to this Agreement (other than the Issuer) hereby acknowledges that it shall have recourse in respect of any claim hereunder against the Issuer (whether arising under this Agreement, the general law or otherwise) only to the Mortgaged Property relating to the Notes, subject always to the relevant charges and other security interests created by or pursuant to the Trust Deed.

The security over the Mortgaged Property relating to the Notes having been realised in accordance with the provisions of the Trust Deed relating to the Notes, no party to this Agreement nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums due to it in respect of this Agreement or otherwise and the right to receive any such sum shall be extinguished. In particular, no party to this Agreement shall be entitled to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer (save for lodging any claim in the liquidation of the Issuer initiated by another person or taking proceedings to obtain a declaration or

judgment as to the obligations of the Issuer), nor shall it have any claim in respect of any sum arising in respect of the Mortgaged Property and all claims in respect of such sums due but still unpaid shall be extinguished. It is a fundamental term of any debt comprising any amounts due to any party to this Agreement that such party shall not be entitled to exercise any right of set-off, lien, consolidation of accounts or other similar right arising by operation of law or otherwise against the Issuer or any person entitled to receive any payment under the Notes or against the Mortgaged Property relating thereto or any other assets of the Issuer (and each such party waives all such rights) or to institute, or join with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer, in any such case, in respect of such debt (save as aforesaid).

## **10. STATUS OF THE GUARANTOR'S OBLIGATIONS**

The Guarantor's obligations under this Agreement shall rank *pari passu* with all existing and future senior unsecured debt obligations of the Guarantor.

## **11. REPRESENTATIONS AND WARRANTIES**

### **11.1 Representations and warranties**

The representations and warranties set out in this Clause are made by the Guarantor to the Issuer and the Trustee and by the Issuer to the Guarantor and each person who becomes a party to this Agreement after the date of this Agreement, except the representations and warranties set out in Clause 11.7 (*Representations and warranties of the Issuer*), which are made by the Issuer only to the Guarantor and the Trustee, and in Clause 11.8 (*Qualifying Person*), which are made by the Guarantor to the Issuer and each person who becomes a party to this Agreement.

### **11.2 Status**

The Issuer represents that it is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

The Guarantor represents that it is an unlimited liability company, duly incorporated and validly existing under the laws of its jurisdiction of incorporation.

### **11.3 Powers and authority**

It has the power to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, this Agreement and the transactions contemplated by this Agreement.

### **11.4 Legal validity**

Subject to any general principles of law limiting its obligations, this Agreement is its legally binding, valid and enforceable obligation subject (as to enforceability) to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law).

### **11.5 Non-conflict**

The entry into and performance by it of this Agreement do not conflict with:

- (a) any law or regulation applicable to it;

- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets.

#### **11.6 Authorisations**

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Agreement have been obtained or effected (as appropriate) and are in full force and effect.

#### **11.7 Times for making representations and warranties**

- (a) The representations and warranties set out in this Clause are made by the Guarantor and the Issuer on the date of this Agreement.
- (b) Each representation and warranty is deemed to be repeated by the Guarantor and the Issuer on each date during the Guarantee Period.
- (c) When a representation and warranty is repeated, it is applied to the circumstances existing at the time of repetition.

#### **11.8 Qualifying Person**

The Guarantor confirms that it is Qualifying Person. Each person who becomes a party to this Agreement by virtue of Clause 14.1 (*Assignments and transfers by the Guarantor*) shall confirm to the Issuer that it is a Qualifying Person. The Guarantor and each person who become a party to this Agreement by virtue of Clause 14.1 (*Assignments and transfers by the Guarantor*) shall notify the Issuer if there is any change in its status as a Qualifying Person.

### **12. MISCELLANEOUS**

- (a) The Issuer covenants to the Guarantor that, so long as this Agreement remains outstanding, it shall comply with its obligations under the Conditions and each Transaction Document.
- (b) Any certification or determination made pursuant to the Conditions in relation to this Agreement is, in the absence of manifest error, conclusive evidence of the matter to which it relates.
- (c) The rights of the Issuer, the Trustee and the Guarantor under this Agreement:
  - (i) may be exercised as often as necessary;
  - (ii) are cumulative and not exclusive of its rights under the general law; and
  - (iii) may be waived only in writing and specifically.

Delay in exercising or non-exercise of any right is not a waiver of that right.

- (d) Each of the Note Guarantor, the Trustee and the Issuer may agree to amend the terms of this Agreement without the consent of the Noteholders provided that, in the opinion of the Trustee, such amendments are not materially prejudicial to the interests of the Noteholders, the Swap Counterparty or the Swap Guarantor. The Note Guarantor shall give prior notice of any amendment to the Rating Agency.

### **13. RIGHT TO DELEGATE POWERS**

The Guarantor may delegate, on such terms as it acting in its sole and absolute discretion considers appropriate, any of its rights (but not its obligations) under this Agreement to any one or more of its affiliates, provided, however, that the Guarantor shall have all the rights, and be subject to all the obligations and liabilities, which are applicable to the Guarantor under this Agreement as if the actions and omissions of such delegate(s) were actions and omissions of the Guarantor. The Guarantor shall notify each of the other parties to the Constituting Instrument of any such delegation as soon as reasonably practicable thereafter, but failure or delay in giving such notice shall not affect the validity of the delegation.

### **14. CHANGES TO THE PARTIES**

#### **14.1 Assignments and transfers by the Guarantor**

Subject to the extent permitted by applicable law and notification of such transfer to the Issuer and the Trustee, neither this Agreement nor any interest in or under this Agreement may be transferred by the Guarantor without the prior written consent of the Issuer, the Trustee and the Controlling Creditor and provided that the Rating Agency confirms that the rating of the Notes will not be adversely affected thereby, except that:

- (a) the Guarantor may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity but without prejudice to any other right or remedy under this Agreement); and
- (b) the Issuer and the Trustee hereby give their irrevocable consent to the transfer by the Guarantor to any Affiliate of the Guarantor and, subject to the completion of any further due diligence processes, checks and/or any related documentation, agree to use all reasonable efforts to promptly execute any documentation required to effect any such transfer.

#### **14.2 Assignments and transfers by the Issuer**

The Issuer may not assign or transfer any of its rights or obligations under this Agreement without the prior consent of the Guarantor, the Trustee and the Controlling Creditor and provided that the Rating Agency confirms that the rating of the Notes will not be adversely affected thereby.

### **15. RESPONSIBILITY FOR DOCUMENTATION**

The Guarantor is not responsible to any other party for:

- (a) the collectability of amounts payable under any Guarantee Document; or
- (b) the accuracy of any statements (whether written or oral) made in or in connection with any Guarantee Document or the Prospectus (other than with respect to the section entitled "Description of Credit Suisse International" and any information relating to the Guarantor incorporated by reference, each in the Prospectus).

### **16. NOTICES**

#### **16.1 In writing**

Any communication in connection with this Agreement must be in writing and, unless otherwise stated, may be given in person, by post, by email or by fax. Unless it is agreed to the contrary, any consent or agreement required under this Agreement must be given in writing.



## 16.2 Contact details

- (a) The contact details of the Issuer for this purpose are:

Triple Enhanced Rated Notes (TERN) Limited  
5 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland  
Telephone number: +353 1 680 6000  
Fax number: +353 1 680 6050  
Email: [corporate.services@db.com](mailto:corporate.services@db.com)  
Attention: The Directors.

- (b) The contact details of the Guarantor for this purpose are:

Credit Suisse International  
One Cabot Square  
London  
E14 4QJ  
Telephone number: +44 20 7888 5996 (Federico Foca)  
+44 20 7888 0314 (Laurent Montete)  
+44 20 7888 3449 (Arun Cronin)  
+852 2101 7209 (Glen Bowler)  
+44 20 7888 3419 (Omar Waly)  
Email: [list.tern-series-1-notices@credit-suisse.com](mailto:list.tern-series-1-notices@credit-suisse.com)  
Attention: Structured Credit Solutions Group

- (c) The contact details of the Trustee for this purpose are:

BNY Mellon Corporate Trustee Services Limited  
Address: One Canada Square  
London E14 5AL  
Fax number: +44 207 964 6399  
Email: [CSQ@bnymellon.com](mailto:CSQ@bnymellon.com)  
Attention: The Manager, Trustee Administration

- (d) Any Party may change its contact details by giving five Business Days' notice to the other Party.
- (e) When a Party nominates a particular department or officer to receive a notice, a notice will not be effective if it fails to specify that department or officer.

## 16.3 Effectiveness

- (a) Except as provided below, any notice in connection with this Agreement will be deemed to be given as follows:
- (i) if delivered in person, at the time of the delivery;
  - (ii) if posted, five Business Days after being deposited in the post, postage prepaid, in a correctly addressed envelope;
  - (iii) if by fax, when received in legible form; and

- (iv) if sent by email, on the date it is delivered.
- (b) A communication given under paragraph (a) above but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

## **17. LANGUAGE**

Any notice given in connection with this Agreement must be in English.

## **18. SEVERABILITY**

If a term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any jurisdiction, that will not affect:

- (a) the legality, validity or enforceability in that jurisdiction of any other term of this Agreement; or
- (b) the legality, validity or enforceability in any other jurisdiction of that or any other term of this Agreement.

## **19. COUNTERPARTS**

This Agreement may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

## **20. GOVERNING LAW**

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

## **21. ENFORCEMENT**

### **21.1 Jurisdiction**

- (a) Subject to sub-clause (c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to any non-contractual obligations arising out of or in connection with this Agreement) (a **Dispute**) and the parties submit to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Clause 21, each party waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) This Clause is for the benefit of the Trustee only. To the extent allowed by law, the Trustee may bring proceedings in relation to a Dispute (i) in any other court of competent jurisdiction; or (ii) concurrently in more than one court of competent jurisdiction.
- (d) References in this Clause to a dispute in connection with this Agreement include any dispute as to the existence, validity or termination of this Agreement.

### **21.2 Service of process**

- (a) The Issuer irrevocably appoints Law Debenture Corporate Services Limited as its agent under this Agreement for service of process in relation to any proceedings before the English courts in connection with this Agreement.

- (b) If any person appointed as process agent under this Clause is unable for any reason to so act on behalf of the Issuer, the Issuer must immediately (and in any event within 10 days of the event taking place) appoint another agent on terms acceptable to the Guarantor. Failing this the Guarantor may appoint another agent for this purpose.
- (c) The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings.
- (d) This Clause does not affect any other method of service allowed by law.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

**SCHEDULE 1**

**FORM OF NOTICE TO PAY**

To: Credit Suisse International

From: BNY Mellon Corporate Trustee Services Limited

Date: [●], 20[●]

**Guarantee and Undertaking Agreement dated 20 December 2012 (the Agreement)**

This letter sent by us to you constitutes a "Notice to Pay" in accordance with the Agreement.

1. The Trustee wishes to make a request for payment by the Guarantor of a Noteholder Guarantee Amount as follows:
  - (a) Noteholder Guarantee Amount: EUR [●]
  - (b) Payment Date: [●], 20[●]
  - (c) Payment Instructions: [●]
2. Terms defined in the Agreement shall have the same meaning when used in this Notice to Pay.
3. This Notice to Pay and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

By:

Authorised Signatory

  

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## SCHEDULE 2

### GUARANTOR SUPPORT ANNEX

#### Paragraph 11. Elections and Variables

(a) **Base Currency and Eligible Currency**

- (i) **Base Currency** means EUR (and any successor currency to any such currency);
- (ii) **Eligible Currency** means the Base Currency and USD (and any successor currency to any such currency).

(b) **Credit Support Obligations**

- (i) Delivery Amount, Return Amount and Credit Support Amount.
  - (A) **Delivery Amount** has the meaning specified in Paragraph 2(a) (*Delivery Amount*), except that:
    - I. the words "upon a demand made by the Transferee on or promptly following a Valuation Date" shall be deleted and replaced by the words "upon the instruction of the Valuation Agent on or promptly following a Valuation Date"; and
    - II. the addition of the words ", not later than the close of business on the date the Delivery Amount Notice is (or was required to be) given by Party B pursuant to Paragraph 11(b)(ii)(B) (*Delivery Amounts*) (if such Delivery Amount Notice is received by 12:00pm London time) and otherwise the next following Business Day," after the words "the Transferor will" in the third line thereof; and
    - III. the addition of the words "(provided that Party B undertakes to comply with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) in respect of such Eligible Credit Support)" after the words "Eligible Credit Support" in the third and fourth lines thereof.
  - (B) **Return Amount** has the meaning specified in Paragraph 2(b) (Return Amount), except that the words "as close as practicable to" in the fourth line thereof shall be deleted and replaced with the words "an amount no greater than" and the words "as specified by the Transferor in such demand, provided that the Concentration Limits will not be breached as a result of the transfer of such Equivalent Credit Support" shall be added after the words in parentheses in line five thereof. The Value of any item of Equivalent Credit Support (which is a Loan Asset) identified in a demand by the Transferor pursuant to Paragraph 2(b) (Return Amount) shall be deemed to be constant from the date of such demand to and including the date on which Party A ceases being the lender of record in respect of such Loan Asset.
  - (C) **Credit Support Amount** means on a Valuation Date:
    - I. with respect to Party A, the meaning specified in Paragraph 10 (*Definitions*); and

II. with respect to Party B, the meaning specified in Paragraph 10 (*Definitions*).

(D) The definition of **Exposure** shall be deleted and replaced with the following:

"**Exposure**" means, as of any day and in respect of Party A only, the sum of (i) the outstanding principal amount of the Notes and (ii) any accrued but unpaid interest on the Notes, to and including, such day.

(ii) Eligible Credit Support. Each of the items (each, a "**Credit Support Item**") satisfying the eligibility criteria described in Exhibit B to this Paragraph 11 (the "**Eligibility Criteria**") of the Guarantor Support Annex will qualify as "Eligible Credit Support". Each item comprised in the Credit Support Balance shall be required to satisfy the Eligibility Criteria at all times.

(A) **Concentration Limits**

The Credit Support Balance shall be required to satisfy the Concentration Limits set out in Part 2 of Exhibit B (the "**Concentration Limits**") at all times. In the event that the Calculation Agent notifies (in the form set out in Schedule 1 (*Form of Concentration Limit Breach Notice*)) Party B in writing of a breach of the Concentration Limits (i) Party B shall be obliged within 3 Business Days following such notice either to substitute Eligible Credit Support or to designate certain of the Eligible Credit Support as having a Value of zero (and transferring any resulting Delivery Amount in accordance with the timing provisions set out in paragraph 11(b)(i)(A) above) such that the relevant Concentration Limits are satisfied and (ii) if Party B fails to remedy such breach within 3 Business Days of the date of such breach, the Calculation Agent may propose by written notice to Party B, the Custodian, the Loan Servicer, the Loan Administration Agent and Party A (in the form set out in Schedule 2 (*Form of Proposed Substitutions Notice*)) that one or more substitutions of Eligible Credit Support (or a proportion thereof) in the reasonable opinion of the Calculation Agent constitute the minimal required substitutions to remedy such breach (the "**Proposed Substitutions**") and, for so long as Party B fails to remedy such breach, the Valuation Percentage of the Eligible Credit Support which is the subject of such Proposed Substitutions (or the relevant proportion thereof) shall be deemed to be zero and shall be disregarded for the purpose of the Concentration Limits and Party B shall be required to transfer any resulting Delivery Amount in accordance with the timing provisions as set out in the Guarantor Support Annex.

Subject to the satisfaction of the conditions specified in the paragraphs below, Party B may transfer additional Eligible Credit Support to Party A at any time.

(B) **Delivery Amounts**

Party B shall give notice (in the form set out in Schedule 3 (*Form of Delivery Amount Notice*)) (a "**Delivery Amount Notice**") to the Calculation Agent, the Custodian, the Loan Servicer (if a relevant item of Eligible Credit Support is a Loan Asset) and the Loan Administration Agent (if a relevant item of Eligible Credit Support is a Loan Asset) and Party A of any proposed Eligible Credit Support to be transferred pursuant to Paragraph 2(a) (*Delivery Amount*) no later than 5.00 p.m. (London time) on the Business Day on which a demand for the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) is made if such demand is made on or prior to 12.00 p.m. (London time) on such day and otherwise by no later than 12.00 p.m. (London time) on the Business Day immediately

following the day on which such demand is made. For the avoidance of doubt, any demand for the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) may come from Party A, or the Custodian, the Note Guarantor, the Calculation Agent or the Loan Administration Agent.

Such Delivery Amount Notice shall:

- I. specify the Eligible Credit Support;
- II. contain a confirmation that such Eligible Credit Support satisfies the Eligibility Criteria and, if such Eligible Credit Support is a Loan Asset, that Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) has been complied with, and that, following the transfer of such Eligible Credit Support (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then-current satisfaction of the Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits;
- III. contain a representation that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) (if a relevant item of Eligible Credit Support is a Loan Asset); and
- IV. contain a completed Portfolio Adjustment Notice (if a relevant item of Eligible Credit Support is a Loan Asset).

Each Delivery Amount Notice must be given to the Calculation Agent, Party A, the Custodian and the Loan Administration Agent (if the relevant item of Eligible Credit Support is a Loan Asset) by Party B in writing (and following delivery of each Delivery Amount Notice Party B shall telephone the Calculation Agent to confirm receipt of such Delivery Amount Notice). A failure to deliver such Delivery Amount Notice in writing to the Calculation Agent within the time limit specified above shall invalidate such Delivery Amount Notice.

The Value of any item of Eligible Credit Support (which is a Loan Asset) identified in a Delivery Amount Notice shall be deemed to be constant from the date of such notice to and including the date on which Party B ceases being the lender of record in respect of such Loan Asset.

For the avoidance of doubt, the Value of Eligible Credit Support that is in the form of:

- (A) loans or cash shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the settlement date in respect of the transfer of such loans or cash to Party A (in the case of Loan Assets, being the date upon which Party A becomes lender of record in respect thereof); and
- (B) securities shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the date on which Party B irrevocably instructs the transfer of such securities to Party A.

(C) **Return Amount**

When making a demand pursuant to Paragraph 2(b) (*Return Amount*), Party B shall simultaneously give notice in writing (in the form set out in Schedule 4 (*Form of Return Amount Notice*)) (a "**Return Amount Notice**") to the Calculation Agent, the Custodian, the Loan Servicer (if an item of Equivalent Credit Support is a Loan Asset), the Loan Administration Agent (if an item of Equivalent Credit Support is Loan Asset) and Party A of any proposed Equivalent Credit Support to be transferred pursuant to Paragraph 2(b) (*Return Amount*) no later than 5.00p.m. (London time) on the date falling (i) in the case of Loan Assets, 3 Business Days prior to the proposed date on which instructions in respect of such transfer are due to be given to the relevant facility agent or (ii) otherwise, 3 Business Days prior to the proposed date of such transfer.

Such Return Amount Notice shall:

- I. specify the Equivalent Credit Support;
- II. contain a confirmation that following the transfer of such Equivalent Credit Support (but determined by reference to the prevailing Value of the Equivalent Credit Support, foreign exchange rates and then-current satisfaction of Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits on the proposed date of transfer or the proposed date on which instructions in respect of such transfer are due to be given to the relevant facility agent (as applicable); and
- III. contain a completed Portfolio Adjustment Notice (if a relevant item of Equivalent Credit Support is a Loan Asset).

A failure to deliver such Return Amount Notice in writing to the Note Guarantor within the time limit specified above shall invalidate such Return Amount Notice.

(D) **Miscellaneous**

Party A and Party B agree that, in the event that any delivery of Eligible Credit Support and/or Equivalent Credit Support is made, any costs, fees or expenses incurred by Party A, Party B or any other party in connection with such transfer shall be payable by Party B.

Party B is deemed to represent in respect of each transfer of Eligible Credit Support to Party A, that such Eligible Credit Support satisfies the Eligibility Criteria (for such purposes, as if the words ", as determined by the Calculation Agent" were deleted from Exhibit B, Part 1), that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) (if a relevant item of Eligible Credit Support is a Loan Asset) and that following the transfer of such Eligible Credit Support (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then-current satisfaction of the Eligibility Criteria), the Credit Support Balance will satisfy the Concentration Limits (for such purposes, as if the words ", as determined by the Calculation Agent" were deleted from Exhibit B, Part 1).

Party A and Party B agree that, in the event that such representation is incorrect, this will not of itself constitute an Event of Default or a Termination Event and that any asset which is transferred to Party A notwithstanding such breach of representation shall instead be treated as having breached the Eligibility Criteria, Concentration Limits or Paragraph 11(h)(vi) and the Value of such asset or the relevant excess



principal amount over the maximum permitted by the Concentration Limits shall be zero, but only for so long as Party B fails to remedy such breach.

The **Valuation Percentage** in respect of any Eligible Credit Support shall be as specified in Exhibit A hereto.

(iii) **Thresholds.**

(A) **Independent Amount** means with respect to Party A: Zero.

**Independent Amount** means with respect to Party B: Zero.

(B) **Threshold means with respect to Party A: Zero.**

**Threshold** means with respect to Party B: Zero.

(C) **Minimum Transfer Amount** means with respect to Party A and Party B, EUR 5,000,000, provided, that (i) if an Event of Default has occurred and is continuing with respect to Party A or Party B, as applicable or (ii) either Party A (or the Valuation Agent acting on Party A's behalf) or Party B shall have the right at any time to reduce the Minimum Transfer Amount to zero by notice in writing to the other party.

(D) **Rounding.** The Delivery Amount will be rounded up to the nearest integral multiple of EUR100,000 respectively, provided that if such Delivery Amount is comprised of Eligible Credit Support which are Loan Assets such Delivery Amount shall not be rounded.

(c) **Valuation and Timing**

(i) **Valuation Agent** means Credit Suisse International.

(ii) **Valuation Date** means each Local Business Day.

(iii) **Valuation Time** means the close of business London time on the Local Business Day immediately preceding the Valuation Date or date of calculation, as applicable, provided that the calculations of Value and Exposure will, as far as practicable, be made as of approximately the same time on the same date.

(iv) **Notification Time** means, unless where otherwise stated, 4:00 p.m., London time, on a Local Business Day.

(d) **Exchange Date**

**Exchange Date** has the meaning specified in Paragraph 3(c)(ii) (as amended).

(e) **Dispute Resolution**

Paragraph 4 shall be deleted and replaced with the following:

"Without prejudice to Party A or Party B's obligations under this Transaction including, without limitation, under Paragraph 2 (*Credit Support Obligations*), if Party A (or the Note Guarantor on behalf of Party A) or Party B (the **Disputing Party**), acting reasonably, disputes the Valuation Agent's calculation of the Value of any Eligible Credit Support or Equivalent Credit Support (together, the "**Disputed Asset**"), it shall deliver its written objection to the Valuation Agent and

Party A (and the Note Guarantor) or Party B by 5.00 p.m. (London time) on the Business Day immediately following receipt of the Valuation Agent's calculation (such Business Day, the "**Dispute Cut-Off Date**") specifying in reasonable detail: (i) the Disputed Asset, (ii) its objections together with supporting calculations, (iii) its proposed calculation and (iv) any amount with respect to the calculation which is not in dispute.

The parties shall negotiate in good faith to resolve the dispute, and in doing so shall apply the correct basis to determine the Value of any Eligible Credit Support as set out in this Agreement, provided that in the event that the dispute is not resolved by 5.00 p.m. (London time) on the Business Day following the Dispute Cut-Off Date, the Disputing Party will use its best endeavours on the following three Business Days either to propose a substitution of the Disputed Asset in accordance with the provisions below regarding Substitutions or to obtain Bid Quotations in respect of the full outstanding principal amount of each Disputed Asset which forms part of the Credit Support Balance from four Approved Dealers. If one or more Bid Quotations in respect of any Disputed Asset are provided to the Valuation Agent on or before 3.00 p.m. (London time) on such third Business Day (the "**Bid Quotation Cut-Off Date**"), then the Bid price of such Disputed Asset for the purposes of the relevant calculation shall be determined as follows:

- (i) if four Bid Quotations are provided, the highest and lowest of such Bid Quotations will be discarded and the arithmetic mean of the remaining quotes shall be used for the purposes of determining the Value of the relevant Disputed Asset;
- (ii) if three Bid Quotations are provided, the bid remaining after disregarding the highest and lowest Bid Quotations shall be used for the purposes of determining the Value of the relevant Disputed Asset;
- (iii) if two Bid Quotations are provided, the lowest of the two Bid Quotations shall be used for the purposes of determining the Value of the relevant Disputed Asset; and
- (iv) if only one Bid Quotation is provided, that quotation shall be used for the purposes of determining the Value of the relevant Disputed Asset.

and the value so determined shall apply, and may not be further disputed or changed for 10 Business Days following such determination unless the Valuation Agent (acting in good faith and in a commercially reasonable manner) determines that an event or circumstance occurs during such period that has a material effect on such value (a **Material Event Adjusted Value**) and provides a certificate to Party B that (a) specifies the facts relating to such event or circumstance and (b) is signed by a Managing Director of the Valuation Agent. For the avoidance of doubt, following the determination and application of a Material Event Adjusted Value by the Valuation Agent no restriction on the parties' right to dispute will apply.

If, in respect of any Disputed Asset, no Bid Quotations are received by the Disputing Party on or before 3.00 p.m. (London time) on the Bid Quotation Cut-Off Date, the Valuation Agent's original determination of the Value of the relevant Disputed Asset shall continue to be binding on the parties, unless it has been superseded by a subsequent determination by the Valuation Agent.

For the avoidance of doubt, the Valuation Agent's determination of the Value of any Disputed Asset shall continue to prevail pending resolution of any dispute with respect to the Value of such Asset in accordance with the above provisions and, notwithstanding any provision in the Credit Support Annex to the contrary, there shall be no suspension of either parties obligations to transfer Delivery Amounts or Return Amounts which have been calculated based on the Valuation Agent's original determination of the Value of any Disputed Asset pending resolution of such dispute.

"**Bid Quotation**" means, with respect to any Disputed Asset, a bid quotation provided by an Approved Dealer which is executable by the Valuation Agent with respect to the full outstanding principal amount of such Disputed Asset which forms part of the Credit Support Balance.

"**Approved Dealer**" means each of JPMorgan Chase & Co., Deutsche Bank AG, Barclays Bank Plc, BNP Paribas, Bank of America Corporation, The Royal Bank of Scotland plc, HSBC Bank plc, Goldman Sachs Group, Inc., Citibank N.A., UBS or Morgan Stanley or any of their respective affiliates or successors, or any other Approved Dealers agreed in writing from time to time between Party B and the Note Guarantor.

Following a recalculation pursuant to this Paragraph 4, the Valuation Agent will notify each party as soon as possible but in any event not later than 5.00 p.m. on the Business Day following the Bid Quotation Quote Cut-Off Date. The appropriate party shall on demand following such notice given by the Valuation Agent or a resolution as specified in the third paragraph of this Paragraph 4 above and subject to Paragraph 3(a), make any appropriate transfer.

The Noteholder Representative may, on behalf of Party A, by written notice to Party A and Party B exercise Party A's right to dispute any valuation or determination in accordance with the terms of this Guarantor Support Annex. The Issuer shall procure that a copy of all valuations and determinations it receives from the Valuation Agent pursuant to this Guarantor Support Annex are made available to the Noteholder Representative and the Noteholders on the following secure website: <https://gctinvestorreporting.bnymellon.com/Home.jsp> (or any alternative website designated by the Loan Administration Agent and notified to the Noteholder Representative and the Noteholders)."

(f) **Distributions and Interest Amount**

- (i) **Interest Rate.** The **Interest Rate** in relation to the portion of the Credit Support Balance comprised of cash in an Eligible Currency (i) in respect of which Party B is the Transferor, will be Party A's Custodian's overnight rate (which for the avoidance of doubt may be zero or a negative rate) and (ii) in respect of which Party A is the Transferor, will be the overnight rate for deposits in respect of the Eligible Currency.
- (ii) **Transfer of Interest Amount.** The transfer of the Interest Amount will be made on the first Local Business Day following the end of each calendar month to the extent that Party A has earned and received from its custodian such amount of interest and that a Delivery Amount would not be created or increased by that transfer, and on any other Local Business Day on which Equivalent Credit Support is transferred to the Transferor pursuant to Paragraph 2(b) (*Return Amount*), provided that Party A shall only be obliged to transfer any Interest Amount to Party B to the extent that it has received such amount.
- (iii) **Alternative to Interest Amount.** The provisions of Paragraph 5(c)(ii) (*Interest Amount*) will apply.
- (iv) Paragraph 5(c)(i) (*Distributions*) shall be deleted and replaced by the following:

"The Transferee will transfer to the transferor cash, securities or other property of the same type, nominal value, description and amount as the relevant Distributions ("**Equivalent Distributions**") to the extent that a Delivery Amount would not be created or increased by the transfer as calculated by the Valuation Agent. Any payments or transfers of Equivalent Distributions (i) in the form of any interest, coupon, dividend or other distributions of an income nature received by Party A, or by the Custodian on behalf of Party A (as applicable),

shall be made on the same day as Distributions would be received by Party A or the Custodian and (ii) in the form of principal, shall be made on the same day as Distributions would be received by Party A or the Custodian if such Distributions would be received no later than the Applicable Cut-off Time on such day in respect of such asset and on the Business Day immediately following the day such Distributions would be received by Party A or the Custodian if received after such Applicable Cut-off Time, in each case, net of any applicable withholding taxes (howsoever described).

"**Applicable Cut-off Time**" means:

2:00p.m. (London time) in relation to GBP denominated assets;

2:30p.m. (London time) in relation to EUR denominated assets; and

5:30p.m. (London time) in relation to USD denominated assets.

Section 2(c) of the Agreement shall not apply to payments of Equivalent Distributions by Party A to Party B."

**(g) Address for Transfers**

Party A: Cash: Cash Account  
Bonds: Collateral Account

Party B: The following USD, EUR and GBP denominated accounts:

USD: Bank: The Bank of New York, New York  
SWIFT: IRVTUS3N  
Account No: 890-0360-968

EUR Citibank NA, London  
SWIFT: CITIGB2L  
IBAN: GB40CITI18500810403229

GBP: HSBC Bank Plc, London  
SWIFT: MIDLGB22  
Account No.: 58943787

or, in each case as advised separately in writing

**(h) Other Provisions**

*(i) Early Termination*

The heading for Paragraph 6 shall be deleted and replaced with "Early Termination", the words "or a Termination Event" shall be added after the word "Default" in the first line of Paragraph 6 and the words "or an Affected Party, as relevant" shall be added after the words "Defaulting Party" in the bracketed text in the fourth line of Paragraph 6. For the avoidance of doubt only Party A, or a party on behalf of Party A, has the right to designate an Early Termination Date under the Agreement.

If an Early Termination Date is designated or deemed to occur, notwithstanding anything to the contrary in the Swap Agreement:

- I. for the purposes of determining the Value of the Credit Support Balance, the Value of any item of Eligible Credit Support shall be determined pursuant to this Annex (and as specifically amended in this Paragraph 11(h)(i)) other than in respect of any item of Eligible Credit Support that is sold by the Selling Agent in respect of which the Value shall be the price obtained in respect of the sale of such item, such price to be net of any costs and taxes where Party B is the Defaulting Party or the sole Affected Party, provided that for the avoidance of doubt the Selling Agent shall only sell such items of Eligible Credit Support in the circumstances specified in the Conditions;
- II. any provision of the Swap Agreement which deems or designates the Value of any item of Eligible Credit Support to have a Value of zero, shall be deemed not to apply and not to have effect, and the Valuation Percentage in respect of each item of Eligible Credit Support shall be 100 percent; and
- III. any transfer of Equivalent Credit Support by Party A to Party B which has commenced but not yet settled and which is revocable, shall be revoked by both parties.

(ii) *Costs of Transfer on Exchange*

Notwithstanding Paragraph 8 (*Expenses*), Party B will be responsible for, and will reimburse Party A for, all transfer and other taxes and other costs involved in the transfer of Eligible Credit Support.

(iii) *Cumulative Rights*

The rights, powers and remedies of the Transferee under this Annex shall be in addition to all rights, powers and remedies given to the Transferee by the Agreement or by virtue of any statute or rule of law, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of the Transferee in the Credit Support Balance created pursuant to this Annex.

(iv) *Amendment to Paragraph 3 (Transfers)*

Paragraph 3(a) (*Transfers*) shall be amended to delete the "and" after the semi-colon at the end of sub-clause (ii) and to insert in place of the full stop at the end of sub-clause (iii) a semi colon and to add the following additional sub-clause (iv):

"(iv) in the case of an asset that is an interest in a Loan Asset to be transferred by way of assignment or novation, the assignment or novation of such interest in such Loan Asset in accordance with the terms of such Loan Asset such that the transferee becomes lender of record thereof."

Paragraph 3(c) (*Exchanges*) shall be deleted and replaced with the following:

"Paragraph 3(c) (*Substitutions*)

- (A) Subject to paragraph (B) and Paragraph 3(d) (*Substitution Procedure*), Party B may (but shall not be obliged to) on any Business Day by giving no less than 3 Business Days' notice in writing to Party A, the Custodian, and the Loan Administration Agent (if a relevant item of Eligible Credit Support is a Loan Asset) substitute Eligible Credit Support ("**Original Eligible Credit Support**") for the Eligible Credit Support specified in such notice ("**New Eligible Credit Support**"). Upon

receipt of such notice, and provided that Party B has complied with Paragraph 11(h)(vi) (*Undertakings Regarding Due Diligence*) in the case of Loan Assets and Paragraph 3(d) Party A will be required to transfer, or procure such transfer by the Custodian or the Loan Administration Agent (as applicable), Equivalent Credit Support in respect of the Original Eligible Credit Support in exchange for New Eligible Credit Support with a Value at least equal to such Original Eligible Credit Support (or, if less, a value sufficient to ensure that no Delivery Amount would arise as a result of such substitution).

For the avoidance of doubt, the Value of Eligible Credit Support that is in the form of:

- (a) loans or cash shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the settlement date in respect of the transfer of such loans or cash to Party A (in the case of Loan Assets, being the date upon which Party A becomes lender of record in respect thereof); and
  - (b) securities shall only be used in the calculation of the aggregate Value of Party B's Credit Support Balance from, and including, the date on which Party B irrevocably instructs the transfer of such securities to Party A.
- (B) In the event that the Valuation Agent determines that any asset in the relevant Credit Support Balance no longer satisfies the Eligibility Criteria (whether as a result of a restructuring of the terms of such asset or otherwise) and notifies Party A, Party B, the Custodian, the Loan Servicer and the Loan Administration Agent (in respect of a Loan Asset) in writing the Value of such asset shall be zero as of the effective date of such notice and, in the event that a Delivery Amount is created or increased as a result of the Value of such asset being reduced to zero, Party B shall substitute Equivalent Credit Support to such asset for Eligible Credit Support with a Value at least equal to the amount by which a Delivery Amount is created or increased.
- (C) For the avoidance of doubt, the transfer of Eligible Credit Support in accordance with Paragraph 2(a) (*Delivery Amount*) shall not be subject to the restrictions set out in sub-paragraph (B) above."

Paragraph 3(d) (*Substitution Procedure*) shall be added as follows:

"(d) *Substitution Procedure*

Party B shall give written notice (in the form set out in Schedule 5 (*Form of Substitution Notice*)) (a "**Substitution Notice**") to Party A, the Custodian, and the Loan Servicer and the Loan Administration Agent (if a relevant item of Original Credit Support or new Eligible Credit Support is a Loan Asset) of any proposed substitution no later than 5.00 p.m. (London time) on the date falling 3 Business Days prior to the proposed date of such substitution or, in the case of Loan Assets, the date falling 3 Business Days prior to the proposed date on which instructions in respect of such substitution are due to be given by the Loan Servicer to the relevant facility agent(s). Such Substitution Notice shall:

- I. specify the Original Eligible Credit Support;
- II. specify the New Eligible Credit Support;

- III. contain a completed Portfolio Adjustment Notice (as defined in the Loan Servicing Agreement) in respect of each item of Original Eligible Credit Support and New Eligible Credit Support that is a Loan Asset;
- IV. specify the proposed settlement date for such substitution (which shall be subject to agreement with the relevant facility agent (as applicable));
- V. contain a confirmation that Paragraph 11(h)(vi) (*Undertakings regarding due diligence*) has been complied with (if a relevant item of Eligible Credit Support is a Loan Asset); and
- VI. contain a confirmation that the New Eligible Credit Support satisfies the Eligibility Criteria and that upon such substitution taking effect (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then current satisfaction of the Eligibility Criteria as of the date of the Substitution Notice), the Credit Support Balance will satisfy the Concentration Limits.

Each Substitution Notice must be given to Party A, the Custodian, the Loan Servicer and the Loan Administration Agent by Party B in writing.

Paragraph 3(e) (*Substitution Period*) shall be added as follows:

"(e) *Substitution Period*

Each period from, and including, one Interest Payment Date to, but excluding, the immediately following Interest Payment Date with the first Substitution Period commencing on, and including, the Issue Date and the last Substitution Period ending on but excluding the earlier to occur of (a) the Maturity Date and (b) the date on which a Mandatory Early Redemption Event occurs."

(v) *Amendment to Paragraph 6 (Default)*

The following shall be added to Paragraph 6 (*Default*):

If a Mandatory Early Redemption Date occurs in respect of the Notes and a Note Guarantor Default has occurred, an amount equal to the Default Value of the Credit Support Balance, determined as though the Mandatory Early Redemption Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Note Guarantor for purposes of Clause 5(b)(ii) of the Note Guarantee.

**Default Value** means the net proceeds actually received by the Issuer upon liquidation of each item constituting the Credit Support Balance or, if such items are not being liquidated because certain items of the Credit Support Balance are to be delivered by the Issuer to the Noteholders pursuant to the Conditions of the Notes or otherwise, the Value of such item of Credit Support Balance determined pursuant to this Guarantor Support Annex provided that (a) the Valuation Percentage in respect of each item of the Credit Support Balance will be deemed to be equal to 100% and (b) any item of the Credit Support Balance that does not satisfy the Eligibility Criteria will not be automatically deemed to have a Value equal to zero.

(vi) *Amendment to Paragraph 9 (Miscellaneous)*

Paragraph 9(c) (*Demands and Notices*) shall be amended as follows:

"All demands and notices given by a party under this Annex will be given as specified in the Note Guarantee".

(vii) *Loans as Eligible Credit Support*

References in this Annex to a "security" shall, unless otherwise expressly provided or the context otherwise requires, include a Loan Asset.

(viii) *Undertakings Regarding Due Diligence*

Party B undertakes and agrees to procure that due diligence is carried out in respect of each item of Eligible Credit Support in accordance with Exhibit C (*Due Diligence*), and to provide Party A with (i) completed due diligence reports updated and/or supplemented for each new proposed asset and (ii) legal opinions in respect of the enforceability of the transfer of such Eligible Credit Support to Party A under the laws governing such Loan Assets (in each case provided by reputable external counsel and in form and substance satisfactory to Party A), in each case prior to the proposed transfer date in respect of such Eligible Credit Support under the Guarantor Support Annex.

Without prejudice to Party B's undertaking above in respect of due diligence, prior to the transfer of any proposed Eligible Credit Support, Party B undertakes (i) to provide Party A (and/or its legal counsel) with any offering documents, credit agreements, security agreements and other related documentation in respect of such proposed Eligible Credit Support as reasonably requested by Party A (subject to any confidentiality restrictions applicable to such proposed Eligible Credit Support) and (ii) that each representation, warranty or undertaking to be given by Party A pursuant to any such credit agreement, security agreement and other related documentation in respect of such proposed Eligible Credit Support is true and accurate as at the Effective Date.

(ix) *Voting Rights*

If the Custodian or the Loan Administration Agent receives any notice in respect of the right to vote or to give consents or instructions in respect of and pursuant to the terms of any Eligible Credit Support which forms part of Party B's Credit Support Balance including, without limitation, tender and exchange offers, amendments and waivers, voting on accelerations, participation in creditors' committees, attending and voting at meetings, agreeing to compositions, restructurings and similar arrangements, and exercising any other discretionary rights of the holder given under the underlying instruments in respect of such Eligible Credit Support (such rights, "**Voting Rights**"), it shall as soon as reasonably practicable (or if such notice is received by the Custodian, the Loan Servicer or the Loan Administration Agent, the Custodian, the Loan Servicer or the Loan Administration Agent shall) following the date on which such notice is received deliver a copy of such notice to Party B (with a copy to the Valuation Agent) and Party B will have the right to exercise (and/or direct the Custodian, or the Loan Servicer on its behalf to exercise) such Voting Rights. The Custodian and the Loan Servicer shall, act solely in accordance with written instructions of Party B or its designee in respect of the exercise of any Voting Rights and in the absence of any such instruction from Party B or its designee, it will abstain from exercising any such Voting Rights.

Party A (or the Custodian, Loan Servicer or the Loan Administration Agent on its behalf) will deliver to Party B, a copy of any other notices received in relation to any Eligible Credit Support (with a copy to the Valuation Agent) as soon as reasonably practicable following receipt thereof.



(x) *Amendments to Paragraph 10 (Definitions)*

- (A) Capitalised words and expressions defined in the Confirmation (as defined below) shall, except so far as the context otherwise requires, have the same meaning in this Annex. In the event of any inconsistency between the definitions in the Confirmation and this Annex, this Annex shall prevail.
- (B) The following additions and amendments shall be made to the definitions in Paragraph 10 (Definitions) of this Annex:

The definition of Base Currency Equivalent shall be deleted and replaced as follows:

**"Base Currency Equivalent"** means, with respect to an amount on a Valuation Date, in the case of an amount denominated in the Base Currency, such Base Currency amount and, in the case of an amount denominated in a currency other than the Base Currency (the **"Other Currency"**), the amount of Base Currency required to purchase such amount of the Other Currency at the spot exchange rate determined by the Valuation Agent for value on such Valuation Date, by reference to the rates published by the European Central Bank.

**"Confirmation"** means the Confirmation dated 20 December 2012 and entered into between Party A and Party B.

The definition of "Equivalent Credit Support" shall be deleted and replaced with the following:

**"Equivalent Credit Support"** means, in respect of any Eligible Credit Support (which term shall include for the purposes of this definition, any assets held by Party A which would be Eligible Credit Support but for a failure to satisfy the Eligibility Criteria), Eligible Credit Support of the same type, nominal value, description and amount as such Eligible Credit Support or in the case of items of Eligible Credit Support which are Loan Assets, (i) obligations of the same borrower(s), obligors(s), issuer(s) and guarantor(s) (as applicable), (ii) commitments made as part of the same tranche or facility which have the same seniority pursuant to the applicable loan, intercreditor and ancillary documentation, (iii) obligations which are secured by the same security and guarantee package (if any) and (iv) of an identical type, original principal amount, description, obligation ranking, and (except where otherwise stated) amount as those loans, provided that where such Eligible Credit Support has been converted, subdivided or consolidated or has become the subject of a takeover or the holders of Eligible Credit Support have become entitled to receive or acquire other assets or other property or the Eligible Credit Support have become subject to any similar event, the term **"Equivalent Credit Support"** shall mean assets equivalent to (in accordance with foregoing criteria) the original Eligible Credit Support together with or replaced by a sum of money or assets or other property equivalent to (in accordance with the foregoing criteria) that is receivable by holders of such original Eligible Credit Support resulting from such event."

**"Equivalent Distributions"** means assets of the same type, nominal value, description and amount as the relevant Distribution.

The definition of "**Value**" shall be deleted and replaced as follows:

"**Value**" means, for any Valuation Date in respect of each item of Eligible Credit Support, the amount determined by the Valuation Agent by reference to:

- (i) in the case of Loan Assets, the Base Currency Equivalent of the product of (x) the price quoted on Markit (or such other pricing source as may be agreed between the parties from time to time) (provided that there are 3 or more contributors for the purposes of determining such price on Markit (or such alternative pricing source as agreed between the parties), and the Valuation Agent determines that at least one of such contributors has updated their price in the immediately preceding 10 Business Days) or, if such quotation is not available, or there are less than 3 contributors, or none of such contributors has updated their price in the immediately preceding 10 Business Days, by reference to such independent price source(s), including, without limitation, Markit, independent market bids and/or proprietary valuation methodology (including, without limitation, by reference to any liquid credit default swap curve or asset swap curve of the relevant obligor as determined by the Valuation Agent) as the Valuation Agent may determine in good faith and a commercially reasonable manner, on or about the Valuation Time (as defined in the Guarantor Support Annex), (y) the nominal amount of the relevant Loan Asset and (z) the applicable Valuation Percentage (if any);
- (ii) in the case of an amount of cash, the Base Currency Equivalent of such amount multiplied by the applicable Valuation Percentage (if any); and
- (iii) in the case of securities, the Base Currency Equivalent of the product of (x) the bid price of the relevant security as determined by the Valuation Agent (y) the nominal amount of such security and (z) the applicable Valuation Percentage,

in each case subject to the Dispute Resolution procedures above and provided always that the Value of any asset that the Valuation Agent determines does not satisfy the Eligibility Criteria shall be equal to zero. For the avoidance of doubt, the clean bid price of an asset shall be used by the Calculation Agent for the purpose of calculating the Value of such asset.

(xi) *Demands and Notices*

All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of the Agreement, save that any demand, specification or notice:

- (A) shall be given to or made at the following addresses:

**If to Party B:**

Address: Credit Suisse International  
One Cabot Square  
London E14 4QJ

Attention: Structured Credit Solutions Group

Email: [list.tern-series-1-notices@credit-suisse.com](mailto:list.tern-series-1-notices@credit-suisse.com)

Telephone: +44 20 7888 5996 (Federico Foca)  
+44 20 7888 0314 (Laurent Montete)  
+44 20 7888 3449 (Arun Cronin)  
+852 2101 7209 (Glen Bowler)  
+44 20 7888 3419 (Omar Waly)

**If to Party A:**

Address: Triple Enhanced Rated Notes (TERN) Limited  
5 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

Attention: The Directors  
Tel: +353 680 6050  
Fax: +353 680 6000

or at such other address as the relevant party may from time to time designate by giving notice (in accordance with the terms of this subparagraph) to the other party; and

- (B) shall be deemed to be effective at the time such notice is actually received unless such notice is received on a day which is not a Local Business Day or after the Notification Time on any Local Business Day in which event such notice shall be deemed to be effective on the next succeeding Local Business Day.

(xii) *Eligible Account*

- (a) If at any time any Eligible Credit Support comprised in the Credit Support Balance consists of cash (regardless of the currency of such cash), Party A shall, promptly upon receiving such Eligible Credit Support and at all times until such Eligible Credit Support is returned to Party B, maintain such Eligible Credit Support in an Eligible Account, provided that any costs or expenses incurred by Party A in maintaining such Eligible Credit Support in an Eligible Account (including opening such account, if applicable) shall be for the account of Party B.
- (b) For the purposes of paragraph (A) above,

**Eligible Account** means an account, specified by Party A in the name of Party A, with an Eligible Bank.

**Eligible Bank** means an internationally recognised bank whose long-term debt rating is at least "BBB" by S&P, "BBB" by Fitch or "Baa2" by Moody's and in respect of which consent from Party B has been obtained (such consent by Party B not to be unreasonably withheld). Party B has provided its consent, as at the date of the Agreement, in respect of The Bank of New York Mellon and its Affiliates acting as the Eligible Bank.

As of the date of this Agreement the Eligible Account in respect of Eligible Credit Support in the form of securities shall be the Collateral Account and the Eligible Account in respect of Eligible Credit Support in the form of cash will be the Cash Account.

"**Cash Account**" means, on the Issue Date, the segregated cash accounts with segregated sub-accounts denominated in EUR, GBP and USD, opened with the Custodian in the name of Party A and thereafter, as may be updated from time to time.

"**Collateral Account**" means, on the Issue Date, the segregated securities accounts with segregated sub-accounts for deposits, for securities denominated in EUR, GBP and USD, opened with the Custodian in the name of Party A and thereafter, as may be updated from time to time.

"**Distributions**" means, with respect to any Eligible Credit Support comprised in the Credit Support Balance, all principal, interest and other payments and distributions of cash or other property to which a holder of such Eligible Credit Support in the same jurisdiction as Party A and with the same tax status would be entitled from time to time, net of any applicable withholding taxes imposed (howsoever described).

(i) *Delivery of Equivalent Credit Support with a Value of Zero*

If the Valuation Agent determines that any Eligible Credit Support or Equivalent Credit Support has a value of zero, Party B may instruct Party A to deliver Equivalent Credit Support to Party B and provided that no Delivery Amount exists at the time of such request or would exist immediately following such delivery of Equivalent Credit Support Party A shall as soon as reasonably practicable transfer such Equivalent Credit Support to Party B.

**EXHIBIT A**

**VALUATION PERCENTAGES**

<b>Eligible Credit Support</b>	<b>Rating (including Internal Rating in respect of Loan Assets (if applicable))</b>	<b>Unadjusted Valuation Percentage</b>
Cash in EUR	N/A	100%
Cash in USD	N/A	97%
Government Securities	AAA/Aaa	96%
	AA+/Aa1 to AA-/Aa3	94%
	A+/A1 to A-/A3	90%
	Below A-/A3	89%
Corporate Bonds	AAA/Aaa	97%
	AA+/Aa1 to AA-/Aa3	95%
	A+/A1 to A-/A3	89%
	BBB+/Baa1 to BBB-/Baa3	87%
	BB+/Ba1 to BB-/Ba3	81%
	B+/B1 to B-/B3	76%
Loan Assets	A+/A1 or better	86%
	BBB+/Baa1 to BBB-/Baa3	81%
	BB+/Ba1 to BB-/Ba3	76%
	B+/B1 to B-/B3	76%
	Internal Rating only if Basel IRB Model used to assign such rating has not been approved by the Bank of Italy	71%

The Valuation Percentage shall be a percentage equal to the Unadjusted Valuation Percentage specified in the table above opposite the relevant Eligible Credit Support reduced, if applicable, as follows:

- (a) by 3%, in respect of any Government Securities, Corporate Bonds or Loan Assets that are denominated in any currency other than EUR;
- (b) by 5%, in respect of any Government Securities, Corporate Bonds or Loan Assets that are issued or guaranteed by, or in respect of which the ultimate credit exposure (as determined by the Valuation Agent) is to, a "financial" obligor (as defined on Bloomberg (or any successor service) and, for the avoidance of doubt for these purposes, insurers, banks and other entities with their principal business in the financial sector as determined by the Valuation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) or one of its Affiliates; and
- (c) by 10% in respect of any Government Securities, Corporate Bonds or Loan Assets that are issued or guaranteed by, or in respect of which the ultimate credit exposure (as determined by the Valuation Agent) is to, a Spanish entity.

Where an Internal Rating is used for the purpose of determining the Valuation Percentage, the Valuation Percentage shall be equal to the lesser of (a) the Valuation Percentage determined using such Internal Rating in accordance with the table above (as adjusted pursuant to the above provisions) and (b) 80 per cent.

The lowest of the S&P, Moody's and/or Fitch ratings should be used for the purpose of determining the Valuation Percentage.

## EXHIBIT B

### ELIGIBILITY CRITERIA AND CONCENTRATION LIMITATIONS

#### PART 1

#### ELIGIBILITY CRITERIA

An asset shall constitute Eligible Credit Support if it complies with the following criteria on each day during the term of the Swap Agreement as determined by the Calculation Agent:

- (A) it is cash in EUR or the lawful currency of the United States of America; or
- (B)
  - (1) it is denominated in EUR or the lawful currency of the United States of America or the United Kingdom;
  - (2) it represents a claim against a primary obligor and any applicable secondary obligors of material significance to the credit quality of the asset, which is a sovereign state of, or incorporated or established in, any Eligible Country, provided that securities or loans which represent a claim upon an obligor which is a "financial" obligor (as such term is defined on Bloomberg (or any successor service) and, for the avoidance of doubt, for these purposes insurers, banks and other entities with their principal business in the financial sector as determined by the Calculation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) as determined by the Valuation Agent which is incorporated or established in Hungary shall not constitute Eligible Credit Support;
  - (3) it is within one of the following asset classes (each, an **Eligible Asset Class**):
    - (i) a security issued by a sovereign state or government entity (a **Government Security**);
    - (ii) a vanilla, non-structured debt security issued or guaranteed by a commercial corporation or entity (a **Corporate Bond**); or
    - (iii) a loan or credit facility (or in each case a specified drawn portion thereof) where the borrower or guarantor is a commercial corporation or entity but where the lenders may either be a single lender or a syndicate (**Loan Asset**) acquired by Party A pursuant to an Assignment effected in accordance with the terms of such Loan Asset;
  - (4)
    - (i) in respect of a Government Security or a Corporate Bond, such asset or its issuer or guarantor shall have a long-term public rating (a **Public Rating**) available to the Calculation Agent of at least "B-" by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**S&P**), and/or at least "B3" by Moody's Investors Service Limited (**Moody's**), and/or at least "B-" by Fitch Ratings Limited (**Fitch**) and/or at least the equivalent of a "B-"/"B3" rating from any reputable rating agency agreed in writing between Party A and the Calculation Agent from time to time (such agency, an **Approved Rating Agency**) (such rating requirement, the **External Rating Condition**), and (ii) in respect of a Loan Asset, such Loan Asset shall either satisfy the External Rating Condition or shall have an internal rating assigned to it by Party B or the Swap Guarantor based on the latest Basel IRB model reviewed or approved by the Bank of Italy of at least "B-"/"B3" in each case, as notified to Party A and the Note Guarantor, (such rating an **Internal Rating**);

- (5) it shall not be a bond, note, other debt security, loan or credit facility where Mediobanca – Banca di Credito Finanziario S.p.A., Credit Suisse AG or one of their respective affiliates is an obligor or guarantor;
- (6) it is not a structured finance asset, a convertible asset or an asset which is primarily serviced by the cash flows of a discrete pool of receivables or other financial assets (including, without limitation, so-called "asset-backed securities", "asset-backed commercial paper", "mortgage-backed securities", "collateralised mortgage obligations" securities, "collateralised loan obligations" securities or "collateralised debt obligations" securities. For the avoidance of doubt, covered bonds shall not fall within this exclusion);
- (7) it is a senior first lien obligation of the relevant issuer or borrower;
- (8) it has a scheduled maturity which is not greater than 7 years from the date of its inclusion in the portfolio of Eligible Credit Support;
- (9) it is not a Defaulted Obligation;
- (10) in respect of a Corporate Bond or Government Security, it shall comprise part of an issuance with an aggregate outstanding issue size (as of the date of its inclusion in the Portfolio) which is equal to or greater than USD 300,000,000 (or the USD equivalent as determined by the Calculation Agent by reference to the prevailing spot rate of exchange as at the time at which such asset is first included in the Credit Support Balance);
- (11) in respect of a Corporate Bond or a Government Security, it shall (i) not be a private placement as determined by the Calculation Agent, which shall include without limitation, securities which were initially sold to a single or limited number of investors or in respect of which there is no or limited trading in the secondary market, and (ii) be settled through Euroclear, Clearstream, DTC or any other clearing system pursuant to which the Custodian can hold assets on behalf of Party A;
- (12) on the date of its transfer to Party A, there shall be an independent reliable pricing source (an "**Acceptable Pricing Source**") in respect of such Loan Asset as determined by the Calculation Agent (including, without limitation, a liquid credit default swap curve or liquid asset swap curve of the relevant obligor as determined by the Valuation Agent), provided always that Markit (or any successor service) shall be deemed to be an Acceptable Pricing Source in respect of a Loan Asset in the event that on any day (i) a price for such Loan Asset is available on Markit, (ii) there are 3 or more contributors for the purposes of determining such price, and (iii) the Calculation Agent determines that at least one of such contributors has updated their price in the immediately preceding 10 Business Days;
- (13) on the date of its transfer to Party A, it shall have a minimum bid price determined by the Valuation Agent in accordance with the definition of "Value" above of 70 per cent;
- (14) in the case of each Loan Asset, (i) it has been transferred to Party A by way of Assignment in accordance with its terms and the underlying obligor(s) have been notified of such transfer where required pursuant to its terms, (ii) it is capable of being transferred by way of Assignment by Party B without any breach of applicable selling restrictions or any legal or regulatory requirement applicable to Party A or Party B and neither Party A nor Party B requires any authorisation, consents, approvals or filings (other than such as have been obtained or effected) as a result of or in connection with such Assignment or, in the case of Party A, to hold such Loan Asset, under any applicable law and such transfer would be effective as against Party A, the transferee and the underlying obligor(s), and (iii) it has been transferred in compliance with Paragraph 11(h)(vi) (*Undertakings regarding due diligence*);

- (15) the sale and transfer of such asset to Party A would not violate any law or agreement by which the applicable transferor is bound (other than such restrictions as will not have an adverse effect on the enforceability or collectability of the asset or on Party A's rights to the proceeds of such asset);
- (16) it is not an obligation pursuant to which future advances may be required to be made by Party A; and
- (17) no withholding or deduction including any withholding or deduction as a result of FATCA will be required by the issuer or borrower (as applicable) in making any payment on such obligation to Party A or the Note Guarantor.

In respect of a security or loan which is rated by more than one of Moody's, Fitch, S&P and/or an Approved Rating Agency, the lowest rating shall be used for the purposes of assessing compliance with sub-paragraph (B)(4) above.

**"Assignment"** means an interest in a Loan Asset acquired directly by way of novation or assignment pursuant to and in accordance with the transfer provisions in such Loan Asset resulting in Party A becoming lender of record in respect thereof (excluding, for the avoidance of doubt, an equitable assignment or similar methods of transfer which do not involve a fully perfected legal transfer).

**"Defaulted Obligation"** means an asset in respect of which:

there has occurred and is continuing a default with respect to the payment of interest or principal, disregarding any grace periods applicable thereto, which entitles the holders thereof, with notice or passage of time or both, to accelerate the maturity of all or a portion of the principal amount of such obligation, until such default has been cured or waived; or

any bankruptcy, insolvency or receivership proceeding has been initiated in connection with the obligor in respect of such asset and such proceeding has not been stayed and dismissed; or

the Calculation Agent knows (based upon publicly available information) that the obligor in respect thereof is in default as to payment of principal and/or interest on another obligation, save for obligations constituting trade debts which the applicable obligor is disputing in good faith (and such default has not been cured), but only if the other obligation is senior to, or *pari passu* with, the asset in right of payment.

**"Eligible Country"** means each of Austria, Canada, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, the Netherlands, Norway, Poland, Russia, Spain, Sweden, Switzerland, the United States of America and the United Kingdom.



## PART 2

### CONCENTRATION LIMITS

The portfolio of Eligible Credit Support (other than Eligible Credit Support in the form of cash) shall comply with the following Concentration Limits on each day during the term of the Swap Agreement as determined by the Calculation Agent:

- (1) the aggregate Value of all assets which are issued by a single obligor shall not exceed 10 per cent. of the Principal Amount of the Notes then outstanding, save in respect of the Single Obligor Waived Assets in respect of which the applicable percentage shall be 15 per cent.;
- (2) the aggregate Value of all assets comprising Eligible Credit Support in each case that represent a claim upon an obligor which is either a sovereign state or incorporated or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, the same country shall not, in each case, exceed 30 per cent. of the Principal Amount of the Notes then outstanding, except for (i) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, the United States of America, in respect of which this percentage shall be 100 per cent., (ii) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, any of Germany, France or the United Kingdom, in respect of which this percentage shall be 60 per cent., (iii) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, Italy or Spain, in respect of which this percentage shall be 25 per cent. and an aggregate cap of 30 per cent. shall apply in respect of Spain and Italy, and (iv) obligors incorporated in or established in, or where the ultimate credit exposure (as determined by the Valuation Agent) is to an entity in, Czech Republic, Hungary, Poland or Russia, in respect of which this percentage shall be 10 per cent. and an aggregate cap of 25 per cent. shall apply in respect of Czech Republic, Hungary, Poland and Russia;
- (3) the aggregate Value of all assets comprising Eligible Credit Support in each case that represent a claim upon an obligor which is in the same Bloomberg Industry Group (or where no Bloomberg Industry Group is specified in respect of such Eligible Credit Support, the equivalent industry group so specified under the available market data source) in each case as determined by the Valuation Agent shall not, in each case, exceed 40 per cent. of the Principal Amount of the Notes, provided that the aggregate Value of all assets comprising Eligible Credit Support that represent a claim upon an obligor which is a "financial" obligor (as such term is defined on Bloomberg (or any successor service) and, for the avoidance of doubt, for these purposes insurers, banks and other entities with their principal business in the financial sector as determined by the Calculation Agent acting in a commercially reasonable manner shall be regarded as "financial" obligors) as determined by the Valuation Agent shall not exceed 20 per cent. of the Principal Amount of the Notes;
- (4) in respect of Corporate Bonds and Government Securities only, the outstanding principal amount of any bonds comprising Eligible Credit Support which are part of the same issuance shall not be greater than 5 per cent. of the total issue size; and
- (5) the aggregate nominal amount of items of Eligible Credit Support comprising Loan Assets shall not exceed EUR 727,400,000.

**"Single Obligor Waived Assets"** means any three assets comprising Eligible Credit Support as selected by Party B from time to time, provided always that any change to the Single Obligor Waived Assets shall not be effective until it has been notified in writing to the Calculation Agent.

## **EXHIBIT C**

### **DUE DILIGENCE**

- (1) Party B (acting on behalf of Party A) shall procure that due diligence is carried out in relation to each item of Eligible Credit Support which is a Loan Asset (including, without limitation, as to the transferability thereof). Party B shall provide or procure the provision of due diligence reports and legal opinions as specified in the section entitled "Undertakings regarding Due Diligence" above to Credit Suisse International.
- (2) Party B undertakes that it shall ensure that each Eligible Credit Support which is a Loan Asset is transferred (together with any security interests over collateral on which such Loan Asset is secured) to Party A by way of novation or assignment, or local law equivalents pursuant to the method(s) set out in or permitted by the underlying transaction documents which establishes such Loan Asset or otherwise as permitted in writing by the parties that are authorised to waive or amend the relevant provisions in the underlying transaction documents.
- (3) Party B shall ensure that for each item of Eligible Credit Support which is a Loan Asset (together with any security interests over collateral on which such Eligible Credit Support is secured) to be transferred to Party A, the governing law of such Eligible Credit Support and any such related collateral allows for the transfer to be effected pursuant to the method adopted by Party B.
- (4) Prior to any acquisition of an item of Eligible Credit Support in the form of a Loan Asset, Party B shall carry out due diligence in good faith and (to the extent that it deems necessary) procure that due diligence is carried out in good faith by its legal advisers, in respect of such matters relating to the Eligible Credit Support as Party B considers appropriate, including without limitation:
  - (a) to determine compliance with the Eligibility Criteria and the Concentration Limits (which, for the avoidance of doubt shall apply to both Loan Assets and securities);
  - (b) to determine compliance with applicable laws and regulations (including laws and regulations related to banking related activities) in the jurisdiction of incorporation or principal place of business of any obligor under an item of Eligible Credit Support in connection with the acquisition, holding and/or performance of obligations by Party A under such Eligible Credit Support;
  - (c) to determine that no withholding or deduction will apply to any payments made by the issuer or borrower (as applicable) to Party A when Party A holds such Eligible Credit Support or to the Note Guarantor if it held such Eligible Credit Support; and
  - (d) to determine compliance with any confidentiality undertakings applicable to such Eligible Credit Support.
- (5) In respect of the transfer of any item of Eligible Credit Support which is a Loan Asset, Party B represents that it has carried out such analysis of the legal structure of and documentation for each item of Eligible Credit Support as is reasonable including, the validity, enforceability, extent and efficacy of any security therefore in all relevant jurisdictions in the context of the Eligible Credit Support as a whole and that the relevant item of Eligible Credit Support was originated or acquired (as applicable) by Party B in accordance with its usual origination and credit policies.
- (6) In respect of the transfer of any item of Eligible Credit Support that is a Loan Asset, Party B represents that (i) such Eligible Credit Support is assignable in accordance with its terms, (ii) such Eligible Credit Support has been transferred in a legally valid and enforceable manner pursuant to

the method(s) set out in or permitted by the underlying transaction documents which establish such Loan Asset, (iii) such transfer is valid and effective under the governing law of the loan agreement, (iv) the transfer is in compliance with and effective under all applicable laws of the jurisdiction of incorporation or principal place of business of each obligor and (v) the transfer of the beneficial interest in any security related to the Loan Asset is valid and effective under the governing law and jurisdiction of situs of such security.

- (7) Party B shall ensure that the benefit of the security in relation to each item of Eligible Credit Support will be transferred to Party A along with title to such Eligible Credit Support in a legally valid and enforceable manner under the laws applicable to the relevant obligors in respect of such Eligible Credit Support and any related security.

### SCHEDULE 3

#### FORM OF CONCENTRATION LIMIT BREACH NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (as **Valuation Agent**)

To: CREDIT SUISSE INTERNATIONAL (**Party B**)

Party B and Triple Enhanced Rated Notes (TERN) Limited (**Party A**) have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Guarantor Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### **8. Concentration Limit Breach**

We hereby give notice, pursuant to Paragraph 11(b)(ii)(A) (*Concentration Limits*) of the Guarantor Support Annex, of a breach of the following Concentration Limits: [●].

#### **9. Governing Law**

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### **10. Jurisdiction**

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International.

**CREDIT SUISSE INTERNATIONAL**

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

## SCHEDULE 4

### FORM OF PROPOSED SUBSTITUTIONS NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (as **Calculation Agent**)

To: CREDIT SUISSE INTERNATIONAL (**Party B**), THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administrating Agent**), CREDIT SUISSE INTERNATIONAL (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Guarantor Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 11. Proposed Substitutions

We hereby propose, pursuant to Paragraph 11(b)(ii)(A) (*Concentration Limits*) of the Guarantor Support Annex, the following substitutions of Eligible Credit Support (or a proportion thereof): [*insert details*]

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

#### 12. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 13. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International.

**CREDIT SUISSE INTERNATIONAL**

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

ANNEX

PORTFOLIO ADJUSTMENT NOTICE

*In the following form (or substantially similar form):*

Date:	[●]
Seller / Transferor:	[name of entity selling / transferring the loan]
Buyer / Transferee:	[name of company buying / taking delivery of the loan]
Credit:	[description of loan]
Borrower:	[name of borrower]
Traded portion :	[amount of loan purchased or sold]
Tranche breakdown:	[amount per tranche if applicable]
Legal transfer only:	[yes / no]
Agent Notification:	[●]
Transfer Costs:	Payable by Credit Suisse International



## SCHEDULE 5

### FORM OF DELIVERY AMOUNT NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (**Party B**)

To: THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administration Agent**), CREDIT SUISSE INTERNATIONAL (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Guarantor Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 14. Delivery Amount

We hereby propose, pursuant to Paragraph 11(b)(ii)(B) (*Delivery Amount*) of the Guarantor Support Annex, that the following items of Eligible Credit Support are transferred pursuant to paragraph 2(a) (*Delivery Amount*) of the Guarantor Support Annex: [●].

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

#### 15. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 16. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International

**CREDIT SUISSE INTERNATIONAL**

Registered Office: One Cabot Square, London, E14 4QJ.

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:	[●]
Seller / Transferor:	[name of entity selling / transferring the loan]
Buyer / Transferee:	[name of company buying / taking delivery of the loan]
Credit:	[description of loan]
Borrower:	[name of borrower]
Traded portion :	[amount of loan purchased or sold]
Tranche breakdown:	[amount per tranche if applicable]
Legal transfer only:	[yes / no]
Agent Notification:	[●]
Transfer Costs:	Payable by Credit Suisse International

## SCHEDULE 6

### FORM OF RETURN AMOUNT NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (**Party B**)

To: THE BANK OF NEW YORK MELLON (as **Custodian and Loan Administration Agent**), CREDIT SUISSE INTERNATIONAL (as **Loan Servicer**) and TRIPLE ENHANCED RATED NOTES (TERN) LIMITED. (**Party A**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Guarantor Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 17. Return Amount

We hereby give notice, pursuant to Paragraph 11(b)(ii)(C) (*Return Amount*) of the Guarantor Support Annex, of the following Equivalent Credit Support to be transferred, on [*insert date*], pursuant to Paragraph 2(b) (*Return Amount*) of the of the Guarantor Support Annex: [●].

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

We confirm that following this transfer, the Credit Support Balance will satisfy the Concentration Limits.

#### 18. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 19. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International

**CREDIT SUISSE INTERNATIONAL**  
Registered Office: One Cabot Square, London, E14 4QJ

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:

**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:	[●]
Seller / Transferor:	[name of entity selling / transferring the loan]
Buyer / Transferee:	[name of company buying / taking delivery of the loan]
Credit:	[description of loan]
Borrower:	[name of borrower]
Purchase price (if applicable):	[expressed as a percentage of par value plus any additional fees]
Tranche breakdown:	[amount per tranche if applicable]
Legal transfer only:	[yes / no]
Agent Notification:	[●]
Transfer Costs:	Payable by Credit Suisse International

## SCHEDULE 7

### FORM OF SUBSTITUTION NOTICE

Date: [●]

From: CREDIT SUISSE INTERNATIONAL (**Party B**)

To: TRIPLE ENHANCED RATED NOTES (TERN) LIMITED (**Party A**), CREDIT SUISSE INTERNATIONAL (as **Loan Servicer**) and THE BANK OF NEW YORK MELLON (as **Custodian** and **Loan Administration Agent**)

Party A and Party B have entered into a 2002 ISDA Master Agreement and Schedule thereto dated as of 20 December 2012, as supplemented by (i) a Guarantor Support Annex and (ii) a Confirmation confirming the terms of the swap transaction, each dated 20 December 2012 and entered into in connection with the issue by Party A of the Series 1 EUR 300,000,000 Guaranteed Senior Floating Rate Notes due 2018 (the **Agreement**).

Capitalised terms used herein and not otherwise defined shall have the meaning given to them in the Agreement.

#### 20. Substitution

We hereby give notice, pursuant to paragraph 3(d) (*Substitution Procedure*) of the Guarantor Support Annex, of the following proposed substitution of Eligible Credit Support:

- (a) The Original Eligible Credit Support was [●];
- (b) The New Eligible Credit Support will be [●]; and
- (c) The proposed settlement date for such substitution is [●], subject to agreement with the relevant facility agent (if applicable).

[In respect of the following items of Equivalent Credit Support to be transferred, each of which is a Loan Asset, please refer to the Portfolio Adjustment Notice annexed to this notice: [●].]

We confirm that the New Eligible Credit Support satisfies the Eligibility Criteria and that upon such substitution taking effect (but determined by reference to the prevailing Value of the Eligible Credit Support, foreign exchange rates and then current satisfaction of the Eligibility Criteria as of the date of the Substitution Notice), the Credit Support Balance will satisfy the Concentration Limits.

#### 21. Governing Law

This notice and any non-contractual obligations arising out of or connected to it shall be governed by and construed in accordance with English law.

#### 22. Jurisdiction

The terms of Section 13(b) (*Jurisdiction*) of the Agreement shall apply to this notice with references in such Clause to "this Agreement" being deemed to be references to this notice.

Signed for and on behalf of Credit Suisse International

**CREDIT SUISSE INTERNATIONAL**  
Registered Office: One Cabot Square, London, E14 4QJ.

By:

---

Name:

Title:

Date:

By:

---

Name:

Title:

Date:



**ANNEX**

**PORTFOLIO ADJUSTMENT NOTICE**

*In the following form (or substantially similar form):*

Date:	[●]
Seller / Transferor:	[name of entity selling / transferring the loan]
Buyer / Transferee:	[name of company buying / taking delivery of the loan]
Credit:	[description of loan]
Borrower:	[name of borrower]
Purchase price (if applicable):	[expressed as a percentage of par value plus any additional fees]
Tranche breakdown:	[amount per tranche if applicable]
Legal transfer only:	[yes / no]
Agent Notification:	[●]
Transfer Costs:	Payable by Credit Suisse International

**IN WITNESS WHEREOF** the parties have executed and delivered this Annex by their duly authorised officers as of the date hereof.

**CREDIT SUISSE INTERNATIONAL**

**TRIPLE ENHANCED RATED NOTES (TERN)  
LIMITED**

Party B

Party A

By: .....

By: .....

Name:  
Title:  
Date:

Name:  
Title:  
Date:

## SCHEDULE 8

### BASIS OF ENTRY INTO THE GUARANTOR SUPPORT ANNEX

1. The Guarantor Support Annex is an annex to and forms part of, and supplements, this Agreement. References in the Guarantor Support Annex to the "ISDA Master Agreement" or the "Agreement" shall therefore be construed as references to this Agreement unless otherwise stated below.
2. The rights and obligations of the Guarantor and the Issuer under the Guarantor Support Annex shall be effective immediately upon the occurrence of a Swap Counterparty Default and prior to such occurrence no rights or obligations shall arise or be capable of exercise in respect of the Issuer or the Guarantor pursuant to the Guarantor Support Annex.
3. On the date on which a Swap Counterparty Default occurs the Guarantor shall be deemed to have provided on such date Eligible Credit Support that is identical to the Charged Assets (following any deliveries that are made pursuant to the Conditions of the Notes and the Charged Agreement). For the avoidance of doubt, the Credit Support Balance under the Guarantor Support Annex shall be deemed to be equal on such date to the Credit Support Balance under the Credit Support Annex at the time of the Swap Counterparty Default (or, if any deliveries of Charged Assets are to be made pursuant to the Conditions of the Notes or the Charged Agreement, following any such deliveries).
4. The following provisions of the 2002 ISDA Master Agreement shall apply in respect of the Guarantor Support Annex and payments and deliveries made thereunder (and the provisions of the 2002 ISDA Master Agreement (and corresponding definitions) shall be construed accordingly for this purpose including, without limitation, that any reference to "Agreement" or "Confirmation" shall be deemed to be a reference to this Agreement as supplemented by the Guarantor Support Annex:
  - (a) Section 2(a) (*General Conditions*);
  - (b) Section 2(c) (*Netting of Payments*); and
  - (c) Section 2(d) (*Deduction or Withholding for Tax*).
5. In addition to the elections and amendments specified in Paragraph 11 of the Guarantor Support Annex, the following amendments shall be applicable:
  - (a) Paragraph 6 (*Default*) shall be amended as follows:

If a Mandatory Early Redemption Date occurs in respect of the Notes and a Note Guarantor Default has occurred, an amount equal to the Default Value of the Credit Support Balance, determined as though the Mandatory Early Redemption Date were a Valuation Date, will be deemed to be an Unpaid Amount due to the Guarantor for purposes of Clause 5(b)(ii) of the Note Guarantee.

**Default Value** means the net proceeds actually received by the Issuer upon liquidation of each item constituting the Credit Support Balance or, if such items are not being liquidated because certain items of the Credit Support Balance are to be delivered by the Issuer to the Noteholders pursuant to the Conditions of the Notes or otherwise, the Value of such item of Credit Support Balance determined pursuant to Guarantor Support Annex provided that (a) the Valuation Percentage in respect of each item of the Credit Support Balance will be deemed to be equal to 100% and (b) any item of the Credit Support Balance that does not satisfy the Eligibility Criteria will not be automatically deemed to have a Value equal to zero.

(b) Paragraph 9(c) (*Demands and Notices*) shall be amended as follows:

"All demands and notices given by a party under this Annex will be given as specified in the Note Guarantee".

**SIGNATORIES**

**TRIPLE ENHANCED RATED NOTES (TERN) LIMITED**  
as Issuer

---

Name:  
Title:  
Date:

**CREDIT SUISSE INTERNATIONAL**  
as Guarantor

---

Name:  
Title:  
Date:

---

Name:  
Title:  
Date:

**BNY MELLON CORPORATE TRUSTEE SERVICES LIMITED**  
as Trustee

---

Name:  
Title:  
Date:

**ISSUER**

**Triple Enhanced Rated Notes  
(TERN) Limited**  
5 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

**SWAP COUNTERPARTY**

**Mediobanca International (Luxembourg) S.A.**  
4, boulevard Joseph II  
L-1840 Luxembourg  
Grand Duchy of Luxembourg

**SWAP GUARANTOR AND LOAN SERVICER**

**Mediobanca – Banca di Credito Finanziario  
S.p.A.**  
Piazzetta E. Cuccia, 1  
20121 Milan  
Italy

**TRUSTEE**

**BNY Mellon Corporate Trustee Services Limited**  
One Canada Square  
London E14 5AL

**REGISTRAR**

**The Bank of New York Mellon (Luxembourg)  
S.A.**  
Vertigo Building-Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**PRINCIPAL PAYING AGENT, CUSTODIAN  
AND LOAN ADMINISTRATION AGENT**

**The Bank of New York Mellon**  
One Canada Square  
London E14 5AL  
United Kingdom

**CALCULATION AGENT, VALUATION  
AGENT, SELLING AGENT, NOTE  
GUARANTOR AND ARRANGER**

**Credit Suisse International**  
One Cabot Square  
London E14 4QJ  
United Kingdom

**DEALER**

**Credit Suisse Securities (Europe) Limited**  
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London E14 4QJ  
United Kingdom

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