

## SECURITIES NOTE

Issue Date: 20 June 2019

Date of Securities Note: 20 June 2019

ELVA FUNDING II DAC

*(a designated activity company incorporated under the laws of Ireland with a registered number of 628043)*

issue under

**€20,000,000,000 Asset-Backed Medium Term Note Programme**

of

**Series 2019-2 JPY 10,000,000,000 Secured Fixed Rate Notes due 2021  
(the "Notes")**

**The Notes are secured primarily by the Swap Agreement (as defined on page 18 below)**

**Issue Price: 100.00 per cent.**

*The Securities Note prepared pursuant to the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**") will be available from the website of the Central Bank of Ireland (the "**Central Bank**") for a period of 12 months. This Securities Note is prepared in connection with the €20,000,000,000 Asset-Backed Medium Term Note Programme of Elva Funding II DAC and should be read in conjunction with the Registration Document dated 30 July 2018 as supplemented from time to time (the "**Registration Document**") issued by Elva Funding II DAC (the "**Issuer**"). Terms defined in the Registration Document have the same meanings when used in this Securities Note.*

*This Securities Note has been prepared for the purpose of giving information about the issue of the Notes.*

*Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**"). This Securities Note includes information given in compliance with the listing rules of Euronext Dublin.*

*This Securities Note has been approved by the Central Bank, as competent authority under Directive 2003/71/EC, as amended (the "**Prospectus Directive**"). The Central Bank only approves this securities note as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This document constitutes a securities note (the "**Securities Note**") for the purposes of the Prospectus Directive. Application has been made to Euronext Dublin for the Notes issued under this this Securities Note to be admitted to the official list (the "**Official List**") and trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU (as amended, "**MiFID II**").*

***Investors should take into account, when making a decision as to whether or not to invest in the Notes, amongst other things, the matters set out in "Risk Factors" below.***

*The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes may not at any time be offered, sold or delivered within the United States or to U.S. Persons (as defined on page 57 below).*

This Securities Note has been prepared by the Issuer for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and the Dealer reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of the Notes offered hereby. This Securities Note is personal to each offeree to whom it has been delivered by the Issuer, the Dealer or any affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Securities Note to any persons other than the offeree and those persons, if any,

retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited. Any reproduction or distribution of this Securities Note in whole or in part and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the securities offered herein is prohibited.

MiFID II Product Governance: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available at any time to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in Article 4(1) of Directive 2004/39/EC (as amended, including by Directive 2014/65/EU) ("**MiFID**"); (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in Article 4(1) of MiFID; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available from the above date to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

The Dealer expects to privately place the Notes and may do so in individually negotiated transactions at prices other than the Issue Price set out herein.

*Morgan Stanley & Co. International plc (the "**Dealer**") delivered the Notes to purchasers on or about 20 June 2019.*

**MORGAN STANLEY**

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

*The information set out under the headings "Overview of Parties to the Transaction" has been provided to the Issuer by the parties named in those sections and the Issuer makes no representation in relation to such information. Each of the parties named in the section headed "Overview of Parties to the Transaction" takes responsibility for the information relating to themselves under that section and, to the best of the knowledge and belief of each of them, the information set out under the relevant heading in respect of them is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*The Issuer has only made very limited queries with regards to the accuracy and completeness of the information set out under the heading "Overview of Parties to the Transaction" (the "Third Party Information"). This information has been accurately reproduced from publicly available information identified by the relevant entities and, so far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquiries in respect of, the accuracy and completeness of the Third Party Information.*

*No representation is made that this Securities Note may be lawfully distributed, or that Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, and no assumption is made of any responsibility for facilitating any such distribution or offering. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.*

*No person has been authorised to give any information or to make representations other than those contained in this Securities Note in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or any of the parties mentioned herein.*

*Neither the delivery of this Securities Note nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date of this Securities Note.*

*Before making an investment decision, prospective purchasers should inform themselves about, and make a detailed evaluation of, the nature and financial position of the Swap Counterparty, the Eligibility Criteria relating to the ROs (and consequently the Underlying Assets) and the Swap Agreement. None of the Issuer, the Trustee or the Dealer has had any access to any obligor of the Underlying Assets for the purposes of rendering any such investigation nor makes any representations as to the financial condition or creditworthiness of any such obligor. In addition, prospective purchasers should consider the nature and financial position of the Issuer of the Notes as well as the terms and conditions of the Notes and any other related transaction documents described below.*

*"Underlying Assets" means (i) initially on the Issue Date, the cash issue proceeds of the Notes and (ii) following the Issue Date, either the Underlying Assets specified in (i) above or such assets as may be purchased by or on behalf of the Issuer in accordance with the Conditions in order to hedge its obligations under the Trade Documents.*

*For the avoidance of doubt, the Notes are not, and do not represent or convey any interest in, a direct or indirect obligation of the obligors of any Reference Obligations, nor do they confer on the Noteholder any right (whether in respect of voting, dividend or other distributions in respect of any Reference Obligations) which the holder of any of the Reference Obligations may have. The Issuer is not an agent of the Noteholder for any purpose.*

*This Securities Note contains summaries of and reference to certain provisions of other documents executed in relation to the Notes, such as the Supplemental Trust Deed (as defined on page 11 below). Such summaries and references are subject to the actual provisions of each such document, copies of which are available for inspection at*

*the specified office of the Principal Paying Agent. Holders of the Notes to which this Securities Note relates, and any other person into whose possession this Securities Note comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of any of the Notes.*

*Whilst legal opinions relating to the issue of the Notes were obtained with respect to certain laws of England and Ireland, no such opinions have been obtained with respect to any other laws, including the laws of the country of incorporation of any of the obligors (other than the Issuer) in respect of the Charged Assets and/or the Underlying Assets (as the case may be), the laws of the country in which the Charged Assets and/or the Underlying Assets are situated or the laws which are expressed to govern the Charged Assets and/or the Underlying Assets, any of which, depending upon the circumstances, may affect, inter alia, the validity and legal and binding effect of the Charged Assets and/or the Underlying Assets and the effectiveness and ranking of the security for the Notes.*

*This Securities Note does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Securities Note in any jurisdiction where such action is required. This Securities Note which is dated 20 June 2019 may not be used for any purpose other than the provision of information in relation to the issue of the Notes and related transactions described herein.*

*This communication is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to the investments or (iii) 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 2001 (all such persons together being referred to as "relevant persons"). This communication must not be 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.*

*There can be no assurance that the amount payable on any redemption of the Notes or any early redemption or enforcement of the security therefor will be equal to or greater than the Issue Price or the then current outstanding principal amount of the Notes.*

*Upon approval of this Securities Note by the Central Bank, this Securities Note will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.*

*The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank.*

**EACH PURCHASER OF THE NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH SECURITIES OR POSSESSES OR DISTRIBUTES THIS BASE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH SECURITIES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE DEALER OR THE TRUSTEE SPECIFIED HEREIN (OR ANY OF THEIR RESPECTIVE AFFILIATES) SHALL HAVE ANY RESPONSIBILITY THEREFOR.**

**THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED HEREIN AND AS PERMITTED UNDER THE SECURITIES ACT 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.**

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## RISK FACTORS

*The following is a description of certain additional aspects of the issue of the Notes of which any prospective Noteholder should be aware. It is not intended to be exhaustive and any prospective Noteholder should also read the detailed information set out elsewhere in this document and take its own tax, legal and other relevant advice as to the structure and viability of an investment in the Notes.*

### 1. Credit Considerations

#### *Suitability*

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes in which they are investing and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Each Noteholder should have sufficient knowledge, experience and professional advice to make its own legal, tax, accounting and financial evaluation of the merits and risks of investment in the Notes and in purchasing the Notes is not relying on either the views or advice of, or any information with respect to, the Issuer, the Swap Agreement or the Dealer. .

#### *Obligations of the Issuer*

The Notes are solely the obligations of the Issuer. In particular, the Notes are not the obligations or responsibility of, or guaranteed by, the Trustee, the Custodian, the Arranger, the shareholders of the Issuer, the Dealer, the Principal Paying Agent, the Registrar, the Determination Agent, the Calculation Agent, the issuer of any Underlying Assets or the Swap Counterparty. Apart from the Issuer, none of these persons will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Each Noteholder will be deemed to have represented that it has made its own independent assessment as to whether purchasing the Notes is appropriate for it based upon its own judgment and upon advice from such advisers as it considers necessary. None of the Issuer, the Trustee, the Swap Counterparty, the Dealer or the Determination Agent is acting as a financial adviser or in a fiduciary capacity in relation to the Notes in respect of any investor or potential investor. Each Noteholder will also be deemed to have represented that it is not relying on any communication (written or oral) made by the Issuer as constituting either investment advice or a recommendation to purchase the Notes. No communication (written or oral) received by the Noteholders from the Issuer constitutes an assurance or guarantee as to the expected results or likely return under the Notes.

#### *Subordination of the Notes*

Payments of interest and principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Issuer as set out in the relevant Orders of Priority specified in Special Condition 2.2 (*Pre and Post Enforcement Waterfalls*) as set out in Annex 1 to the Applicable Supplement.

There can be no assurance that the Noteholders will receive the full amounts payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes.

#### *Reliance on the Swap Agreement*

On or about the Issue Date, the Issuer and the Swap Counterparty entered into a Swap Agreement which comprises, *inter alia*, a total return swap facility (the "**TRS Facility**") pursuant to which one or more total return swap transactions may be entered into (each a "**TRS Transaction**").

The effective date of each TRS Transaction shall be subject to the consent of the Issuer, which shall be deemed to be given in the event that a firm offer price is made available (by the Swap Calculation Agent or an independent third party) for the sale to the Issuer of an asset Equivalent (as defined below) to the "Reference Obligation ("**RO**") to be the subject of the relevant TRS Transaction. In respect of each such firm offer, although not required to do so, the Issuer

shall, in order to hedge its obligations under the Trade Documents, submit a corresponding firm bid and, using the relevant portion of net issue proceeds of the Notes, purchase such Equivalent asset (such asset once purchased, an Underlying Asset in respect of the Notes). For the purposes of the foregoing an asset is "**Equivalent**" to the RO if it is (i) of the same issuer or other obligor, (ii) part of the same issue or borrowing and (iii) of an identical type, nominal value, description and amount of the RO.

During the term of each TRS Transaction, the Issuer will pay to the Swap Counterparty all net interest, principal and any other amounts which a hypothetical holder of each RO subject to such TRS Transaction would actually have received in exchange for fixed amounts to be paid by the Swap Counterparty under the relevant TRS Facility which will match the Issuer's interest payment obligations in respect of the Notes. Upon termination of the TRS Facility (and each TRS Transaction), termination payments shall be payable between the Swap Counterparty and the Issuer which are structured to result in the Issuer being put in funds for the payment of the Redemption Amount due on the Notes.

The ability of the Issuer to meet its payment obligations in respect of the Notes is therefore primarily dependent on the performance by the Swap Counterparty of its obligations under the Swap Agreement. Only upon a default by the Swap Counterparty will the Issuer be dependent on the realisation proceeds of the Underlying Assets in order to satisfy its payment obligations on the Notes.

*Eligible collateral posted to the Issuer under the CSA not part of the Security*

The Swap Agreement comprises a Credit Support Annex (Bilateral Form – Transfer) (the "**CSA**") governed by English law pursuant to which the Issuer or the Swap Counterparty, as applicable, will be required to transfer eligible collateral (as specified in the CSA) to collateralise the receiving party's mark-to-market exposure in respect of the TRS Facility and each relevant TRS Transaction, provided that the Issuer shall not be required to transfer eligible collateral having a value in excess of the Underlying Assets (less any accrued but unpaid interest thereon).

In addition, in respect of each TRS Transaction and as of any date of determination, the Swap Counterparty shall transfer to the Issuer an Independent Amount consisting of cash in the Specified Currency, which the Issuer shall use to purchase additional Underlying Assets (equivalent to the RO in respect of the relevant TRS Transaction), and/or assets that satisfy the eligibility set out in Appendix 2 of the Swap Confirmation,. The Independent Amount required to be maintained by the Swap Counterparty as of any date of determination may change as a result of changes in the IA Percentage and Notional Amount of the relevant TRS Transaction.

Where the Swap Counterparty has transferred collateral to the Issuer under the terms of the CSA, such collateral does not form part of the Security and is not available for distribution to the Secured Creditors, except to the extent that such collateral is required to fund a termination payment due by the Swap Counterparty to the Issuer following an early termination of the Swap Agreement. Following an early termination of the Swap Agreement, any collateral previously posted by the Swap Counterparty to the Issuer will be used to satisfy any early termination amount due from the Swap Counterparty and any excess will be returned to the Swap Counterparty.

Prior to an early termination of the Swap Agreement, collateral may be transferred by the Issuer directly to the Swap Counterparty (and not in accordance with the Order of Priority) where a return amount is required under the terms of the CSA.

*Early Redemption in Certain Circumstances*

The Notes are subject to early redemption upon the occurrence of any of the Mandatory Redemption Events specified in this Securities Note or upon the occurrence of an Event of Default. Mandatory Redemption Events include (but are not limited to) termination of the Swap Agreement and certain tax related events that affect the Swap Agreement or the Notes.

In any such circumstances, the Underlying Assets may be liquidated by the Determination Agent and the Swap Agreement may be terminated. Upon termination of the Swap Agreement, a termination payment may be payable to or by the Issuer. Upon such liquidation and termination of the Swap Agreement, the proceeds will be applied in accordance with the Order of Priority set out in Special Condition 2.2 (*Pre and Post Enforcement Waterfalls*) as set out

in Annex 1 to the Applicable Supplement. The net proceeds (if any) of the liquidation of the Underlying Assets and any termination payment under the Swap Agreement may be insufficient to pay amounts due to the holders of the Notes and potential investors should be aware that the redemption amount of the Notes may be less than the original investment by such holders.

#### *Mark to Market Volatility*

The mark to market value of the Notes may be affected by a number of factors including, without limitation, the credit spread observed in the market for Swap Counterparty, implied rating, and change in any other pricing parameters (including correlation and recovery rate assumptions). Mark to market values may be extremely volatile and unpredictable.

#### *Liquidity Risk*

None of the Issuer, the Swap Counterparty, the Arranger or the Dealer makes any representation as to the existence of a market for the Notes. Notwithstanding that the Arranger intends under ordinary market conditions to indicate prices in the Notes on request, there can be no assurance as to the price at which such a bid would be made or indeed that any price would be indicated in certain circumstances. The price given, if any, will be affected by many factors including, but not limited to, the Arranger's view of the creditworthiness of the Swap Counterparty the general level of interest rates and the remaining term of the Notes.

In addition, no sale, assignment, participation, pledge or transfer of the Notes may be effected if, among other things, it would require the Issuer to register under the Investment Company Act or any other similar legislation or regulatory action. Furthermore, the Notes have not been and will not be registered under the Securities Act, any state securities laws in the United States or the securities laws of any other jurisdiction, and may not at any time be offered, sold or delivered within the United States or to U.S. Persons (as defined on page 57 below). The Notes are subject to certain transfer restrictions and each purchaser of Notes will be deemed to have made certain acknowledgements, representations and agreements. See "*Subscription and Sale*" and "*Transfer Restrictions*". Any transfer of Notes to a U.S. Person will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note. The foregoing restrictions on the transfer of the Notes may adversely affect the ability of an investor in the Notes to dispose of the Notes in the secondary market, if any, and significantly reduce the liquidity of the Notes. As a result, the value of the Notes may be materially adversely affected.

#### *Limited Recourse*

Each Series of Notes represents separate limited recourse obligations of the Issuer. The payment of principal, interest and other amounts in respect of each Series of Notes will be made solely from amounts received in respect of the Charged Assets relating to such Series of Notes. In respect of each Series of Notes, the fees and claims of, amongst others, the Trustee and any agent or receiver shall have priority over the claims of the relevant Noteholders in respect of the Charged Assets relating to such Series of Notes and the net proceeds (if any) of any realisation of the security for such Series of Notes may be insufficient to pay amounts due to the holders of such Notes. In such event, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, any such shortfall and the rights of the Noteholders, the Trustee and other creditors to receive any further amount in respect of such obligations shall be extinguished and none of the Noteholders, the Trustee or other creditors may take any further action to recover such amounts.

#### *Non-Petition*

None of the Noteholders, the Trustee or other creditors (nor any other person acting on behalf of any of them) shall be entitled to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, examinership, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Supplemental Trust Deed or the other documents relating to the issue of the Notes, so long as the Notes are outstanding or for two years plus one day after the latest date on which any Note of any series is due to mature 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 judgement as to the obligations of the Issuer.

#### *Underlying Assets*

Pursuant to the terms of the Swap Agreement, the Swap Counterparty may deliver a Portfolio Adjustment Notice to the Issuer and the Swap Calculation Agent identifying an eligible RO in respect of a TRS Transaction to be entered into under the Swap Agreement. The Swap Calculation Agent will provide, or procure from a third party, a firm offer to the Issuer for the sale of an asset "Equivalent" to such eligible RO. In respect of each such firm offer, although not required to do so, the Issuer shall, in order to hedge its obligations under the Trade Documents (provided that it has sufficient funds available to it) make a firm bid and purchase such asset. Once such asset has been purchased by the Issuer, it shall constitute an Underlying Asset for the purposes of the Notes.

The Swap Counterparty will have the on-going right to add, remove or substitute ROs pursuant to the terms of the Swap Agreement (which shall require the addition, removal or substitution of the corresponding Underlying Asset), as long as they comply with the eligibility criteria.

In the event of an early termination of the Swap Agreement as a result of a default by the Swap Counterparty under Section 5(a)(i) or 5(a)(vii) of the Swap Agreement, the Issuer will depend on the redemption and/or realisation proceeds from the sale of the relevant Underlying Assets to fund the payment of the Early Redemption Amount in accordance with the Order of Priority.

None of the Issuer, the Swap Counterparty, the Arranger or the Dealer has made any investigation into the issuers of the Underlying Assets and prospective purchasers should make their own investigations and determinations with regard to the financial condition and creditworthiness of such issuers and the full terms of the Underlying Assets based on the eligibility criteria in the Swap Agreement. The value of the Underlying Assets may fluctuate from time to time and none of the Issuer, the Trustee, the Dealer, the Custodian, the Determination Agent, the Calculation Agent or the Swap Counterparty have any obligation to maintain the value of the Underlying Assets at any particular level. None of the Issuer, the Trustee, the Dealer, the Calculation Agent, the Custodian or any of their affiliates has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Underlying Assets from time to time.

#### *Dealings related to the Underlying Assets*

Morgan Stanley will not be (nor be deemed to be acting as) the agent, fiduciary or trustee of the Issuer or the Noteholders in connection with the exercise of, or the failure to exercise, any of the rights or powers of Morgan Stanley arising under or in connection with its holding (if any) of any obligation of or interest in any Underlying Asset. Morgan Stanley & Co. International plc in its capacity as Determination Agent does not have any fiduciary duty to the Noteholders.

Morgan Stanley and any of its affiliates (i) may deal with the issuer of any Underlying Asset, (ii) may accept information from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, the issuer of any Underlying Asset and any investment manager or trustee relating to any obligation of any Underlying Asset, (iii) may have placed, underwritten, arranged or structured any obligation of any Underlying Asset when such obligations or Underlying Assets were originally issued and (iv) may act, with respect to transactions described in the preceding paragraphs (i), (ii) and (iii), in the same manner as if the Swap Agreement and the Notes did not exist and without regard as to whether such action might have an adverse effect on the Underlying Assets, any investment manager or trustee related to any Underlying Asset, the Issuer or the Noteholders.

#### *Capacity of Morgan Stanley and its affiliates*

Morgan Stanley and its affiliates are acting in a number of capacities, including as Swap Counterparty, Determination Agent, Arranger and Dealer. Morgan Stanley, acting in such capacities in connection with such transactions shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of

care other than as expressly provided with respect to each such capacity. Morgan Stanley and its affiliates, in their various capacities in connection with the contemplated transactions may enter into business dealings, including the acquisition of investment securities as contemplated by the Swap Agreement, from which they may derive revenues and profits in addition to the fees stated in the Swap Agreement, without any duty to account therefor.

In addition, from time to time, Morgan Stanley and its affiliates may own a significant amount of the Notes. Morgan Stanley and its affiliates have no fiduciary obligation whatsoever to the Issuer or the Noteholders in relation to the exercise (or non exercise) of its rights as a holder of Notes.

### *Conflicts of interest*

Under the Supplemental Trust Deed, the Trustee will hold a security interest in the property charged and assigned thereunder for the benefit of, among others, the Noteholders, whose rights in an enforcement of the security interest will be subordinate to the prior rights of certain other Secured Creditors. The Trustee will not be bound to enforce the security in respect of any Series of Notes unless requested by the Instructing Creditor. Other than where (a) the Swap Agreement is terminated in the circumstances where the Swap Counterparty is the Defaulting Party or the sole Affected Party or (b) (i) the Swap Agreement is terminated and (ii) no payments are due and payable to the Swap Counterparty following such termination, the Swap Counterparty will be the Instructing Creditor. Where the interests of the Instructing Creditor conflict with those of other Secured Creditors, the Trustee will prefer the interests of the Instructing Creditor over the other Secured Creditors.

## **2. Tax Considerations**

The Issuer is not obliged to pay any additional amounts for, or on account of, any payments under the Notes or the Swap Agreement that are the subject of a deduction or a withholding for or on account of any tax. The imposition of such withholding or deductions may lead to a termination of the Swap Agreement and, consequently, a mandatory redemption of the Notes.

Pursuant to the terms of the Swap Agreement, the Swap Counterparty is obliged to pay additional amounts for, or on account of, any payments under the Swap Agreement that are the subject of a deduction or withholding for or on account of any tax (other than U.S. withholding taxes). The imposition of such withholding or deductions may lead to a termination of the Swap Agreement and, consequently, a mandatory redemption of the Notes.

Pursuant to the terms of the Swap Agreement, any payments of Floating Rate Payer Payments (as defined in the Swap Agreement) by the Swap Counterparty shall be net of U.S. withholding taxes and the Issuer has agreed to indemnify the Swap Counterparty for any U.S. withholding taxes that are imposed upon the Swap Counterparty in respect of any such Floating Rate Payer Payments.

## **3. Expenses**

The payment of anticipated up-front fees, costs and expenses of the Issuer in connection with the issue of the Notes and the entry into the Swap Agreement will be met by Morgan Stanley & Co. International plc.

The total expenses related to admission to trading of the Notes on the regulated market Euronext Dublin are estimated at EUR 3,391.20

## DESCRIPTION OF THE TRANSACTION DOCUMENTS

The following agreements have been entered into in relation to the Notes.

**Swap Agreement** – as described in "*Description of the Swap Agreement*".

### **Supplemental Trust Deed**

The Issuer has entered into a separate supplemental trust deed in respect of the Notes dated 20 June 2019 (the "**Supplemental Trust Deed**").

The Supplemental Trust Deed is supplemental to the Principal Trust Deed dated 30 July 2018, between, *inter alios*, the Issuer and the Trustee. Pursuant to the terms of the Supplemental Trust Deed, the Issuer issues the Notes and grants security over the Charged Assets relating to the Notes. The Supplemental Trust Deed provides that the obligations of the Issuer are secured by, *inter alia*, the following security interests (the "**Security**"):

- (i) a mortgage and charge by way of first fixed security over all of the Issuer's rights, title and interest (both present and future) in and to any Underlying Assets and all sums derived therefrom;
- (ii) an assignment by way of first fixed security of all of the Issuer's rights, title and interest (both present and future, insofar as the same relate to the Notes or the Underlying Assets) in the Custody Agreement, the Programme Dealer Agreement, the Corporate Services Agreement and the Agency Agreement (including the Issuer's rights to any sums held by the Paying Agents to meet payments due in respect of the Notes) and all sums derived therefrom (if any); and
- (iii) an assignment by way of first fixed security of all the Issuer's rights, title and interest (both present and future) in and to the Swap Agreement and all sums derived therefrom, subject to any rights of netting agreed between the parties therein,

(all of which comprise the "**Charged Assets**" for the Notes).

### **Dealer Agreement**

The Issuer and the Dealer entered into the Programme Dealer Agreement dated 30 July 2018 (the "**Dealer Agreement**"). Pursuant to the terms of the Dealer Agreement, the Dealer has agreed to subscribe for the Notes of the Issuer and may carry out, although it has no obligation to do so, stabilising transactions or transactions with a view to supporting the market price of the Notes. The Issuer has made certain representations and warranties to the Dealer and undertakes, among other things, to update the Registration Document and to provide notice to the Dealer of any Event of Default or Potential Event of Default and the Issuer has agreed to indemnify the Dealer for any loss arising out of any failure by the Issuer to issue the Notes in accordance with the Applicable Supplement, any breach by the Issuer of any representation, warranty or undertaking contained in the Dealer Agreement and any omission of a material fact. The Dealer undertakes that it shall comply with any appropriate selling restrictions and that it will not make or provide any representation or information in respect of the Issuer of the Notes other than as contained in this Securities Note or in the Registration Document.

**APPLICABLE SUPPLEMENT**  
**ELVA FUNDING II DAC**  
*(a designated activity company incorporated under the laws of Ireland with a registered number of 628043)*

issue of

**Series 2019-2 JPY 10,000,000,000 Secured Fixed Rate Notes due 2021**

under the

**€20,000,000,000**  
**Asset-Backed Medium Term Note Programme**

The Notes have the terms and conditions set out in the Second Schedule of the Principal Trust Deed dated 30 July 2018 (the "**Conditions**") as completed, modified and supplemented by this Applicable Supplement (including the Annexes hereto).

This Applicable Supplement constitutes the "Applicable Supplement" as referred to in the Conditions.

**Special Conditions**

The Special Conditions set out in Annex 1 and 2 to this Applicable Supplement shall complete, modify and supplement the Conditions of the Notes. In the event of any inconsistency between the Conditions and the Special Conditions, the Special Conditions shall prevail and the Conditions shall be deemed to be amended accordingly.

- |     |   |  |
|-----|---|--|
| 1.  | Issuer:                                 | Elva Funding II DAC.   |
| 2.  | Series Number:                          | 2019-2.  |
| 3.  | Specified Currency or Currencies:       | Japanese Yen (" <b>JPY</b> ").   |
| 4.  | Aggregate Nominal/Principal Amount:     | JPY 10,000,000,000.  |
| 5.  | (i) Trade Date:                         | 23 May 2019.   |
|     | (ii) Issue Date:                        | 20 June 2019.  |
|     | (iii) Interest Commencement Date:       | Issue Date.  |
| 6.  | Maturity Date:                          | 20 June 2021 (the " <b>Scheduled Maturity Date</b> "), unless redeemed earlier in accordance with the terms of the Notes and subject to adjustment in accordance with the Following Business Day Convention. |
| 7.  | Interest Basis:                         | Fixed.   |
| 8.  | Redemption/Payment Basis:               | The Redemption Amount.   |
| 9.  | Change of Interest or Redemption Basis: | Not Applicable.  |
| 10. | Put/Call Options:                       | None.  |
| 11. | Issue Price:                            | 100.00 per cent. of the Principal Amount.  |

12. Status of the Notes: See paragraph 2 (*Status of Notes*) of Annex 1 hereto.
13. Instructing Creditor: The Swap Counterparty, provided that the Instructing Creditor shall be the Noteholders (acting unanimously) in the event that (a) the Swap Counterparty is the Defaulting Party or sole Affected Party in respect of the Swap Agreement (each such term as defined in the Swap Agreement) or (b) (i) the Swap Agreement is terminated and (ii) no payments (including, but not limited to, payments of any Termination Payments) are due and payable to the Swap Counterparty following such termination.  
(See Conditions 3(d), 7(b)(v), 10 and 11)
14. Listing: Application has been made for the Notes to be admitted to the Official List of Euronext Dublin and to trading on its regulated market. No assurances can be given that such listing will be successful and/or maintained and no assurance can be given that such listing will be obtained on or prior to the Issue Date.
15. Method of Distribution: Non-syndicated.

## **RATINGS**

16. Rating(s): The Notes will not be rated

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

17. Fixed Rate Note Provisions: Applicable.
- (i) Interest Period End Dates: Each Interest Payment Date, not subject to adjustment in accordance with any Business Day Convention.
- (ii) Interest Commencement Date: Issue Date
- (iii) Interest Payment Dates: 20 June and 20 December in each year, commencing on 20 December 2019 to and including the Scheduled Maturity Date (subject to adjustment in accordance with Following Business Day Convention).
- (iv) Interest Rate: 0.20 per cent.
- (v) Business Day Convention: Following Business Day Convention (for payment purposes only). For the avoidance of doubt, for the purposes of determining any Interest Amount, the Interest Period shall not be adjusted pursuant to the Business Day Convention.
- (vi) Additional Cities for the Definition of Business Day in Condition 6(k): Tokyo.

(vii) Day Count Fraction:	30/360 (as defined in the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc.).
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18. Floating Rate Note Provisions:	Not Applicable.
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19. Zero Coupon Note Provisions	Not Applicable.
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20. Index/Formula-Linked Note Provisions	Not Applicable.
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21. Dual Currency Note Provisions	Not Applicable.
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22. Variable Coupon Amount Provisions	Not Applicable.
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#### **PROVISIONS RELATING TO REDEMPTION, PURCHASE AND EXCHANGE**

23. Mandatory Redemption Events:	See Underlying Disposal Events.
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24. Underlying Disposal Event:	
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(a)	(1)	Redemption upon payment default under Underlying Assets (Condition 7(b)(i)(A)):	Not Applicable.
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	(2)	Applicable grace periods (Condition 7(b)(i)(A)):	Not Applicable.
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(a)	Termination of Related Agreements (Condition 7(b)(i)(B)):	Applicable upon termination in whole (but not in part) of the Swap Agreement.
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(b)	Counterparty Replacement Failure	Not Applicable.
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- (c) Mandatory tax redemption provisions (Condition 7(b)(i)(C)): Applicable (other than Condition 7(b)(i)(C)(y), which shall not apply in respect of the Notes), provided that:
- (i) notwithstanding anything to the contrary in Condition 7(b)(i):
    - (A) on first becoming aware of the occurrence of an Underlying Disposal Event set out in Condition 7(b)(i)(C), the Issuer shall give notice thereof to Counterparty (with a copy to the Trustee) and the Counterparty shall have the right, but not the obligation, in its sole discretion, to pay to the Issuer such amounts as will cover any such withholding, deduction or costs (such that the Issuer can pay to the Noteholders the amounts which they would have received in the absence of such withholding or deduction, or such that Issuer would be reimbursed or funded for any other cost incurred by it); and
    - (B) only in the event that the Counterparty does not exercise such right as are referred to in sub-paragraphs (A) above, shall the Issuer deliver an Underlying Disposal Event Notice.
- (d) Additional Underlying Disposal Events: The following event shall be deemed to constitute an "Underlying Disposal Event" for the purposes of Condition 7(b) (Mandatory Redemption):
- It has, or will, become unlawful for the Issuer to perform its obligations in respect of the Notes as a result of any change in, or amendment to, any applicable laws or regulation following issuance of the Notes.
- (e) Early Redemption of Underlying Assets: Not Applicable.
- (f) Notice period if other than as set out in Condition 7(b)(ii): Not Applicable.
- (g) Credit Event: Not Applicable.
25. Purchase at Issuer's Option (Condition 7(c)): Not Applicable.
26. Early Redemption of Zero Coupon (Condition 7(d)): Not Applicable.
27. Early Redemption of Variable Redemption Amount Notes (Condition 7(e)): Not Applicable.
28. Redemption at the Option of the Issuer: Not Applicable.

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|-----|---|--|
| 29. | Redemption at the Option/Request of the Noteholders:                                | Not Applicable.  |
| 30. | Morgan Stanley Noteholder Option:   | Condition 7(h) ( <i>Morgan Stanley Noteholder Option</i> ) shall not apply in respect of the Notes.  |
| 31. | Termination of Swap Agreement at the Option of the Counterparty:                    | Not Applicable.  |
| 32. | Exchange of Notes for Underlying Assets:  | Not Applicable.  |
| 33. | Exchange of Series:   | Not Applicable.  |
| 34. | Final Redemption Amount:  | The Redemption Amount.   |
| 35. | Early Redemption Amount pursuant to Mandatory Redemption Event or Event of Default: | <p>In respect of each Note as at the Early Redemption Date, an amount equal to the lesser of:</p> <p>(a) Redemption Amount (plus any accrued interest); and</p> <p>(b) pursuant to paragraph 2.2 (Pre and Post Enforcement Waterfalls) of Annex 1 hereto, the amount available for redemption of such Note in accordance with the Order of Priority.</p> |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |   |  |
|-----|---|--|
| 36. | Form of Notes:  | Registered Global Note. The Registered Global Note will be exchangeable for Registered Note Certificates in the limited circumstances specified in the Registered Global Note. |
| 37. | Authorised Denominations:   | JPY 1,000,000,000.   |
| 38. | Additional Business Days or other special provisions relating to Payment Dates:   | Not Applicable.  |
| 39. | Principal Paying Agent:   | The Bank of New York Mellon  |
| 40. | Registrar:  | The Bank of New York Mellon SA/NV Luxembourg.  |
| 41. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):   | Not Applicable.  |
| 42. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable.  |



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| 43. | Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: | Not Applicable.   |
| 44. | Variation to provisions of Condition 10 (Events of Default):   | Paragraph (vii) of Condition 10(a) ( <i>Events of Default</i> ) shall not apply to the Notes. |
| 45. | Other terms or special conditions:   | As set out in Annex 1 and Annex 2 hereto.   |

## **DISTRIBUTION**

- |     |                                    |   |
|-----|------------------------------------|---|
| 46. | If syndicated, names of Managers:  | Not Applicable.                         |
| 47. | Stabilising Manager (if any):      | Not Applicable.                         |
| 48. | If non-syndicated, name of Dealer: | Morgan Stanley & Co. International plc. |
| 49. | Additional selling restrictions:   | Not Applicable.                         |
| 50. | Commission payable:                | Not Applicable.                         |
| 51. | Selling Concession:                | Not Applicable.                         |
| 52. | Expenses:                          | Not Applicable.                         |

## **OPERATIONAL INFORMATION**

- |     |  |                          |
|-----|--|--------------------------|
| 53. | ISIN Code:   | XS2002632946             |
| 54. | Common Code:   | 200263294                |
| 55. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable.          |
| 56. | Delivery:  | Delivery versus payment. |

## **RELATED AGREEMENTS AND SECURITY**

- |     |  |   |
|-----|--|---|
| 57. | Security:  | The Issuer's obligations under the Notes are secured pursuant to the Supplemental Trust Deed.   |
| 58. | Swap Counterparty:                               | Morgan Stanley & Co. International plc.   |
| 59. | Contingent Forward Counterparty (if applicable): | Not Applicable.   |
| 60. | Swap Calculation Agent:                          | Morgan Stanley & Co. International, plc   |
| 61. | Swap Agreement:                                  | The total return swap confirmation dated 20 June 2019 between the Issuer and the Swap Counterparty that supplements, forms a part of and is subject to the provisions |

of the 2002 ISDA Master Agreement dated the Issue Date, as amended by the schedule thereto (the "**ISDA Master Agreement**") including the credit support annex dated the Issue Date (the "**Credit Support Annex**" ") (together, the "**Swap Agreement**"). For purposes of the Notes, any reference to the "Related Agreement" in the Registration Document shall be deemed to be "Swap Agreement".

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| 62. | Swap Guarantee:  | Not Applicable.  |
| 63. | Contingent Forward Agreement (if applicable):              | Not Applicable.  |
| 64. | Contingent Forward Guarantee (if applicable):              | Not Applicable.  |
| 65. | Scheduled Termination Date of Swap Agreement:              | The third Business Day prior to the Scheduled Maturity Date, subject to earlier or later termination in accordance with its terms. |
| 66. | Application of proceeds upon a Mandatory Redemption Event: | Other Priority. See paragraph 2.2 ( <i>Pre and Post Enforcement Waterfalls</i> ) in Annex 1 hereto.                                |
| 67. | Substitution of Underlying Assets:                         | Applicable, in accordance with the provisions of paragraph 3 (Underlying Assets) of Annex 1 hereto.                                |
| 68. | Gross-up:  | Not Applicable.  |

#### **ADDITIONAL INFORMATION**

- |     |  |   |
|-----|--|---|
| 69. | Custodian:   | The Bank of New York Mellon.  |
| 70. | Calculation Agent:   | The Bank of New York Mellon.  |
| 71. | Trustee:   | BNY Mellon Corporate Trustee Services Limited.  |
| 72. | Swap Calculation Agent:  | Morgan Stanley & Co. International plc.   |
| 73. | Determination Agent:   | Morgan Stanley & Co. International plc.   |
| 74. | Description of the Initial Underlying Assets and Initial Underlying Assets Issuer: | The issue proceeds of the Notes (used by the Issuer to purchase Underlying Assets (in response to portfolio adjustments under the Swap Agreement) and/or to fund payment obligations under the Swap Agreement from time to time). |
| 75. | Redenomination:  | Not Applicable.   |

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Applicable Supplement.

Signed on behalf of the Issuer:

By: .....

Date: .....

## ANNEX 1 TO THE APPLICABLE SUPPLEMENT SPECIAL CONDITIONS

The Conditions shall be supplemented and modified by the following Special Conditions:

### 1. DEFINITIONS AND INTERPRETATION

Capitalised terms used but not otherwise defined will have the meanings given to them in Annex 2 to the Applicable Supplement or the Swap Agreement.

### 2. STATUS OF NOTES

#### 2.1 Status

The Notes are secured limited recourse obligations of the Issuer, secured in the manner described in Condition 4 (*Related Agreements and Security*) as amended by the Supplemental Trust Deed and recourse in respect of which is limited in the manner described in Condition 11 (*Limited Recourse Enforcement*). The Notes are not guaranteed by any party.

#### 2.2 Pre and Post Enforcement Waterfalls

Notwithstanding any other provision of the Conditions or this Applicable Supplement on each Interest Payment Date, the Scheduled Maturity Date or any earlier date of redemption of the Notes in whole pursuant to Condition 7(b) (*Mandatory Redemption*) or acceleration thereof pursuant to Condition 10 (Events of Default), all amounts received or receivable by the Issuer or the Trustee in respect of the Underlying Assets and the Swap Agreement and, in the event of redemption in full of the Notes, any proceeds of liquidation or enforcement of the security over the Charged Assets relating to the Notes, shall be applied in accordance with the order set out below (the "**Order of Priority**"). The Order of Priority is as follows:

- (a) *first, pari passu and pro rata*, in meeting the claims, fees and properly incurred expenses of the Trustee and the Agents in respect of the Notes (including, if applicable, any claims, fees and properly incurred expenses of the Determination Agent, acting on behalf of the Issuer, in connection with any liquidation of the Underlying Assets relating to the Notes);
- (b) *secondly*, in meeting the claims (if any) of the Swap Counterparty in respect of any amounts due under the Swap Agreement;
- (c) *thirdly, pari passu and pro rata*, in meeting the claims of the holders of the Notes; and
- (d) *fourthly*, in payment of the balance (if any) to the Issuer.

### 3. UNDERLYING ASSETS

#### 3.1 Condition 4(e) (Substitution of the Underlying Asset) shall not apply in respect of the Notes, instead:

- (i) the Issuer shall, upon direction from all the Noteholders (and subject to the Issuer having obtained the consent of the Trustee (acting at the direction of the Instructing Creditor)), substitute alternative assets for such of the Underlying Assets as instructed by the Noteholders; and
- (ii) the Issuer, pursuant to the relevant Supplemental Trust Deed, authorises the Custodian (and the Custodian shall be permitted) to execute (independent of any agreement or instruction from the Noteholders) any purchase and/or sale of Underlying Assets that are in the form of securities upon receipt of a firm offer or a firm bid, as applicable, provided or identified by the Swap Calculation Agent, in order to maintain the Issuer's hedging position with respect to its obligations under the

Trade Documents. In order to facilitate such purchase and/or sale, the Issuer shall enter into the relevant purchase agreements, subscription agreement, transfer certificates, or other relevant documents a purchaser of such securities would normally be required to sign in order to acquire and/or dispose of the RO, subject to Clause 16.1.18 of the Principal Trust Deed

- 3.2 The Issuer, pursuant to the relevant Supplemental Trust Deed, authorises the Custodian to liquidate any Underlying Assets held by the Issuer and invest the proceeds thereof into other Underlying Assets at the direction of the Determination Agent upon the occurrence of an Event of Default in respect of the Swap Counterparty thereunder, to fund payment by the Issuer of the Redemption Amount.
- 3.3 Condition 4(c) (*Realisation of Underlying Assets*) shall be amended by replacing references to the Custodian therein with references to the Determination Agent to the extent they refer to the Custodian arranging for and administering the sale of the Underlying Assets.
- 3.4 Subject to Special Condition 5 below, in arranging for the sale of the Underlying Assets under Conditions 4(c) (Realisation of Underlying Assets) and 7(b) (Mandatory Redemption Following an Underlying Disposal Event), on the date that is 5 Business Days following the Underlying Disposal Event Notice Date or, as the case may be, the date on which the Trustee delivers an Enforcement Notice pursuant to Condition 10(a), the Determination Agent shall attempt to obtain from three dealers in the type of the Underlying Assets (each such dealer, a **"Reference Dealer"**), a firm bid quotation (each a **"Quotation"**) in respect of the purchase of the Underlying Assets from the Issuer by, to the extent reasonably practicable, 2.30p.m. (London time). Upon receipt by the Determination Agent of all Quotations (to the extent provided), the Determination Agent shall arrange for the sale by the Custodian of the Underlying Assets to the Reference Dealer which gave the highest Quotation.
- 3.5 For the avoidance of doubt, in arranging for the sale of any of the Underlying Assets as referred to above, the Determination Agent, acting on behalf of the Issuer, may arrange for the sale of all or part thereof to itself or any of its Affiliates.

#### 4. NOTEHOLDER UNWIND OPTION

- 4.1 During the Noteholder Unwind Option Period and provided that no Event of Default or Early Termination Date (as defined in the Swap Agreement) has occurred or been designated, a Noteholder may deliver an irrevocable notice (an **"Exercise Notice"**) to the Issuer, the Trustee and the Swap Counterparty directing the Issuer to redeem early all or a portion of the Notes held by such Noteholder (a Noteholder exercising such option, an **"Exercising Noteholder"** and the amount of the Notes subject to such early redemption, **"Exercise Amount"**). Any Exercise Amount shall be an integral multiple of JPY 1,000,000,000.
- 4.2 The Exercise Notice shall contain delivery instructions for delivery of the Underlying Assets to the Exercising Noteholder.
- 4.3 Subject to satisfaction of the Noteholder Unwind Conditions (as defined in paragraph 4.7 below), the Issuer shall effect such early redemption by delivering to the Exercising Noteholder a pro rata share of each Underlying Asset proportional to the ratio between the Exercise Amount and Principal Amount (immediately prior to the exercise), and novate to the Exercising Noteholder a portion of the TRS Facility with a notional amount equal to the Exercise Amount, in each case on the Noteholder Unwind Date. The transactions under the novated TRS Facility shall not be secured by the Reference Obligation. The Swap Counterparty may as part of any such novation require the posting of other collateral under a credit support annex or similar document consistent with its then current standard operating procedures for swap counterparties of a similar credit profile. For the avoidance of doubt, Section 6 (Limited Recourse) and "Additional Amounts" (payment by Morgan Stanley of expenses related to the Notes) shall not apply to the novated TRS Facility. The transactions under the novated TRS Facility shall not be secured by the Reference Obligation. The Swap Counterparty may as part of any such novation require the posting of other collateral under a credit support annex or similar document consistent with its then current standard operating procedures for swap

counterparties of a similar credit profile. For the avoidance of doubt, Section 6 (Limited Recourse) shall not apply to the novated TRS Facility.

- 4.4 The Redemption Amount of each Note included in the Exercise Amount paid pursuant to this Special Condition 4 (Noteholder Unwind Option) (comprising a *pro rata* share of the Underlying Assets and the Swap Agreement) shall be made together with interest accrued on the Notes to (but excluding) the relevant date of redemption.
- 4.5 Upon the occurrence of the Underlying Disposal Event set out in Condition 7(b)(i)(C) (as amended in paragraph 24 of this Applicable Supplement), each Noteholder shall have the right to cause its portion of the Notes to redeem in accordance with this Special Condition 4, provided if redemption to this Special Condition 4 has not been effected by the fifth day prior to the date on which the relevant tax and/or withholding would be applied to the Notes, the Issuer shall forthwith redeem the outstanding Notes in accordance with Condition 7.
- 4.6 Other than payment of the Redemption Amount in respect of each Note being redeemed (together with any accrued interest thereon), settlement of the Noteholder Unwind Option shall involve no cost being incurred by the Issuer.
- 4.7 For the purposes of this paragraph 4:

**"Noteholder Optional Unwind Period"** means the period from (and including) the Issue Date to (and including) the day falling 21 Business Days prior to the Maturity Date.

**"Noteholder Unwind Date"** means date specified in the Exercise Notice provided that it falls not less than 21 Business Days after the date on which the Exercise Notice is delivered.

**"Noteholder Unwind Conditions"** means:

- (a) the Swap Counterparty having confirmed that the Exercising Noteholder (i) satisfies the Swap Counterparty's counterparty credit requirements and policies, determined by the Swap Counterparty in a commercially reasonable manner, (ii) would not receive income on the Underlying Asset net of withholding tax as a result of the jurisdiction or status of the Exercising Noteholder and (iii) is eligible to hold the Underlying Assets under the terms thereof;
- (b) the Swap Counterparty having calculated the collateral required to be posted by itself or by the Exercising Noteholder (in its capacity as a counterparty to the Swap Counterparty, the **"Swap Transferee"**) in accordance with a bilateral ISDA CSA between the Swap Counterparty and the Swap Transferee (the **"Bilateral CSA"**) and on the following basis:
- (i) any credit support that has previously been transferred by the Issuer or the Swap Counterparty shall be returned to the transferor; provided that in the case of any Independent Amount transferred by the Swap Counterparty and invested in Underlying Assets, the Swap Transferee shall pay in cash a pro rata portion of such Independent Amount in exchange for receipt of a pro rata portion of the Underlying Assets purchased by such Independent Amount;
- (ii) any credit support amount that is required to be posted under the Bilateral CSA shall be transferred to the Custodian by the Swap Counterparty or the Swap Transferee, as applicable; and

the Swap Counterparty having calculated any credit valuation adjustment risk, capital charges, funding valuation adjustment charges, and other credit-related charges payable by the Swap Transferee arising as a result of entering into the relevant portion of the TRS Facility with the Swap

Transferee under the Bilateral CSA ("**Novation Charge**") and such Novation Charge having been paid by the Swap Transferee to the Swap Counterparty. For the avoidance of doubt, the Novation Charge shall not include any amount representing a penalty for exercising the right to novate the TRS Transaction or TRS Facility.

## **5. LIQUIDATION OF THE UNDERLYING ASSETS FOLLOWING DEFAULT OF THE SWAP COUNTERPARTY**

- 5.1 Upon the occurrence of an Event of Default or a Termination Event under the Swap Agreement in respect of which the Swap Counterparty is the Defaulting Party or sole Affected Party, respectively, Noteholders holding a majority of the Principal Amount of the Notes shall be the "Instructing Creditor" for the purposes of directing action by the Issuer and/or the Agents and/or the Trustee.
- 5.2 If the Noteholders direct the designation of an Early Termination Date in respect of the Swap Agreement, they shall instruct the Determination Agent to arrange sale of the Underlying Asset in accordance with Special Condition 3.4 above, provided that the Settlement Amount (as defined in the Swap Agreement) in respect of each TRS Transaction shall be calculated as of the same day on which the Underlying Asset which is Equivalent to such RO is sold.
- 5.3 The Custodian shall hold all realisation proceeds from the sale of the Underlying Assets without distributing of any portion thereof unless and until all the Underlying Assets in respect of the Notes have been liquidated and the full early termination amount in respect of the Swap Agreement has been calculated pursuant to Section 6(e) thereof. The aggregate realisation proceeds of the Underlying Assets shall be distributed in accordance with the order of priority specified in Special Condition 2.2 (Pre and Post Enforcement Waterfalls) above within 5 Business Days following the calculation of the early termination amount under the Swap Agreement.

## **6. DETERMINATIONS**

The determination by the Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, under or pursuant to this Applicable Supplement and/or the Swap Agreement, as the case may be, shall (in the absence of manifest error) be final and binding on the Issuer, the Trustee and the Noteholders and each such party shall be entitled to rely on such determination without incurring any liability for so doing. In performing its duties in respect of the Notes, the Determination Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Determination Agent and/or the Swap Counterparty and/or the Swap Calculation Agent, as the case may be, in the performance or exercise of any of its obligations or its discretion under or pursuant to the Conditions of the Notes and/or the Swap Agreement, as the case may be, including, without limitation, the giving of any notice by it to any party, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and none of the Determination Agent, the Swap Counterparty, the Swap Calculation Agent, the Trustee or the Issuer shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

## **7. ISSUE OF FURTHER TRANCHES**

In the event of an issue by the Issuer of a Further Tranche of Notes pursuant to Condition 1 (*Form, Denomination and Title*), the Determination Agent shall, without the consent of the Secured Creditors or any other parties, adjust the Conditions, the Swap Agreement and any other Trade Documents as it deems necessary in order to reflect such further issue by the Issuer and to preserve the economic equivalence of the Notes, the Swap Agreement and other relevant Trade Documents prior to such further issue.

**8. VOTING WITH RESPECT TO UNDERLYING ASSETS**

With respect to any Underlying Asset, in the event that the Issuer (or the Custodian on its behalf) receives a request for its consent to any amendment, modification or waiver relating to such Underlying Asset, it shall promptly notify the Noteholders and shall vote in accordance with the instructions (if any) given by Noteholder(s) holding a majority of the Principal Amount.

**9. APPLICATION TO LISTING**

The Trustee and the Issuer may agree, without the consent of the Noteholders, to any modification of the Notes and the Securities Note that is made after the Issue Date in order to comply with the requirements of any stock exchange or competent authority in connection with an application to list the Notes or admit the Notes to trading.

**10. MODIFICATIONS TO SWAP AGREEMENT**

Notwithstanding Condition 27 (Modification), if at any time the Swap Counterparty determines that the Credit Support Annex is in a form that does not comply with any applicable uncleared margin regulations, the Trustee shall agree that the Issuer and the Swap Counterparty shall, without Noteholder consent, amend the Swap Agreement to comply with such regulations and additional agreements may be entered into to effect such amendment.



## ANNEX 2 TO THE APPLICABLE SUPPLEMENT DEFINITIONS

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

**"Business Day"** means London, New York and Tokyo.

**"Custody Account"** means the custody account established on the books of the Custodian in connection with the Notes in accordance with the provisions of the Custody Agreement.

**"Early Redemption Date"** means, in relation to the Notes, any date on which the Notes are to be redeemed in full prior to the Scheduled Maturity Date in accordance with Condition 7(b) (*Mandatory Redemption*), Special Condition 4 (*Noteholder Unwind Option*) of Annex 1 or Condition 10 (*Events of Default*).

**"Issue Date"** means 20 June 2019.

**"Order of Priority"** means the order of priority of payments specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1.

**"Outstanding Principal Amount"** and **"Principal Amount"** each mean, in relation to each Note, the amount of the original face value thereof less any repayments of principal in respect thereof.

**"Redemption Amount"** means an amount equal to the Outstanding Principal Amount as at the Scheduled Maturity Date or the Early Redemption Date (as applicable).

**"Redemption Date"** means each date specified for the redemption of the Notes, and if such day is not a Business Day, the next following Business Day.

**"Related Agreements"** means, in relation to the Notes, the Swap Agreement.

**"Secured Creditors"** means, in respect of the Notes, the persons referred to in the order of priority of payments specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1.

**"Trade Documents"** means the Applicable Supplement, the Supplemental Trust Deed, the Swap Agreement, any Sub-Custodian Agreement or custody agreement entered into in respect of the Notes, the Notes of such Series, any supplementary security document, if any, entered into in respect of such Series and the final form of any other documents entered into by a party or produced in connection with the Notes.

Any reference to **"Notes"** in this Applicable Supplement, any Transaction Document or any Trade Document shall be deemed to refer to the Notes constituted and secured by the Supplemental Trust Deed together with any Further Tranche of Notes issued pursuant to Condition 1(c) (*Fungible Tranches of Notes comprising a Series*), unless the context otherwise requires.

## DESCRIPTION OF THE SWAP AGREEMENT

The following is a summary of the principal terms of the Swap Agreement which should not be relied upon as an exhaustive description of, and is qualified in its entirety by, the detailed provisions of the agreements (copies of which are available from the specified office of the Principal Paying Agent. The form of the Swap Confirmation is set out in the section "Form of Swap Confirmation").

### 1. **Swap Agreement**

The Issuer and the Swap Counterparty has entered into a total return swap confirmation dated the Issue Date incorporating the provisions of the ISDA Master Agreement dated as of the Issue Date including the credit support annex dated the Issue Date (together, the "**Swap Agreement**"). Subject to the satisfaction of the conditions precedent under the ISDA Master Agreement, the Issuer and Swap Counterparty are obliged to make the payments to each other as set out in the "Form of Swap Confirmation" below.

### 2. **Tax Events**

In the event of certain withholding taxes being payable on an amount due by one party to the other party under the Swap Agreement, such party will be obliged (prior to termination of the transaction under the Swap Agreement) to pay such withholding taxes to the relevant authorities. The Issuer shall not be obliged to pay additional amounts under the Swap Agreement that is the subject of a deduction or withholding for or on account of any Tax (as defined in the Swap Agreement). The Swap Counterparty shall be obliged to pay additional amounts under the Swap Agreement that is the subject of a deduction or withholding for or on account of any Tax (as defined in the Swap Agreement) (other than U.S. withholding taxes). Where the Swap Counterparty (being the Affected Party) would be required to pay such additional amounts under the Swap Agreement, or would receive amounts from the Issuer net of such Taxes, the Swap Counterparty shall, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv) of the Swap Agreement, seek to effect such transfer of all of its rights and obligations under the Swap Agreement as shall result in no such withholding being required, subject to such transfer not having an adverse effect on the rating of the Notes.

Where the Swap Counterparty terminates the Swap Agreement in the circumstances where withholding taxes are payable under the Swap Agreement, the Swap Counterparty is under no obligation to pay to the Issuer the amount required by the Issuer to make payment in full to the Noteholders of the Outstanding Principal Amount of the Notes and accrued interest relating thereto.

### 3. **Limited Recourse**

The obligations of the Issuer under the Swap Agreement relating to Notes will be limited to the proceeds of enforcement of the Charged Assets as applied in accordance with the Order of Priority specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1 to the Applicable Supplement.

### 4. **Termination Provisions**

The scheduled termination date under the Swap Agreement is the Maturity Date; provided that the Swap Agreement may terminate early in certain circumstances. The Issuer may terminate the Swap Agreement if there is an Event of Default or a Termination Event (each as defined in the Swap Agreement and described below) with respect to the Swap Counterparty and the Trustee (acting on the instructions of the Instructing Creditor) may terminate the Swap Agreement if there is an Event of Default or a Termination Event with respect to the Issuer. The Swap Agreement contains termination events commonly found in standard ISDA documentation save for (i) the disapplication of the Events of Default relating to "Breach of Agreement", "Misrepresentation", "Default under Specified Transactions", "Cross Default", "Credit Support Default" (insofar as it applies to the Issuer) and certain provisions relating to "Bankruptcy" (also insofar as it applies to

the Issuer) and (ii) the disapplication as regards both the Issuer and the Swap Counterparty of the Termination Events relating to "Tax Event Upon Merger", and "Credit Event upon Merger". In addition, the Swap Agreement includes Additional Termination Events in the event that:

- (a) Acceleration of the Notes: an Event of Default (as defined in the Terms and Conditions of the Notes) in respect of the Notes and the Trustee gives notice to the Issuer in accordance with Condition 10 (*Events of Default*) of the Notes that the Notes are due and repayable; and
- (b) Redemption in whole of Notes: the Notes are redeemed in whole (otherwise than as a result of an Event of Default thereunder), or a Mandatory Redemption Event occurs, prior to their stated maturity.

For the purposes of the Additional Termination Events set out in paragraphs (a) and (b) above, the Issuer will be the sole Affected Party and all Transactions shall be Affected Transactions.

Other than as set out above, upon the occurrence of any Event of Default or Termination Event, a Swap Agreement may be terminated in accordance with the detailed provisions thereof and, other than as provided above, a net amount (the "**Termination Payment**") may become payable by the Issuer to the Swap Counterparty or vice versa. If the Issuer is required to make a termination payment to the Swap Counterparty, such payment will rank in accordance with the Order of Priority specified in paragraph 2.2 (*Pre and Post Enforcement Waterfalls*) of Annex 1 to the Applicable Supplement.

A Termination Payment will be determined pursuant to the "Close-out Amount" definition of the ISDA Master Agreement. The party making such determination will be the Non-defaulting Party (as defined in the Swap Agreement) in the case of the occurrence of an Event of Default, or upon the occurrence of a Termination Event where there is one Affected Party, the party which is not the Affected Party. Where there are two Affected Parties a mid-way point between the amounts calculated by each such party will be taken.

## **5. Collection of Swap Payments**

Notwithstanding Clause 6 of the Agency Agreement, on each date on which payments are due to the Issuer under the Swap Agreement (including each Fixed Rate Payer Payment Date under the TRS Facility), the Swap Counterparty is authorised and undertakes (pursuant to clause 10.1 of the Supplemental Trust Deed) to make payment of all such sums payable to the Issuer under the Swap Agreement directly to the Principal Paying Agent on behalf of the Issuer (for onward payment to the Noteholders in accordance with the terms of the Notes).

## **6. Governing Law**

The Swap Agreement, and any non-contractual obligations arising out of or in connection with the Swap Agreement, are governed by English law.

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be applied by the Issuer to purchase the Underlying Assets (the total exposure to which will be passed to the Swap Counterparty pursuant to the Swap Agreement).

**FORM OF SWAP CONFIRMATION**  
**SWAP AGREEMENT**

DATE: 20 June 2019

TO: Elva Funding II DAC (**Counterparty**)

FROM: Morgan Stanley & Co. International plc ("**MS**")

SUBJECT: Total Return Swap Facility

MS Ref Numbers: To be advised

Unique Swap Identifier (USI): To be advised

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The purpose of this communication (this **Confirmation**) is to set forth the terms and conditions of the above-referenced Total Return Swap Facility entered into on the Facility Trade Date specified below between MS and Counterparty (the **Facility**). This communication constitutes a **Confirmation** as referred to in the Master Agreement specified below. This communication supersedes all prior communications regarding the Facility.

This Confirmation is subject to, and incorporates, the 2006 ISDA Definitions (the **Definitions**), as published by the International Swaps and Derivatives Association, Inc. (**ISDA**). In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern. Terms used herein but otherwise not defined here in shall have the same meanings as ascribed thereto in the Registration Document and Securities Note relating to Series 2019-2 JPY 10,000,000,000 Secured Fixed Rate Notes due 2021 issued by Elva Funding II DAC (the "**Notes**").

This Confirmation supplements, forms a part of, and is subject to, the ISDA Master Agreement and Schedule thereto dated as of the Issue Date and supplemented by a Credit Support Annex dated as of the Issue Date (the **CSA**), each as amended or replaced from time to time (the **Agreement**) between MS and Counterparty.

All provisions contained in, or incorporated by reference into the Agreement will govern this Confirmation except as expressly modified herein. In the event of any inconsistency between this Confirmation and the Definitions the Master Agreement or another Confirmation, as the case may be, this Confirmation will prevail for the purpose of the Facility and each Transaction to which this Confirmation relates.

This Confirmation evidences the TRS Facility and a separate total return swap transaction with respect to each Reference Obligation specified in Appendix 1 from time to time as if the details specified in Appendix 1 with respect to that Reference Obligation were set out in the Confirmation in full (each such total return swap transaction, a **TRS Transaction** and each TRS Transaction and the Facility, a **Transaction**). Each such Transaction will have a unique Transaction identifier.

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

**TERMS RELATING TO THE FACILITY:**

Total Return Payer	Counterparty
Fixed Rate Payer	MS
Facility Trade Date	Trade Date with respect to the Notes
Facility Effective Date	Issue Date
Reference Entity	In respect of each TRS Transaction, the Reference Entity (which will be each of the

obligor(s) and, if any, guarantors or insurers) as referred to in Appendix 1 and any Successor thereto.

**Successor** The entity (or entities) that directly or indirectly succeeds to all or substantially all of the obligations of the Reference Entity under the Reference Obligation, whether by way of merger, consolidation, amalgamation, transfer, by operation of law, pursuant to any agreement or otherwise, as determined by the Calculation Agent in its sole and absolute discretion.

**Facility Termination Date** Maturity Date

**Facility Exchange**

- (1) On the Facility Effective Date, Counterparty shall pay MS JPY 10,000,000,000 and MS shall pay Counterparty USD 90,661,831.37
- (2) On the Facility Termination Date, Counterparty shall pay MS USD 90,661,831.37 and MS shall pay Counterparty JPY 10,000,000,000

**Maximum Facility Size** USD 90,661,831.37. At no time may the Aggregate Financed Notional exceed the Maximum Facility Size.

**Aggregate Financed Notional** shall mean on any day, the aggregate of the Financed Notional for each TRS Transaction at the close of business on that day (for the avoidance of doubt, taking into account any Portfolio Adjustments which have taken effect on or prior to such day).

**Financed Notional** shall mean as of any date of determination, (a) Notional Amount divided by (b) Initial FX Rate multiplied by (c) Initial Price multiplied by (d) (1– Cash IA Percentage).

**Portfolio** As of any date of determination, the portfolio comprising each RO subject to a TRS Transaction which is in effect at that time (as specified in Appendix 1, as amended from time to time to reflect Portfolio Adjustments and Credit Events).

**Portfolio Adjustment** The Fixed Rate Payer may, provided that no Event of Default or Potential Event of Default has occurred with respect to Fixed Rate Payer, by sending a Portfolio Adjustment Notice to Total Return Payer and Calculation Agent (substantially in the form of the template in Appendix 4), designate a Business Day (a Portfolio Adjustment Date) to adjust the Portfolio (any such adjustment, a Portfolio Adjustment) by:

- (i) designating a new RO for inclusion in the Portfolio; or
- (ii) designating an RO in whole or in part for removal from the Portfolio; or
- (iii) substituting a new RO for one or more existing ROs in whole or in part,

in each case subject to satisfaction of the Eligibility Criteria in Appendix 2 (as determined by the Calculation Agent). The effectiveness of a Portfolio Adjustment in accordance with (i) or (ii) above shall be subject to satisfaction of the "*Condition to TRS Transaction Effectiveness*" specified below in respect of the relevant new TRS Transaction.

The Fixed Rate Payer may not designate a new RO for inclusion, designate an RO for removal, or substitute a new RO after its receipt of an Exercise Notice if any purpose of the designation or substitution is to prevent the novation of the TRS Facility or TRS Transaction or the delivery of the Underlying Assets to the Exercising Noteholder, except where the Exercising Noteholder refuses to agree to certain terms that are necessary for the Fixed Rate Payer to remain in compliance with any applicable law, regulations or

contractual restriction binding on it.

The effect of a Portfolio Adjustment shall be: (1) in the case of (i) and (iii) above, to cause an Effective Date to occur in respect of a new TRS Transaction in accordance with the terms specified in the related Portfolio Adjustment Notice; and (2) in the case of (ii) and (iii) above, to cause a Termination Date to occur in relation to the relevant RO being removed or reduced (in whole or in part, as the case may be).

In respect of any addition of a RO, the ISIN, Effective Date, Reference Entity, RO Currency, Initial Notional Amount, Initial IA Percentage, Initial Cash IA Percentage, Initial Factor, Initial FX Rate and Initial Price will be specified in Appendix 1.

In respect of any removal of a RO in part, the ISIN, Termination Date, Reference Entity, RO, Terminated Notional Amount, and Final Price (in respect of the Termination Notional Amount) will be specified in Appendix 1.

The Calculation Agent shall send an updated Appendix 1 to reflect such addition or removal.

Portfolio Adjustment Notice	A notice, substantially in the form of <u>Appendix 4</u> , provided at least one Business Day prior to the Portfolio Adjustment Date (or as otherwise agreed between the parties), of any Portfolio Adjustment.
Calculation Agent	MS. Unless otherwise specified in this Confirmation, all calculations and determinations in connection with the Transaction shall be made by the Calculation Agent acting in its sole and absolute discretion.
Business Days	London, New York and Tokyo
Business Day Convention	Modified Following

#### **Fixed Rate Payer Payments:**

Fixed Rate Payer Payments:	On each Fixed Rate Payer Payment Date, the Fixed Rate Payer must pay to the Total Return Payer an amount in JPY equal to the product of: <ul style="list-style-type: none"><li>(i) the Fixed Rate Calculation Amount;</li><li>(ii) the Fixed Rate; and</li><li>(iii) 30/360.</li></ul>
Fixed Rate Calculation Amount	Principal Amount as of the beginning of the relevant Fixed Rate Calculation Period.
Fixed Rate	In respect of a Fixed Rate Calculation Period, 0.20 per cent.
Fixed Rate Calculation Period	With respect to any Fixed Rate Payer Payment Date, the period from (and including) the immediately preceding Fixed Rate Payer Payment Date (or, in relation to the initial Fixed Rate Calculation Period, the Facility Effective Date) to (but excluding) such Fixed Rate Payer Payment Date, not subject to any adjustment in accordance with any Business Day Convention.
Fixed Rate Payer Payment Dates	One Business Day preceding 20 June and 20 December in each year, from (and including) one Business Day prior to 20 December 2019 to (and including) on the Termination Date.

**Additional Amounts:**

Additional Amount: From time to time, Total Return Payer shall pay Fixed Rate Payer interest amount received on the cash balance held by the Total Return Payer in connection with the Notes. In the case of any negative interest, Fixed Rate Payer shall pay the absolute value of such negative interest to Total Return Payer.

**TERMS RELATING TO EACH TRS TRANSACTION:****1. General Terms**

Reference Obligation (RO) In respect of any addition of a RO, the ISIN, Effective Date, Reference Entity, RO Currency, Initial Notional Amount, Initial IA Percentage, Initial Factor, Initial FX Rate and Initial Price will be specified in Appendix 1.

In respect of any removal of a RO, the ISIN, Termination Date, Reference Entity, RO Currency, Terminated Notional Amount, and Final Price will be specified in Appendix 1.

For purposes of a TRS Transaction, "Reference Obligation" includes any Assets in the proportion that would be received or retained by a Holder, in exchange, substitution or as consideration of or for such Reference Obligation (or any subsequent Assets) or any other event or circumstances with similar effect, howsoever described.

"Assets" means each obligation, equity, amount of cash, security, fee (including any "early-bird" or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realized or capable of being realized in circumstances where the right and/or other asset no longer exists). If a Holder would be offered a choice of Assets or a choice of combination of Assets, MS will determine the relevant Assets and proportion in its sole and absolute discretion.

Initial Price; Condition to TRS Transaction Effectiveness A firm offer price (obtained 2 Business Days prior to the Effective Date) for settlement on the Effective Date, excluding accrued but unpaid interest, provided (or sourced) by the Calculation Agent at which the Total Return Payer or its designee could execute the purchase of a principal amount of a security Equivalent to the RO equal to the Initial Notional Amount, at such price plus accrued but unpaid interest thereon (expressed as a percentage).

Trade Date With respect to each RO, as specified in Appendix 1.

Effective Date With respect to each RO, as specified in Appendix 1.

RO Currency The currency in which the RO is denominated.

Initial FX Rate The Current FX Rate as of the Initial FX Rate Date, where the "Initial FX Rate Date" is a date determined by the Calculation Agent on or prior to the relevant Effective Date.

Current FX Rate With respect to a RO Currency as of any date, the rate of exchange between the RO Currency and USD as of such date (expressed as an amount of RO Currency per unit of USD), determined by the Calculation Agent in a commercially reasonable manner.

Notional Amount As of any date of determination, the product of (i) the Initial Notional Amount, as reduced by each Terminated Notional Amount from time to time multiplied by (ii) the Factor as of such date.

Terminated Notional In respect of a Termination Date, the product of (i) the Initial Notional Amount and (ii) the



Amount	portion (expressed as a percentage) of the Initial Notional Amount of the RO in respect of which the TRS Transaction is being terminated.
Factor	<p>As of any date, (a) the aggregate principal amount of the RO outstanding as of such date, as:</p> <p>reduced by any repurchase, repayment, or tender offers, in respect of such RO on a <i>pro rata</i> basis <u>divided by</u> (b) the aggregate principal amount of the RO originally issued on the date of issuance of such RO.</p> <p>Factor as of the Trade Date (the <b>Initial Factor</b>) in respect of each RO is set out in <u>Appendix 1</u>. For the avoidance of doubt, the Initial Factor shall be subject to any adjustment to the Factor which occurs between the date of the relevant Portfolio Adjustment Notice and the Effective Date of the relevant TRS Transaction.</p>
Termination Date	<p>The earlier of (i) the Facility Termination Date, (ii) the Transaction Termination Date specified in Appendix 1, (iii) the date on which the Notional Amount of the RO is reduced to zero and (iv) the Credit Event Settlement Date.</p> <p><b>“Credit Event Settlement Date”</b> shall mean the date, as designated by MS, which falls on or prior to 30 Business Days after the Credit Event Determination Date.</p>
Final Price	<p>The Final Price shall be determined through the following process:</p> <ul style="list-style-type: none"> <li>(i) The Calculation Agent shall seek a firm bid quotation (for settlement on the Termination Date) for an outstanding principal amount of a security or asset Equivalent to the RO equal to the Notional Amount, excluding accrued but unpaid interest, from a third party, and the Final Price will be such firm bid received plus accrued but unpaid interest;</li> <li>(ii) if no such firm bid is received, the Final Price will be the current bid price of the RO including accrued but unpaid interest as determined by MS in its sole and absolute discretion.</li> </ul> <p>For the avoidance of doubt, such firm bid will be in light of the Market Factor at the time it is provided.</p> <p>If the Counterparty owns the RO at the time of the solicitation of bids, (x) the Counterparty shall not be obligated to sell the RO and (y) MS shall not (and shall not cause an affiliate to) directly or indirectly, submit any bid in connection with solicitation of bids described in clause (i), above.</p> <p>Notwithstanding the foregoing, if “Alternative Final Price Determination” is specified as applicable in the Portfolio Adjustment Notice adding a Reference Obligation, then the Final Price in respect of such Reference Obligation shall be determined in accordance with the “Alternative Final Price Determination” set out in the Portfolio Adjustment Notice.</p> <p><b>Market Factor</b> shall mean (a) the aggregate principal amount of the RO outstanding as of such date, as (i) reduced by any repurchase, repayment, tender offers, Reductions in respect of such RO on a <i>pro rata</i> basis or (ii) increased by any Increases in respect of such RO on a <i>pro rata</i> basis,</p> <p><u>divided by</u></p> <p>(b) the aggregate principal amount of the RO originally issued on the date of issuance of such RO.</p>

**Increase** as used herein shall mean any increase, as determined by the Calculation Agent in its reasonable discretion, in the aggregate principal amount of the RO without any actual cash payment by or on behalf any party, which could be due to write-ups after prior write-downs (whether actual or implied), trustee revisions, or any other changes in circumstances in the ROs as the Calculation Agent determines would increase the aggregate principal amount of the RO based on market practice.

**Reduction** as used herein shall mean any reduction, as determined by the Calculation Agent in its reasonable discretion, in the aggregate principal amount of the RO without any actual repayment of principal made by or on behalf of the Reference Entity, which could be due to write-downs (whether actual or implied), trustee revisions, tranche cancellations, or any other changes in circumstances in the ROs as the Calculation Agent determines would reduce the aggregate principal amount of the RO based on market practice.

Equivalent In respect an RO, an asset that is (i) of the same issuer or other obligor, (ii) part of the same issue or borrowing and (iii) of an identical nominal value, type, description and amount of the RO.

## 2. Initial Exchange

Initial Payment On the Effective Date:

- (i) Fixed Rate Payer shall pay in RO Currency an amount equal to the sum of (x) the product of (a) Initial Notional Amount multiplied by (b) the Initial Factor multiplied by (c) the Initial Price plus (y) if there will be any interest amount expected to be paid on the following RO interest payment date, any accrued but unpaid interest in respect of an original face amount of the RO that is equal to the Initial Notional Amount as of the Effective Date; and
- (ii) Total Return Payer shall pay in USD an amount equal to the product of (a) Initial Notional Amount multiplied by (b) Initial Factor divided by (c) Initial FX Rate multiplied by (d) Initial Price.

## 3. Total Return Payer Payments

Total Return Payments On each Total Return Payer Payment Date, Total Return Payer must pay to Fixed Rate Payer an amount in RO Currency equal to the Actual Coupon Payment relating to such Total Return Payer Payment Date.

Total Return Payer Payment Dates The date falling three Business Days following each date on which a Holder of the RO would receive an Actual Coupon Payment (and such Actual Coupon Payment will be the Actual Coupon Payment applicable to such Total Return Payer Payment Date). For the avoidance of doubt, a Total Return Payer Payment Date may occur after the Termination Date and/or the maturity or redemption of the RO.

## 4. Interim Exchange

Interim Exchange Amount On each Interim Exchange Date:

- (i) Total Return Payer shall pay in the RO Currency the Actual Principal Repayment;
- (ii) Fixed Rate Payer shall pay in the RO Currency (a) the principal amount of the RO satisfied by the Actual Principal Repayment multiplied by (b) Initial Price divided by the Initial FX Rate.

Interim Exchange Dates      The date falling three Business Days following each date on which a Holder of the RO would receive an Actual Principal Repayment.

## **5. Final Exchange**

Final Exchange Amount      In case a Termination Date occurs other than as a result of the Factor being reduced to zero:

(i) Total Return Payer shall pay an amount the RO Currency equal to (a) Terminated Notional Amount multiplied by (b) Market Factor multiplied by (c) Final Price; and

(ii) Fixed Rate Payer shall pay in the RO Currency an amount equal to (a) Terminated Notional Amount multiplied by (b) Factor multiplied by (c) Initial Price divided by the Initial FX Rate.

Final Exchange Date      The Termination Date (other than as a result of the Factor being reduced to zero by Actual Principal Repayments).

## **6. Provisions in relation to the Independent Amount applicable to MS**

Independent Amount      In respect of each TRS Transaction and as of any date of determination, the Independent Amount applicable to the Fixed Rate Payer will be determined pursuant to the formula below. The Independent Amount required to be maintained by the Fixed Rate Payer as of any date of determination may change as a result of changes in the IA Percentage and Notional Amount. Any posting of additional Independent Amount, return of excess Independent Amount previously posted and payment of distributions or interests received on the Independent Amount will be pursuant to the provisions of the CSA.

The Eligible Credit Support with respect to Independent Amount will consist of cash in USD and/or assets which satisfy the eligibility criteria set out in Appendix 2 hereof. Counterparty shall purchase additional RO(s) using such cash and any distributions received on assets purchased using such case shall be paid to the Swap Counterparty.

With respect to the Fixed Rate Payer and as of any date of determination, the Independent Amount shall be equal to an amount that is equal to the product of (i) IA Percentage (effective as of such date) and (ii) Notional Amount / Initial FX Rate and (iii) Initial Price (effective as of such date).

IA Percentage      As of any date of determination and in respect of any RO, the percentage as determined by MS in its sole discretion, subject to a minimum of the relevant percentage set out for such RO in Appendix 3.

On the Effective Date, the IA Percentage will be the Initial IA Percentage set out in Appendix 1.

Cash IA Percentage      As of any date of determination and in respect of any RO, the percentage that represents the portion of the Independent Amount transferred by MS in cash.

On the Effective Date, the Cash IA Percentage will be the Initial Cash IA Percentage set out in Appendix 1.

## **7. Credit Events**

Termination Following a Credit Event      Following the determination by MS that a Credit Event has occurred with respect to a RO or the Reference Entity, it may but is not obligated to require that this Transaction be terminated on the designated Credit Event Settlement Date.

Credit Event	With respect to each RO, one or more of the events set out below, as specified by MS in the relevant Portfolio Adjustment Notice in respect of the addition of such RO:
	<ul style="list-style-type: none"> <li>(i) Failure to Pay;</li> <li>(ii) Bankruptcy;</li> </ul> each as defined herein.
Credit Event Determination Date	<p>The date on which a notice is delivered by either MS including:</p> <ul style="list-style-type: none"> <li>(i) a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred; and</li> <li>(ii) information that reasonably confirms any of the facts relevant to the determination that a Credit Event has occurred contained in any one of (a) – (d) below: <ul style="list-style-type: none"> <li>a. Published in at least 2 main sources of business news in the country in which the relevant entity is organized and/or any other internationally recognized published or electronically displayed news sources that confirms such Credit Event;</li> <li>b. received from or published by (A) the Reference Entity (or, if the Reference Entity is a Sovereign, any authority acting in a governmental capacity of such Sovereign), or (B) a trustee, fiscal agent, administrative agent, servicer, sub-servicer, master servicer, clearing agent, paying agent, facility agent or agent bank for an RO or the Notes; or</li> <li>c. contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body</li> <li>d. contained in a notice or on a website published by an internationally recognized rating agency that has at any time rated the Reference Obligation.</li> </ul> </li> </ul> <p>“<b>Sovereign</b>” shall mean any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.</p>

## 8. Definitions

Accrued Fixed Amount	In respect of a date, an amount in JPY equal to the Fixed Amount, determined for these purpose only as though the Fixed Rate Calculation Period were the period from (and including) the immediately preceding Fixed Rate Payer Payment Date (or, in relation to a date during the initial Fixed Rate Calculation Period, the Effective Date) to (but excluding) that date.
Actual Coupon Payments	<p>All payments, including, without limitation, interest, dividends, distributions and fees, if any, that are received (net of any applicable taxes whatsoever and any other withholding or deduction) by a Holder of a Reference Obligation (other than any sale proceeds or Actual Principal Repayments) (whether paid by the Reference Entity, Insurer, Guarantor or other obligor or as a result of enforcement of security).</p> <p>For the avoidance of doubt, "interest" shall include all payments made on or after the Effective Date, if any, in the nature of interest paid in respect of such Reference Obligation (including prepayment penalty interest amounts or yield maintenance payments, write-down reimbursements, accrued interest on interest shortfall amounts) and all other distributions that would constitute or be treated as interest as determined by the Calculation Agent in accordance with the market practice, excluding any capitalised interest and Actual Principal Repayments. To avoid double-counting of interest, "interest" shall exclude interest which accrued whilst the relevant TRS Transaction was outstanding and for which account has been taken in determining the Final Price.</p>

Each Actual Coupon Payment will be calculated having reference to such factors as the Calculation Agent may consider relevant, including (a) any withholding or deduction of taxes imposed by or on behalf of any applicable authority having power to tax in respect of the payments under or in respect of the RO, (b) any imputation or other credits, refunds or deductions granted by any applicable authority having power to tax in respect of such payments under or in respect of the RO and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon and (c) the tax status of the Reference Entity, the Insurer, or Guarantor, if applicable, and the Holder, in respect of the RO.

#### Actual Principal Repayments

All payments made on or after the Effective Date in respect of the reimbursement of the principal amount of the RO including principal payments on the maturity date (including capitalised interest) and make-whole or premium payments, if any, that are received (net of any applicable taxes whatsoever and any other withholding or deduction) by a Holder (whether paid by the Reference Entity, Guarantor or the Insurer, if applicable, or other obligor or as a result of enforcement of security).

Each Actual Principal Repayment will be calculated having reference to such factors as the Calculation Agent may consider relevant, including (a) any withholding or deduction of taxes imposed by or on behalf of any applicable authority having power to tax in respect of the payments under or in respect of the RO, (b) any imputation or other credits, refunds, or deductions granted by any applicable authority having power to tax in respect of such payments under or in respect of the RO and any taxes, credits, refunds or benefits imposed, withheld, assessed or levied thereon and (c) the tax status of the Reference Entity, the Insurer, or Guarantor, if applicable, and the Holder, in respect of the RO.

#### Bankruptcy

The Reference Entity, Insurer or Guarantor, servicer (including primary servicer, master servicer, sub-servicer or special servicer) with respect to the RO (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger), (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due, (c) makes a general assignment, arrangement, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation, or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof, (e) has a resolution passed for its winding-up or liquidation (other than pursuant to a consolidation, amalgamation or merger), (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter, or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in (a) to (g).

#### Failure to Pay

Any failure (in whole or in part) by the Reference Entity to make any payment expressed to be made under a Reference Obligation in accordance with the terms of Reference Obligation Documentation, after expiration of any applicable notice or grace period. The occurrence of such failure shall be determined taking into account the effect of any provisions in the Reference Obligation Documentation that indicates that any such payment will only become due and payable in the Reference Entity's (or any other person's) discretion or election, if certain conditions are satisfied or which permit the cancellation (or deemed cancellation), subordination, or suspension of any interest, principal, dividends, distributions or other

payments, (including, without limitation, whether at the election of the Reference Entity, as a result of any solvency tests, as result of any regulatory or statutory write down, bail-in or intervention however so described or otherwise) or the limitation of payments or distributions of funds in accordance with the terms of such Reference Obligation, that provide for the capitalisation or deferral of interest on the Reference Obligation or that provide for the extinguishing or reduction of such payments.

“Reference Obligation Documentation” shall mean the offering memorandum, prospectus, private placement memorandum, or other similar documentation, trustee reports relating to the terms and conditions of the Reference Obligation, as amended, restated or supplemented from time to time and the latest performance reports, servicer reports, sub-servicer reports, master servicer reports or any similar reports or information that are available to holders of the Reference Obligation.

Guarantor or Insurer	With respect to each RO, as set out in Appendix 1.
Holder	In respect of a RO, a hypothetical holder of a principal amount of the RO equal to the Notional Amount which is a company with a tax residence, tax domicile and status equivalent to the tax residence, tax domicile and status of the Total Return Payer.
9. Additional Provisions	<p><u>Representations from Counterparty</u></p> <p>Counterparty hereby represents, agrees and acknowledges that:</p> <ol style="list-style-type: none"> <li>(1) Counterparty has not and will not perform any services related to the Facility within the United States and shall not execute any documents related to the Facility within the United States. The representation in the preceding sentence shall also be made for purposes of Section 3(f) of the Master Agreement.</li> <li>(2) In the event that Total Return Payer acquires any RO relating to a TRS Transaction (to hedge its obligations under the relevant TRS Transaction or otherwise) it shall supply all the relevant tax forms and certifications to the obligor or paying agent (or any other agent) of the RO in order to prevent any tax withholding or deduction.</li> <li>(3) It is entering into this Agreement, any Credit Support Document to which it is a party, each Transaction, and any other documentation relating to this Agreement or any Transaction as principal (and not as agent or in any other capacity, fiduciary or otherwise).</li> <li>(4) (i) it is not and is not deemed for purposes of the Employee Retirement Income Security Act of 1974, as amended (“<b>ERISA</b>”) or Section 4975 of the Internal Revenue Code of 1986, as amended (the “<b>Code</b>”) to be (a) an “employee benefit plan” as defined in ERISA and subject to Part 4 of Subtitle I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any entity whose underlying assets are deemed for purposes of ERISA or the Code to include “plan assets” by reason of such employee benefit plan or plan’s investment in the entity (any of the foregoing a “<b>Benefit Plan Investor</b>”), (ii) it is an “employee benefit plan” that is not a Benefit Plan Investor and it is subject Federal, state, or local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“<b>Similar Law</b>”) (such plan a “<b>Similar Law Plan</b>”), and the acquisition, holding and disposition of the Notes does not and will not violate and such Similar Law or (iii) it is not a Similar Law Plan.</li> <li>(5) Counterparty is providing financing through an ownership interest in the Reference Obligations and a total return swap, rather than financing through one or more repurchase agreements or other debt instruments, with no purposes of tax avoidance.</li> </ol>

Representation from MS

For the purposes of Section 3(f) of the Agreement, MS hereby makes the following representation:

- (1) It is either:
  - (a) a company (1) which (A) by virtue of the law of a relevant territory, is resident in the relevant territory for the purposes of tax, and that relevant territory imposes a tax that generally applies to interest receivable in that relevant territory by companies from sources outside that relevant territory or (B) is incorporated in the United States and subject to United States federal income tax on its worldwide income, and (2) which does not receive payments hereunder in connection with a trade or business which is carried on in Ireland by it through a branch or agency, and, in this context, "relevant territory" means (i) a Member State of the European Communities (other than Ireland); (ii) not being such a Member State, a territory with which Ireland has a double taxation treaty in force; or (iii) not being a territory referred to in (i) or (ii), a territory with which Ireland has signed a double taxation treaty which upon completion of the necessary procedures will come into force; or
  - (b) a company and (1) the interest, if any, payable to it hereunder, is exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest was paid, and (2) it does not receive payments hereunder in connection with a trade or business which is carried on in Ireland by it through a branch or agency; and
- (2) Under the laws of a relevant territory (as defined in (1)(a) above), payments made by Counterparty under this Agreement will be subject, without reduction computed by reference to the amount of such payment, to a tax in that relevant territory which generally applies to profits, income or gains received in that relevant territory, by persons, from sources outside that territory.
- (3) It has not and will not perform any services related to the Facility within the United States and shall not execute any documents related to the Facility within the United States.
- (4) MS is acquiring economic exposure to the Reference Obligations through a total return swap, rather than through a direct ownership interest in the Reference Obligations (and financing with one or more repurchase agreements or other debt instruments), with no purpose of tax avoidance.

#### Additional Agreements

In addition

- (1) Notwithstanding any other provision of this Confirmation or any other agreement between the parties to the contrary (including agreements to which this Confirmation is subject) (i) any payments of the Fixed Rate Payer Payments shall be net of U.S. withholding taxes and (ii) Counterparty shall indemnify MS for any U.S. withholding taxes imposed on MS in respect of the Fixed Rate Payer Payments.
- (2) If at any time the Swap Counterparty decides that the CSA (in respect of any TRS Transaction) is in a form that does not comply with any applicable margin

regulations, the Issuer and the Swap Counterparty shall use all reasonable endeavours to amend each such CSA and/or Swap Agreement in order to comply with such regulations and additional agreements may be entered into between the parties to effect such amendment and compliance with the applicable margin regulations, provided, however, Standard & Poor's Rating Services shall have confirmed that any such amendment or additional agreement will not negatively impact the then rating of the Notes.

- (3) In the event that Fixed Rate Payer sells to Total Return Payer any asset Equivalent to an RO relating to a TRS Transaction (to enable Total Return Payer to hedge its obligations under the relevant TRS Transaction or otherwise), Fixed Rate Payer represents that it intends to transfer full legal title to such asset so transferred to Total Return Payer free and clear of any security interest, lien or encumbrance.
- (4) In the event that Total Return Payer acquires any RO relating to a TRS Transaction (to hedge its obligations under the relevant TRS Transaction or otherwise), the Total Return Payer and the Fixed Rate Payer agree that the relevant TRS Transaction is intended to be treated as not transferring any interest in any RO to Fixed Rate Payer nor establishing a partnership, agency relationship or any business entity with the Fixed Rate Payer for all purposes, including tax purposes.
- (5) The terms of this Confirmation and the other Trade Documents shall be construed to further the intentions of the parties set out in (3) through (5), above.

Yours sincerely

**MORGAN STANLEY & CO. INTERNATIONAL PLC**

By: \_\_\_\_\_

Name:

Title:

Confirmed as of the date first written above:

**ELVA FUNDING II DAC**

By: \_\_\_\_\_

Name:

Title:



## APPENDIX 1

### TRS TRANSACTIONS

The following tables provide information in respect of the assets expected to be purchased by the Issuer a third party in connection with the Notes.

TRS Transaction ID	RO	Referenc e Entity	Guarantor/ Insurer	RO Curren cy	Effective Date	Initial FX Rate	Transacti on Terminati on Date	Initial Notiona l Amount	Credit Ratin g	Initia l Price	ISIN	Initial IA Percentage ; Initial Cash IA Percentage	Initial Facto r	RO Scheduled Payment Dates
1														
2														
3														

## APPENDIX 2

### PORTFOLIO SUBSTITUTION ELIGIBILITY CRITERIA

Each new RO must satisfy the following criteria on the Trade Date of the relevant TRS:

The Fixed Rate Payer, or its affiliates, may not have issued or guaranteed the RO.

The RO satisfies the Generic Criteria.

As of the Trade Date and Effective Date, payments in respect of the RO would be made to MS without any deduction or withholding for or on account of any taxes if it was the legal or beneficial owner of the RO.

Generic Criteria:

- (i) The RO is a payment obligation that by its terms converts into cash within a finite time period based on a principal balance or other payable amount that may not be reduced as a result of the occurrence or non-occurrence of any event or circumstance (other than payment), provided that such obligation may be subject to customary limited recourse provisions.
- (ii) The RO is capable of being subject to a first fixed charge under English law;
- (iii) The RO is capable of being sold, assigned or participated to the Total Return Payer and is capable of being sold, assigned or participated by the Total Return Payer without any breach of applicable selling restrictions or of any contractual provisions or of any legal or regulatory requirements and the Total Return Payer does not require any authorisations, consents approvals or filings (other than such as have been obtained or effected) as a result of or in connection with any such sale, assignment or participation under any applicable law;
- (iv) The RO does not result in the imposition of any present or future, actual or contingent, monetary liabilities or obligations (including any tax liability or obligation) of the holder thereof (which, for the avoidance of doubt, is the case for a Revolver a portion of which remains undrawn) other than those (i) which may arise at its option; or (ii) which are fully funded;
- (v) the ownership of such obligation by the Total Return Payer would not violate any applicable law, rule or regulation;
- (vi) such obligation must be a "qualifying asset" within the meaning of section 110(1) of the Taxes Consolidation Act, 1997 (the TCA) and must not be a "specified mortgage" within the meaning of section 110 (5A) of the TCA, units in an IREF within the meaning of Chapter 1B of Part 27 of the TCA or shares that derive their value from, or the greater part of their value from, directly or indirectly, Irish land; and
- (vii) Such obligation is a security and not a loan.

## **APPENDIX 3**

### **MINIMUM IA PERCENTAGES**

**Tier 1 Country:** any of EEA or non-EEA G10 countries

**Tier 2 Country:** any country that is not a Tier 1 Country

**Country of the RO:** country of the issuer or debtor. When applicable and if looking at the country of the guarantor instead leads to lower IA then Country of the RO shall be the country of the guarantor.

**Cash, Central government, Government agency, Regional and local government**

IA Percentage = 0%

**Corporate Bonds**

IA Percentage = 5%

**Asset Backed Securities (including RMBS, CMBS and CLO)**

IA Percentage = 5%

**Tier 2 Countries**

An additional 5% IA requirement will be applied on the absolute value of the subset of the Portfolio consisting of assets from any Tier 2 Country.

**Seniority**

An additional 5% IA requirement will be applied on the absolute value of the subset of the Portfolio consisting of assets of subordinated debt.

## APPENDIX 4

### FORM OF PORTFOLIO ADJUSTMENT NOTICE

#### Portfolio Adjustment Notice

Dear Sirs,

We refer to the Confirmation dated [●] with reference number [● Reference Number], between Elva Funding II DAC (Total Return Payer), and Morgan Stanley & Co. International plc (the Fixed Rate Payer) relating to a TRS Facility (the TRS Facility Confirmation). This notice constitutes a Portfolio Adjustment Notice for the purposes of the TRS Facility Confirmation.

The terms of the transaction are as follows:

Trade Date:	[●]
[Effective Date of Portfolio Adjustment]:	[●] [(anticipated and subject to change)]
RO:	[●]
CUSIP/ISIN (if applicable):	[●]
Reference Entity:	[●]
Insurer or Guarantor (if applicable):	[●]
RO Currency:	[●]
Initial Notional Amount:	[RO Currency [●]]
[Initial/Final] Price:	[●]
[Initial] Factor:	[●]
Initial FX Rate:	[●]
[Transaction Termination Date	[●]]
Credit Rating	[●]
[Initial IA Percentage	[●]]
RO Scheduled Payment Dates	[●]
[Terminated Notional Amount ]	[●]
Applicable Credit Events	[●]
Alternative Final Price Determination	[Applicable] / [Not Applicable]

If applicable, then the “Final Price” shall be determined as the following:

- (i) the Calculation Agent shall seek a firm bid quotation (for settlement on the Termination Date) for an outstanding principal amount of a security or asset Equivalent to the RO equal to the Notional Amount, excluding accrued but unpaid interest, from 4 third party entities, and the Final Price will be such firm

bid received plus accrued but unpaid interest;

- (ii) If no firm bids are received on such day, the Calculation Agent shall attempt to seek firm bid quotations in the same manner as described in clause (i) above with the goal to obtain a firm bid, and the Final Price will be any such firm bid received plus accrued but unpaid interest;
- (iii) if no such firm bid is received during a reasonable period after the original quotation date under (i), the Final Price will be the current bid price of the RO including accrued but unpaid interest as determined by a reputable third party dealer.

MS shall not be entitled to bid or purchase any security or asset during any of the above auctions.

[As a result of the Portfolio Adjustment, the Notional Amount will be, as of the date the Portfolio Adjustment becomes effective, [●]]

Yours faithfully

Morgan Stanley & Co. International plc

## **BOOK-ENTRY CLEARANCE PROCEDURES**

The information set out below has been obtained from sources that the Issuer believes to be reliable, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or interpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Dealer or any Agent party to the Agency Agreement (or any Affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the Securities Act), will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.

### ***Euroclear and Clearstream, Luxembourg***

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Investors may hold their interests in a global certificate (a **Global Note**) directly through Euroclear or Clearstream, Luxembourg if they are accountholders ("**Direct Participants**") or indirectly ("**Indirect Participants**" and together with Direct Participants, "**Participants**") through organisations which are accountholders therein.

### **Book Entry Ownership**

#### ***Euroclear and Clearstream, Luxembourg***

The Global Note will have an ISIN and a Common Code and will be deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

#### ***Relationship of Participants with Clearing Systems***

Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note represented by a Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Note and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of Euroclear or Clearstream, Luxembourg. The Issuer expects that, upon receipt of any payment in respect of Notes represented by a Global Note, the common depositary by whom such Note is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant Clearing System with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Note as shown on the records of the relevant Clearing System or its nominee. The Issuer also expects that payments by Direct Participants in any Clearing System to owners of beneficial interests in any Global Note held through such Direct Participants in any Clearing System will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Note in respect of each amount so paid. None of the Issuer, the Trustee or any Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account

of ownership interests in any Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

### ***Settlement and Transfer of Notes***

Subject to the rules and procedures of each applicable Clearing System, purchases of Notes held within a Clearing System must be made by or through Direct Participants, which will receive a credit for the Notes on the Clearing System's records. The ownership interest of each actual purchaser of each such Note (the "**Beneficial Owner**") will in turn be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from any Clearing System of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction. Transfers of ownership interests in Notes held within the Clearing System will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, unless and until interests in any Global Note held within a Clearing System is exchanged for Definitive Certificates.

No Clearing System has knowledge of the actual Beneficial Owners of the Notes held within such Clearing System and their records will reflect only the identity of the Direct Participants to whose accounts the Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the Clearing Systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

### ***Trading between Euroclear and/or Clearstream, Luxembourg Participants***

Secondary market sales of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg to purchasers of book entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

## **TAX CONSIDERATIONS**

### **1. General**

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Note.

Potential purchasers who are in any doubt about their tax position on purchase, ownership, transfer or exercise of any Note should consult their own tax advisers. In particular, no representation is made as to the manner in which payments under the Notes would be characterised by any relevant taxing authority. Potential investors should be aware that the relevant fiscal rules or their interpretation may change, possibly with retrospective effect, and that this summary is not exhaustive. This summary does not constitute legal or tax advice or a guarantee to any potential investor of the tax consequences of investing in the Notes.

### **2. Irish Taxation**

#### **Introduction**

The following is a summary of the principal Irish tax consequences for individuals and companies of ownership of the Notes based on the laws and practice of the Irish Revenue Commissioners currently in force in Ireland and may be subject to change. It deals with Noteholders who beneficially own their Notes as an investment. Particular rules not discussed below may apply to certain classes of taxpayers holding Notes, such as dealers in securities, trusts etc. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

#### **Taxation of Noteholders**

##### **Withholding Tax**

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest which should include interest or premium payable on the Notes. References in this disclosure to "interest" payable on the Notes shall also include premium payable on the Notes.

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note does not come within the Deductibility of Interest rules (discussed below) and falls within one of the following categories:

1. **Interest paid on a quoted Eurobond:** The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:
  - (a) the Notes are quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as Euronext Dublin) and which carry a right to interest; and
  - (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
    - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or



- (ii) the person who is the beneficial owner of the Note and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (c) one of the following conditions is satisfied:
  - (i) the Noteholder is resident for tax purposes in Ireland; or
  - (ii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or
  - (iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:
    - (A) from whom the Issuer has acquired assets;
    - (B) to whom the Issuer has made loans or advances; or
    - (C) with whom the Issuer has entered into a swap agreement,
 in each case where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or
  - (iv) at the time of issue of the Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments,

where the term:

**"relevant territory"** means a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double tax treaty (**"Relevant Territory"**); and

**"swap agreement"** means any agreement, arrangement or understanding that—

- (I) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and
- (II) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes continue to be quoted on Euronext Dublin, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised

clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

2. **Interest paid on a wholesale debt instrument:** A "wholesale debt instrument" includes commercial paper (as defined in Section 246A(1) of the Taxes Consolidation Act of Ireland 1997, as amended ("TCA")). In that context "commercial paper" means a debt instrument, either in physical or electronic form, relating to money in any currency, which is issued by a financial institution, or a company that is not a financial institution, recognises an obligation to pay a stated amount, carries a right to interest or is issued at a discount or at a premium, and matures within 2 years. The exemption from Irish withholding tax applies if:

- (a) the wholesale debt instrument is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); and
- (b) the wholesale debt instrument is of an approved denomination; and in this context an approved denomination means a denomination of not less than:
  - (i) in the case of an instrument denominated in euro, €500,000;
  - (ii) in the case of an instrument denominated in United States Dollars, US\$500,000; or
  - (iii) in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000 (using the conversion rate applicable at the time the programme under which the instrument is to be issued is first publicised); and
  - (iv) one of the conditions in paragraph 1(c) is satisfied.

3. **Interest paid by a qualifying company to certain non-residents:** If, for any reason, the exemptions referred to above cease to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the TCA (a "**Qualifying Company**") and, the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
  - (i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory and which is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the holder of the Notes, nor any person connected with the holder of the Notes, is a person or persons: (a) from whom the Issuer has acquired assets; (b) to whom the Issuer has made loans or advances; or (c) with whom the Issuer has entered into a swap agreement, where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer; or

- (ii) the Noteholder, in respect of such interest, is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a Relevant Territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory.

The Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the recipient claims to be resident.

For other Noteholders, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the relevant provisions of the tax treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

### **Deductibility of Interest**

Rules contained in the Finance Act 2016 and Finance Act 2017 restrict deductibility of interest paid by a Qualifying Company (such as the Issuer) that is profit dependent or exceeds a reasonable commercial return to the extent that the interest is associated with the business of a Qualifying Company of holding "specified mortgages", units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA) or shares that derive their value from, or the greater part of their value from, Irish land, subject to a number of exceptions. A "specified mortgage" for this purpose is (a) a loan which is secured on, and which derives its value from, or the greater part of its value from, directly or indirectly, Irish land, or (b) a 'specified agreement' (effectively a profit-dependent derivative) which derives all of its value, or the greater part of its value, directly or indirectly, from Irish land or a loan to which (a) applies, or (c) the portion of a 'specified security' (essentially a security in respect of which, if the Finance Act 2016 and Finance Act 2017 rules did not apply, payments on that security would be deductible under section 110 of the TCA), is attributable to the specified property business in accordance with these rules. The legislation treats the holding of such specified assets as a separate business to the rest of the Qualifying Company's activities. The Qualifying Company is taxed on any profit that is attributable to that business at 25 per cent. and any such interest that is profit dependent or exceeds a reasonable commercial return is not deductible, subject to a number of exceptions, and potentially subject to Irish withholding tax at 20 per cent.

Accordingly, on the basis that the Issuer has not acquired and will not acquire "specified mortgages" for the purposes of section 110 of the TCA, units in an IREF (being a specific form of investment undertaking within the meaning of Chapter 1B of Part 27 of the TCA) or shares that derive their value from, or the greater part of their value from, Irish land, these rules should not apply to this transaction.

### **Encashment Tax**

Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest on any Note, where such interest is collected or realised by a bank or other agent in Ireland on behalf of any Noteholder. Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration to this effect in the prescribed form to the agent or bank.

### **Income Tax, PRSI and Universal Social Charge**

Notwithstanding that a Noteholder may receive interest or premium on the Notes free of Irish withholding tax, the Noteholder may still be liable to pay Irish income tax (and in the case of individuals, the universal social charge and social insurance (**PRSI**)) on such interest if (i) such interest has an Irish source, (ii) the Noteholder is resident or, in the case of a person other than a body corporate ordinarily resident in Ireland for tax purposes (in which case there would also be PRSI liability for an individual in receipt of interest on the Notes), or (iii) the Notes are attributed to a branch or agency in Ireland. .

Interest paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest they receive on the Notes.

Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come in to force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption or under the wholesale debt instrument exemption is exempt from income tax, where the recipient is a person not resident in Ireland and resident in a Relevant Territory or is a company not resident in Ireland which is under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and is not under the control of person(s) who are not so resident or is a company not resident in Ireland where the principal class of shares of the company or its 75% parent is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Relief from Irish income tax may also be available under the specific provisions of a double tax treaty between Ireland and the country of residence of the recipient.

Interest on the Notes which does not fall within the above exemptions may be within the charge to Irish income tax, and, in the case of Noteholders who are individuals, the charge to the universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to income tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

### **Capital Gains Tax**

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade in Ireland through a branch or agency in respect of which the Notes were used or held or, in the case of Notes which derive more than 50 per cent. of their value from Irish real estate, mineral rights or exploration rights, unless the Notes cease to be quoted on a stock exchange.

### **Capital Acquisitions Tax**

A gift or inheritance of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs will be levied at 33 per cent.), if either (i) the disponer or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the

disponer is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

### **Stamp Duty**

No stamp duty or similar tax is imposed in Ireland (on the basis of an exemption provided for in Section 85(2)(c) to the Irish Stamp Duties Consolidation Act, 1999), on the issue, transfer or redemption of the Notes, provided that the Issuer is a qualifying company for the purposes of Section 110 of the TCA and the proceeds of the Notes are used in the course of the Issuer's business.

#### **4. Foreign Account Tax Compliance Act of the United States**

Pursuant to provisions of U.S. law commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be treated as a foreign financial institution for these purposes. A number of jurisdictions (including Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding. Each Noteholder may be required to provide certifications and identifying information about itself and its owners (or beneficial owners) in order to enable the Issuer (or an intermediary) to identify and report on the Noteholder and certain of the Noteholder's direct and indirect U.S. beneficial owners to the U.S. Internal Revenue Service or an Irish tax authority. FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

## SUBSCRIPTION AND SALE

The Dealer has agreed with the Issuer to subscribe, or to procure subscriptions, for the Notes at the issue price of 100 per cent. of their initial principal amount, subject to certain Conditions contained therein.

The Issuer has agreed to indemnify the Dealer against certain liabilities incurred in connection with the offer and sale of the Notes.

Attention is also drawn to the information set out on the inside cover of this Securities Note.

### *The United States of America*

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

Accordingly, the Notes may not be offered or sold or otherwise transferred except in an "offshore transaction" (as such term is defined under Regulation S) to or for the account or benefit of any person who is not (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S or the Internal Revenue Code of 1986, as amended; or (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC Rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person) or (c) a "U.S. Person" within the meaning of the final rules promulgated under Section 15G OF the Securities Exchange Act of 1940, as amended (such person, a "**U.S. Person**").

Transfers of Notes within the United States or to U.S. Persons are prohibited. Any transfer of Notes to a U.S. Person will be void *ab initio* and of no legal effect whatsoever. Accordingly, any purported transferee of any legal or beneficial ownership interest in a Note in such a transaction will not be entitled to any rights as a legal or beneficial owner of such interest in such Note.

Each holder and transferee of the Notes shall be a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended.

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

The Dealer has acknowledged and agreed that as part of its distribution at any time it will only offer, sell or deliver Notes to, or for the account or benefit of, persons who are not U.S. Persons.

This Securities Note has been prepared by the Issuer for use in connection with the offer and sale of the Notes and for the listing of the Notes on Euronext Dublin. The Issuer and the Dealer reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes which may be offered. This Securities Note does not constitute an offer to any person in the United States or to any U.S. Person. Distribution of this Securities Note to any such person or to any person within the United States is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

## ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**FIEL**”). The Notes may not be offered or sold, directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

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The solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the Notes constitutes either a “Qualified Institutional Investor (“**QII**”) only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the Notes. The Notes may only be transferred to QIIs.

## ***United Kingdom***

The Dealer has represented, warranted and undertaken to the Issuer that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA (including, without limitation, the restrictions on the promotion of non-mainstream pooled investments set out in COBS 4.12 (Restrictions on the promotion of Non-mainstream pooled investments) on the basis that this Securities Note is only being provided to and/or directed at Relevant Persons) with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## ***Ireland***

The Dealer has represented, warranted and agreed with the Issuer that:

- (a) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the “**MiFID II Regulations**”), including, without limitation, Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFs and OTFs)) thereof, or any rules or any codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the “**Companies Act**”), the Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);and

- (c) it will not underwrite the issue of, place or otherwise act in Ireland in respect of, the Notes otherwise than in conformity with the provisions of the Market Abuse Regulation (EU 596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Companies Act.

***General***

Except for listing the Notes on the Official List of Euronext Dublin, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes, or the possession, circulation or distribution of this Securities Note or any other material relating to the Issuer or the Notes in any jurisdiction where action for that purpose is required. This Securities Note does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

The Dealer has undertaken not to offer or sell any of the Notes, or to distribute this document or any other material relating to the Notes, in or from any jurisdiction except under circumstances that will result in compliance with applicable law and regulations.



## TRANSFER RESTRICTIONS

Each prospective purchaser of Notes, by accepting delivery of this Securities Note, will be deemed to have represented, acknowledged and agreed that this Securities Note is personal to it and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes other than by non-U.S. Persons in offshore transactions in accordance with Regulation S. Distribution of this Securities Note, or disclosure of any of its contents to any person other than a permitted offeree and those persons, if any, retained to advise it with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

Each purchaser of Notes will be deemed to have represented and agreed as follows:

1. In connection with the purchase of the Notes: (a) none of the Issuer, the Dealer or the Trustee is acting as a fiduciary or financial manager for the purchaser; (b) the purchaser is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Dealer or the Trustee or any of their agents other than any statements in this Securities Note for the Notes and any representations expressly set forth in a written agreement with such party; (c) none of the Issuer, the Dealer or the Trustee has given to the purchaser (directly or indirectly through any other person) any assurance, guarantee or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (d) the purchaser has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisors to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction pursuant to the Trust Deed) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Dealer or the Trustee; and (e) the purchaser is a sophisticated investor and has evaluated the rates, prices or amounts and other terms, conditions and restrictions applicable to the purchase and sale of the Notes with a full understanding of all of the terms, conditions and risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks.
2. It, and each account for which it is acting, is not a U.S. Person and is acquiring a beneficial interest in the Notes in an offshore transaction meeting the requirements of Regulation S.
3. It understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Series or the Issuer under the CEA or the CFTC Rules.
4. It understands and agrees that the Issuer has the right to compel any legal or beneficial owner of an interest in the Notes to certify periodically that such legal or beneficial owner is not a U.S. Person.
5. It understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Notes in violation of the transfer restrictions applicable to the Notes.
6. It, and each person for which it is acting, understands that pursuant to the terms of the Trust Deed, the Issuer has agreed that the Notes will bear the legend set forth below.
7. It, and each account for which it is acting, agrees, for the benefit of the Issuer, the Dealer and any of its Affiliates, that, any offer, resale, pledge or other transfer of any Notes (or any beneficial interest therein) will be made in compliance with the Securities Act and only to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 (as applicable) under Regulation S.
8. The purchaser understands that the Notes may not, at any time, be held by, or for the account of, a U.S. Person, and it understands that any purported transfer in violation of the transfer restrictions applicable to the Notes will be void *ab initio* and will not operate to transfer any rights to the purported transferee.

9. It agrees to provide notice of the restrictions set forth herein to any transferee of its interest in the Notes.
10. Neither it nor the beneficial owner of this Note would be subject to U.S. withholding tax on the Reference Obligation if it owned the Reference Obligation directly, rather than having an indirect economic interest in the Reference Obligation through its ownership of the Note. It understands that if the foregoing representation is not true, it may be subject to U.S. withholding taxes and no additional amounts will be paid to offset any such withholding.
11. The purchaser acknowledges that the Issuer, the Dealer and the Trustee and their Affiliates and counsel will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements, and it hereby consents to such reliance.
12. It is not and is not deemed for purposes of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”) to be (a)(i) an “employee benefit plan” as defined in ERISA and subject to Part 4 of Subtitle I of ERISA, (ii) a “plan” as defined in and subject to Section 4975 of the Code, or (iii) any entity whose underlying assets are deemed for purposes of ERISA or the Code to include “plan assets” by reason of such employee benefit plan or plan’s investment in the entity (any of the foregoing a “Benefit Plan Investor”), (b) it is an “employee benefit plan” that is not a Benefit Plan Investor and it is subject Federal, state, or local or non-U.S. law that is substantially similar to Section 406 of ERISA or Section 4975 of the Code (“Similar Law”) (such plan a “Similar Law Plan”), and the acquisition, holding and disposition of the Notes does not and will not violate and such Similar Law or (c) it is not a Similar Law Plan.
13. The Purchaser is providing financing through the purchase of a note that economically represents an indirect ownership interest in the Reference Obligations and a total return swap, rather than financing through one or more repurchase agreements or other debt instruments, with no purposes of tax avoidance.

#### Legend

Unless determined otherwise by the Issuer in accordance with applicable law and so long as the Notes are outstanding, the Notes will bear a legend substantially in the form set forth below:

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE IN THE UNITED STATES, AND ARE SUBJECT TO U.S. TAX REQUIREMENTS. THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED AT ANY TIME, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES (WHICH TERM INCLUDES THE TERRITORIES, THE POSSESSIONS AND ALL OTHER AREAS SUBJECT TO THE JURISDICTION OF THE UNITED STATES OF AMERICA) OR TO OR FOR THE ACCOUNT OR BENEFIT OF A 'U.S. PERSON' (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED), A 'U.S. PERSON' WITHIN THE MEANING OF THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1940, AS AMENDED OR TO ANY PERSON WHO FALLS OUTSIDE THE DEFINITION OF 'NON-UNITED STATES PERSON' (AS DEFINED IN RULE 4.7(a)(1)(iv) OF THE RULES OF THE COMMODITY FUTURES TRADING COMMISSION). IN PURCHASING THE NOTES, YOU HEREBY REPRESENT AND WARRANT (1) THAT YOU ARE NOT LOCATED IN THE UNITED STATES, (2) THAT YOU ARE NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S OR THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED, OR THE FINAL RULES PROMULGATED UNDER SECTION 15G OF THE SECURITIES EXCHANGE ACT OR A PERSON WHO FALLS OUTSIDE THE DEFINITION OF A NON-UNITED STATES PERSON, AND (3) THAT YOU ARE NOT PURCHASING FOR, OR FOR THE ACCOUNT OR BENEFIT OF, ANY SUCH PERSON.**

**ANY INTEREST IN THE NOTES MAY ONLY BE TRANSFERRED TO TRANSFEREES WHO WOULD BE DEEMED AS AN INSTITUTIONAL INVESTOR UNDER THE APPLICABLE LAW OR REGULATIONS OF THE JURISDICTION IN WHICH SUCH TRANSFEREE IS LOCATED. IN ADDITION, EACH**

**TRANSFeree SHALL BE A “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

**THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL NOTES AND EXCHANGE LAW OF JAPAN (THE “FIEL”). THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY IN JAPAN OR TO, OR FOR THE BENEFIT OF, ANY RESIDENT OF JAPAN (WHICH TERM AS USED HEREIN MEANS ANY PERSON RESIDENT IN JAPAN, INCLUDING ANY CORPORATION OR OTHER ENTITY ORGANISED UNDER THE LAWS OF JAPAN) OR TO OTHERS FOR RE-OFFERING OR RESALE, DIRECTLY OR INDIRECTLY, IN JAPAN OR TO A RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH, THE FIEL AND ANY OTHER APPLICABLE LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.**

**IT WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (1) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”) TO BE (A) AN “EMPLOYEE BENEFIT PLAN” AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A “PLAN” AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE “PLAN ASSETS” BY REASON OF SUCH EMPLOYEE BENEFIT PLAN OR PLAN’S INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A “BENEFIT PLAN INVESTOR”), (2) IT IS AN “EMPLOYEE BENEFIT PLAN” THAT IS NOT A BENEFIT PLAN INVESTOR AND IT IS SUBJECT TO FEDERAL, STATE, OR LOCAL OR NON-U.S. LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (“SIMILAR LAW”) (SUCH PLAN A “SIMILAR LAW PLAN”), AND THE ACQUISITION, HOLDING AND DISPOSITION OF THE NOTES DO NOT AND WILL NOT VIOLATE ANY SUCH SUBSTANTIALLY SIMILAR LAW, OR (3) IT IS NOT A SIMILAR LAW PLAN.**

**The solicitation for newly-issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the Notes constitutes either a “Qualified Institutional Investor (“QII”) only private placement” or a “QII only secondary distribution” (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the Notes. The Notes may only be transferred to QIIs.**

The owner of this Note shall be deemed to have represented that neither it nor the beneficial owner of this Note would be subject to U.S. withholding tax on the Reference Obligation if it owned the Reference Obligation directly, rather than having an indirect economic interest in the Reference Obligation through its ownership of the Note. If the foregoing representation is not true, it may be subject to U.S. withholding taxes and no additional amounts will be paid to offset any such withholding.

## OVERVIEW OF PARTIES TO THE TRANSACTION

### **The Custodian, the Principal Paying Agent, the Registrar and the Calculation Agent**

The Bank of New York – Incorporated, with limited liability by Charter, under the Laws of the State of New York by special act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situate at One Wall Street, New York, NY 10286, USA and having a branch registered in England & Wales with FC No 005522 and BR No 000818 with its principal office in the United Kingdom situate at One Canada Square, London E14 5AL.

The Bank of New York is a leading provider of corporate trust and agency services. The Bank and its subsidiaries and affiliates administer a portfolio of more than 90,000 trustee and agency appointments, representing \$3 trillion in outstanding securities for more than 30,000 clients around the world. The Bank is a recognized leader for trust services in several debt products, including corporate and municipal debt, mortgage-backed and asset-backed securities, derivative securities services and international debt offerings.

The Bank of New York Company, Inc. (NYSE: BK) is a global leader in providing a comprehensive array of services that enable institutions and individuals to move and manage their financial assets in more than 100 markets worldwide. The Company has a long tradition of collaborating with clients to deliver innovative solutions through its core competencies: securities servicing, treasury management, asset management, and private banking services. The Company's extensive global client base includes a broad range of leading financial institutions, corporations, government entities, endowments and foundations. Its principal subsidiary, The Bank of New York, founded in 1784, is the oldest bank in the United States and has consistently played a prominent role in the evolution of financial markets worldwide. Additional information is available at [www.bnymellon.com](http://www.bnymellon.com).

The Custodian and the Principal Paying Agent are required, at all times when the Notes are outstanding, to be (a) with respect to the Custodian, a financial institution with a short term senior unsecured debt rating of at least A1+ from S&P, for so long as the Notes are rated by S&P (the "**Required Custodian Rating**") and (b) with respect to the Principal Paying Agent, a financial institution with a short term senior unsecured debt rating of at least A1 from S&P, for so long as the Notes are rated by S&P (the "**Required Paying Agent Rating**"). In the event that the rating of the Custodian or the Principal Paying Agent falls below the Required Custodian Rating or Required Paying Agent Rating, respectively, or is withdrawn by S&P, the Issuer shall use reasonable endeavours to procure that a replacement custodian and/or Principal Paying Agent, as the case may be, which is acceptable to the Trustee, is appointed whose rating is not less than the Required Custodian Rating or Required Paying Agent Rating, as applicable. Any costs incurred by the Issuer in procuring such replacement custodian and/or Principal Paying Agent will be met by the Arranger.

### **The Swap Counterparty, Arranger and Dealer**

The Swap Counterparty is Morgan Stanley & Co. International plc.

Pursuant to the terms of the Dealer Agreement, Morgan Stanley & Co. International plc has also agreed to act as arranger and dealer in respect of each Series of Notes. Morgan Stanley & Co. International plc is a private company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London, E14 4QA.

Morgan Stanley & Co. International plc is an indirect wholly owned subsidiary of Morgan Stanley. Morgan Stanley & Co. International plc is a U.K. registered broker dealer. The principal activity of Morgan Stanley & Co. International plc is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and regulated by the U.K. Financial Services Authority. Morgan Stanley & Co. International plc has securities admitted to, among others, the official list of the London Stock Exchange and admitted to trading on its regulated market.

## GENERAL INFORMATION

1. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this Securities Note a significant effect on the financial position of the Issuer nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
2. There has been no material adverse change in the financial position or prospects of the Issuer since 7 June 2018, being the date of the Issuer's incorporation.
3. Copies of the following documents in physical form will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and the Principal Paying Agent for so long as the Notes are outstanding:
  - (i) this Securities Note;
  - (ii) the Supplemental Trust Deed;
  - (iii) the documents specified in paragraph 5 of "General Information" in the Registration Document dated 30 July 2018; and
  - (iv) the Swap Agreement
4. For so long as the Notes are outstanding, copies of the documents listed in 3 above will be available for inspection at the registered office of the Issuer and at the Principal Paying Agent in London.
5. The Notes will initially be represented by a Registered Global Note. This Registered Global Note will be exchanged in whole but not in part for Registered Note Certificates in limited circumstances.
6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code of the Notes and the International Securities Identification Number ("ISIN") for the Notes are 200263294 and XS2002632946, respectively.
7. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue and performance of the Notes. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on or about 18 June 2019.
8. Pursuant to the terms of the Principal Trust Deed, a Trustee may retire upon the giving of three months' notice to the Issuer and each Secured Creditor or may be removed by an Extraordinary Resolution of the Holders of the relevant Series of Notes. In circumstances of notice of retirement or removal the Issuer shall procure the appointment of a new trustee as soon as reasonably practicable and such retirement or removal shall not become effective until a successor trustee has been appointed.
9. The Notes are governed by and shall be construed in accordance with English law.
10. The Issuer has irrevocably agreed for the benefit of the Noteholders that the Courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes, and, for such purposes has irrevocably submitted to the jurisdiction of such courts.
11. Application has been made to list the Notes on the regulated market of Euronext Dublin. No assurances can be given that such listing will be successful and/or maintained and no assurance can be given that such listing will be obtained on or prior to the Issue Date.

12. The Issuer does not intend to provide post issuance transaction information regarding the Notes and/or the performance of any Underlying Assets, other than information which it is required to provide to Noteholders in accordance with the Conditions.
13. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Regulated Market of Euronext Dublin for the purposes of the Prospectus Directive.

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