

SERIES PROSPECTUS

DEMETER INVESTMENTS B.V.

(incorporated with limited liability in the Netherlands)

Series 2014-6

EUR 20,000,000 Credit-linked Notes due 2021

issued under the Secured Note Programme

Issue Price: 100 per cent.

This document is a series prospectus (the “**Series Prospectus**”), prepared for the purposes of Article 5(1) of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EC, the “**Prospectus Directive**”). This Series Prospectus contains information relating to the above notes (the “**Notes**”) issued by Demeter Investments B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated in the Netherlands, with its corporate seat (*statutaire zetel*) in Amsterdam, the Netherlands (the “**Issuer**”). The Series Prospectus should be read in conjunction with the base prospectus dated 24 July 2013 relating to the Secured Note Programme (the “**Programme**”) of the Issuer which has been approved by the Central Bank (as defined below) (the “**Base Prospectus**”). Unless defined herein, terms defined in the Base Prospectus have the same meanings in this Series Prospectus.

This Series Prospectus constitutes a “prospectus” for the purposes of the Prospectus Directive.

This Series Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained.

References in this Series Prospectus to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading on the regulated market of the Irish Stock Exchange and have been admitted to the Official List (the “**Official List**”). The regulated market of the Irish Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Arranger and Dealer

Credit Suisse International

The date of this Series Prospectus is 7 May 2014

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This Series Prospectus is supplemental to, and should be read in conjunction with, the Base Prospectus (see the section entitled “Documents Incorporated by Reference” below). This Series Prospectus includes particulars for the purpose of giving information with regard to the issue by the Issuer of the Notes.

The Issuer accepts responsibility for the information contained in this Series Prospectus (which, for the purpose of this section of the Series Prospectus, will include the sections of the Base Prospectus incorporated by reference herein). To the best of the Issuer’s knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Series Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer, having made all reasonable enquiries, confirms that this Series Prospectus contains all information with respect to the Issuer and the Notes that is material in the context of the issue and offering of the Notes, the statements contained in it relating to the Issuer are in every material respect true and accurate and not misleading, the opinions and intentions expressed in this Series Prospectus with regard to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Series Prospectus misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation other than those contained in this Series Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arranger or the Dealer (as defined in “Overview of the Programme” within the Base Prospectus). Neither the delivery of this Series Prospectus nor any sale of Notes made in connection therewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date of this Series Prospectus or the date upon which this Series Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The language of the Series Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

The distribution of this Series Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Series Prospectus comes are required by the Issuer, the Arranger and the Dealer to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) and are issued in bearer form that are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to U.S. persons at any time. For a description of certain restrictions on offers and sales of Notes and on distribution of this Series Prospectus, see “Subscription and Sale” within the Base Prospectus.

This Series Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealer to subscribe for, or purchase, any Notes.

The Arranger and the Dealer have not separately verified the information contained in this Series Prospectus. None of the Arranger or the Dealer makes any representation, express or implied, or, to the fullest extent permitted by law, accepts any responsibility, with respect to the accuracy or completeness

of any of the information in this Series Prospectus or for any other statement made or purported to be made by a Dealer or the Arranger or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each of the Arranger and the Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Series Prospectus or any such statement.

Prospective purchasers of Notes should have regard to the factors described under the section headed “Risk Factors” in this Series Prospectus. This Series Prospectus does not describe all of the risks of an investment in the Notes. Neither this Series Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealer that any recipient of this Series Prospectus or any other financial statements should purchase the Notes.

Prospective purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Prospective purchasers of Notes should have sufficient knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in this Series Prospectus and the merits and risks of investing in the Notes in the context of their financial position and circumstances. None of the Arranger or the Dealer undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Series Prospectus or the term of any Notes issued nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger or the Dealer. The risk factors identified in this Series Prospectus are provided as general information only and the Arranger and the Dealer disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated therewith as they may exist at the date hereof or as they may from time to time alter.

The Issuer will not be providing any post-issuance information in relation to the Notes.

RISK FACTORS

The risk factors set out below should be read in addition to those set out in pages 14 to 30 of the Base Prospectus and, in the event of any inconsistency, the risk factors set out below will prevail. Such risk factors are risk factors that are material to the Notes in order to assess the market risk associated with them or which may affect the Issuer's ability to fulfil its obligations under them. None of the Issuer, the Arranger or any Dealer is in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Limitations on claims against the Issuer

The Notes are solely obligations of the Issuer and none of the Swap Counterparty, any Reference Entity or any Original Collateral Obligor (each as defined herein) has any obligation to the Noteholders for payment of any amount due in respect of the Notes. The Issuer is a special purpose vehicle established, *inter alia*, for the purpose of issuing the Notes. The Notes are limited in recourse to the Mortgaged Property which includes, *inter alia*, the Issuer's rights in respect of the Swap Agreement and the Original Collateral (if any) held pursuant to the Custody Agreement. Other than the Mortgaged Property, there are no other assets of the Issuer available to meet any outstanding claims of the Secured Creditors, including the Noteholders.

Credit-linked notes

The Notes are credit-linked notes, which means that they are linked to, *inter alia*, the credit risk of one or more Reference Entities and the obligations of (or the obligations guaranteed by) such Reference Entity/Entities. In the event that a Credit Event Determination Date occurs in relation to any Long CDS Reference Entity, the Noteholders may lose part of their investment in the Notes. In the event that a Credit Event Determination Date occurs in relation to any Short CDS Reference Entity on or prior to the Short CDS Scheduled Termination Date (which is 20 June 2019), the Noteholders will receive a pro rata share of the related Protection Payment Amount. The Final Redemption Amount, Early Cash Redemption Amount (each as defined herein) and amount of interest payable on the Notes is linked to the credit performance of the Reference Entities. As such, prospective purchasers should note that the Notes differ from ordinary debt securities. See the section of this Series Prospectus entitled "Frequently Asked Questions" below.

If a Credit Event Determination Date occurs in respect of a Long CDS Reference Entity (i) the Long CDS Cashflow Amount (which is a component of the formula by which interest on the Notes is calculated) will be reduced, and (ii) where a portion of the remaining Original Collateral is liquidated to fund the payment to Swap Counterparty of the resulting Leveraged Loss Amount, the Aggregate Floating Amount (which is also a component of the formula by which interest on the Notes is calculated) will be reduced. As a result, the interest payable from and including the immediately preceding Interest Payment Date or (if no such preceding Interest Payment Date) the Interest Commencement Date will be reduced. The Aggregate Outstanding Principal Amount of the Notes shall also be reduced to reflect the Original Collateral that has been liquidated, therefore reducing the Final Redemption Amount payable by the Issuer. Noteholders will be entitled to receive their pro rata share of the related Recovery Amount (if any) realised upon liquidating the Original Collateral.

Conversely, if a Credit Event Determination Date occurs in respect of a Short CDS Reference Entity on or prior to the Short CDS Scheduled Termination Date, an amount equal to the Protection Payment Amount shall be payable to Noteholders and the interest payable from and including the immediately preceding Interest Payment Date or (if no such preceding Interest Payment Date) the Interest Commencement Date may be increased to reflect the reduction in the Short CDS Cashflow Amount (which is a component of the formula by which interest on the Notes is calculated).

The identity of any Reference Entity is also subject to amendment as a result of corporate or other actions such as a merger or demerger. The risks associated with a successor Reference Entity may be greater than the risks associated with the original Reference Entity

As the Notes are linked to multiple Reference Entities, the probability that a Credit Event Determination Date will occur may be increased (albeit that a relevant Credit Event Determination Date in respect of a Short CDS Reference Entity will may result in increased interest payments on the Notes together with a Protection Payment Amount being paid to Noteholders) .

Prospective investors in the Notes should conduct their own review of the Reference Entities and investigate and analyse the credit risk of the Reference Entities and the likelihood of the occurrence of a Credit Event with respect to the Reference Entities.

Prospective purchasers of the Notes should be aware that because of the leveraged nature of the Notes the Aggregate Outstanding Principal Amount of the Notes and the Final Redemption Amount could be reduced substantially (and, unless a Trigger Event occurs, potentially to zero) where a Credit Event Determination Date has occurred with respect to some (but not necessarily all) of the Long CDS Reference Entities, and as such they may lose all or a substantial portion of their investment in the Notes.

Notes are exposed to the Reference Entities in an iTraxx® Index

By acquiring the Notes, an investor assumes a credit exposure to the Reference Entities contained in the iTraxx® Europe Index Series 21, Version 1 (referred to as the “**Long CDS Index**”) and obtains credit protection in respect of the Reference Entities contained in the iTraxx® Europe Crossover Series 21, Version 1 (referred to as the “**Short CDS Index**”) as of the Observation Start Date. An investor assumes the risk of a Credit Event occurring with respect to one or more of the Long CDS Reference Entities (but, conversely, shall receive a pro rata share of the Protection Payment Amount if a Credit Event occurs in respect of a Short CDS Reference Entity). The occurrence or the non-occurrence of one or more Credit Events will directly and materially affect the return and/or the value of the investor’s investment in the Notes. The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entities, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors in the Notes should conduct their own review of the Reference Entity/Entities and investigate and analyse the credit risk of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to each Long CDS Reference Entity as mitigated by any Credit Events with respect to each Short CDS Reference Entity.

Leverage

Prospective purchasers should note that the Notes are a leveraged investment, with a leveraged exposure (of 5 times) to the credit risk of the Long CDS Reference Entities and leveraged protection (of 0.5 times) in respect of the credit risk of the Short CDS Reference Entities. Such leverage in respect of the Long CDS Reference Entities increases the risk of loss to the Issuer and therefore to the holders of the Notes, whilst the leverage in respect of the Short CDS Reference Entities actually reduces the mitigating effect of the credit protection on the Short CDS Reference Entities. Prospective purchasers should carefully consider the leveraged nature of the Notes and the differential in the leverage factors applied to the Long CDS Reference Entities and Short CDS Reference Entities.

The Notes represent a leveraged exposure since the Notes in aggregate are exposed to losses with respect to the Long CDS Reference Entities in an amount equal to the Long CDS Cashflow Amount (as defined herein) which is five times greater than the initial principal amount of the Notes. As a result of this leverage, the negative impact of Credit Events in respect of the Long CDS Reference Entities is

magnified. In particular, as the Affected Reference Entity Amount and the Leveraged Loss Amount are calculated on the basis of the Long CDS Cashflow Amount as opposed to the Initial Principal Amount of the Notes, which means that the negative impact of the occurrence of such Credit Events in respect of the Long CDS Reference Entities is magnified and the Aggregate Outstanding Principal Amount of the Notes and therefore the Final Redemption Amount of the Notes may be disproportionately reduced thereby increasing the loss suffered by Noteholders on their investment. Therefore, if such a Credit Event occurs, losses will occur much faster in respect of the Notes than would be the case if the exposure was unlevered.

Such leverage also means that the effect of adverse events in the credit derivatives market or the occurrence of credit events in respect of Long CDS Reference Entities may be magnified and could cause much larger falls in the value of the Swap Agreement to the Issuer (and therefore reduce the value of the Notes), than would otherwise be the case. The leveraged exposure under the Swap Agreement may increase the price volatility of the Notes. This may mean that any change in the value of the Notes resulting from even a small change in the value of the Long CDS Transaction may be magnified.

Given the leverage in respect of the Long CDS Reference Entities, where an Original Collateral Affected Portion is to be determined following the occurrence of a Credit Event for a Long CDS Reference Entity to fund the Leveraged Loss Amount payable to the Swap Counterparty (see below), a larger proportion of Original Collateral may be liquidated following each such Credit Event and the respective Leveraged Loss Amounts (as defined herein) may be larger than would be the case in an unleveraged position.

The above applies notwithstanding the mitigating impact of the Short CDS Transaction up to the Short CDS Scheduled Termination Date. Whilst the occurrence of a Credit Event for a Short CDS Reference Entity will increase the return to the Noteholders, and the effect of adverse events in the credit derivatives market or the occurrence of such Credit Events may increase the value of the Swap Agreement to the Issuer (and therefore increase the value of the Notes), the leverage factor applied to the Short CDS Transaction means that its benefit to Noteholders will be smaller than would be the case in an unleveraged position,

Final Redemption Amount and Credit Events

The Notes are subject, amongst other things, to the credit risk of the Long CDS Reference Entities.

The Final Redemption Amount payable at maturity, which is a function of the Aggregate Outstanding Principal Amount of the Notes, the CDS Value and the Swap Counterparty CSA Interest Amount (if any), may be reduced if a Credit Event is determined to have occurred with respect to a Long CDS Reference Entity. This is because if the Credit Event occurs in respect of a Long CDS Reference Entity, a principal amount of Original Collateral equal to the Original Collateral Affected Portion will be liquidated and the Aggregate Outstanding Principal Amount of the Notes will be reduced by a nominal amount equal to the Original Collateral Affected Portion. The Final Redemption Amount payable on the Maturity Date will therefore be reduced, as this is calculated based on the Aggregate Outstanding Principal Amount of the Notes. Noteholders may be entitled to share in the relevant Recovery Amount (if any), which will reflect any liquidation proceeds remaining after the Leveraged Loss Amount owing to the Swap Counterparty, as adjusted to reflect the partial swap unwind value in respect of the Original Collateral that is liquidated, has been satisfied. Conversely, if the Credit Event that occurs is in respect of a Short CDS Reference Entity, the Aggregate Outstanding Principal Amount of the Notes will remain the same and an amount equal to the Protection Payment Amount shall be payable to Noteholders.

The CDS Value at maturity of the Notes will be directly affected by the occurrence of a Credit Event Determination Date in respect of a Long CDS Reference Entity (the Short CDS Transaction will have terminated by the Maturity Date of the Notes) and will also factor in the credit exposure in relation to Long CDS Reference Entities which have not suffered a Credit Event (as the Long CDS Transaction will be outstanding at the Maturity Date of the Notes, having a scheduled termination date of 20 June 2024).

A deterioration in the creditworthiness of such Long CDS Reference Entities will result in a reduction in the CDS Value from the Issuer's perspective and will thereby adversely affect the Final Redemption Amount.

The CDS Gain or CDS Loss reflects the early termination amount that the Calculation Agent determines would be payable to the Issuer (in the case of a CDS Gain) or by the Issuer (in the case of a CDS Loss) upon the early termination of the Long CDS Transaction. The CDS Gain or CDS Loss takes into account, among other things (i) the credit exposure to the Long CDS Reference Entities and (ii) the limited recourse nature of the Swap Agreement in respect of the Issuer's obligations thereunder.

See the sections below headed "Determinations" and "Role of the Credit Derivatives Determinations Committee" for more information on specific risks linked to the determination of Credit Events.

Prospective Noteholders must read and understand all the provisions herein that relate to the calculation of the Final Redemption Amount before investing in the Notes. An event may constitute a Credit Event for these purposes even if it occurs prior to the Observation Start Date (being 28 March 2014 and which coincides with the "Trade Date" for the purpose of applying the Credit Derivatives Definitions under the Swap Agreement), subject as provided herein.

Post-Event Amount

The Notes are also subject, amongst other things, to the credit risk of each of the Original Collateral Obligor, the Custodian and the Swap Counterparty.

If (i) a Collateral Event occurs with respect to any Original Collateral, (ii) a Trigger Event occurs, (iii) certain tax events occur with respect to the Notes or the Original Collateral, (iv) the Swap Agreement is terminated early (other than in circumstances where such termination is as a result of an Event of Default under the Swap Agreement by either the Issuer or the Swap Counterparty or as a result of a Counterparty Bankruptcy Credit Event), (v) certain events occur which make it unlawful for the Issuer to perform certain obligations, comply with material provisions of agreements entered into in connection with the Notes or hold Original Collateral or (vi) certain Events of Default occur, interest shall be deemed to have ceased to accrue from and including the immediately preceding Interest Payment Date or (if no such preceding Interest Payment Date) the Issue Date, the Notes will fall due for redemption at an amount equal in aggregate to the Post-Event Amount, and no further payments of interest and/or principal in respect of the Notes will be due and payable. The Post-Event Amount is an amount determined by Credit Suisse International (acting in its capacity as Calculation Agent) which will take into account (a) the Value of the Original Collateral (as defined herein), (b) the Swap Gain or Swap Loss (each as defined herein), and (c) any interest amount transferred to the Issuer by the Swap Counterparty in respect of the cash balance from time to time (if any) within the Issuer's Credit Support Balance.

The Value of the Original Collateral represents the prevailing market value of the Original Collateral at the time such Value of the Original Collateral is being determined or, following the scheduled maturity of the Original Collateral in accordance with its terms and conditions, the value of the Original Collateral Proceeds (as defined herein). The Value of the Original Collateral may rise as well as fall prior to its scheduled maturity. If a Credit Event Determination Date has occurred with respect to a Long CDS Reference Entity and a Liquidation has occurred, then the amount of Original Collateral that is available to be valued will have been reduced.

The Swap Gain or Swap Loss reflects the early termination amount that the Calculation Agent determines would be payable to the Issuer (in the case of a Swap Gain) or by the Issuer (in the case of a Swap Loss) upon the early termination of the Swap Agreement (including the Long CDS Transaction and the Short CDS Transaction). The Swap Gain or Swap Loss takes into account, among other things, (i) the Long CDS Transaction and the Short CDS Transaction, (although Noteholders should note that the Short CDS Transaction is expected to terminate on 20 June 2019); (ii) the scheduled payments payable

by the Swap Counterparty to the Issuer (but adjusted to reflect the Long CDS Transaction component and if applicable, the Short CDS Transaction component) under the Swap Agreement; (iii) the scheduled payments under the Original Collateral which determine the amounts payable by the Issuer to the Swap Counterparty under the Swap Agreement and (iv) the limited recourse nature of the Swap Agreement in respect of the Issuer's obligations thereunder.

Prospective Noteholders must read and understand all the provisions herein that relate to the calculation of the Post-Event Amount before investing in the Notes.

An event may constitute a Collateral Event for these purposes even if it occurs prior to the Issue Date, provided that it occurs on or after the Observation Start Date.

Trigger Event

If Credit Suisse International (acting in its capacity as Calculation Agent under the Notes) determines that the Value of the Original Collateral plus the Swap Gain (if any) or minus the Swap Loss (if any) is equal to or less than 50 per cent. of the then outstanding nominal amount of Notes, the Notes will fall due to be redeemed early at their pro rata share of the Post-Event Amount (see above). Such an event may occur as a result of one or more factors, including fluctuations in the value of the Original Collateral (whether as a result of changing market values and/or liquidation of Original Collateral following Credit Events in respect of Long CDS Reference Entities) and the Swap Transaction (including as a result of changes in the creditworthiness of Reference Entities, which may have a greater impact than would be the case in an unleveraged exposure). See the sections headed "Leverage" above and "Determination of Swap Value and CDS Value" and "Original Collateral" below.

Swap Counterparty Exposure

Upon the scheduled maturity of the Original Collateral, the redemption proceeds in respect thereof are expected to be used by the Issuer to satisfy its payment obligations to the Swap Counterparty under the Swap Transaction. As the Maturity Date of the Notes may in certain circumstances be extended beyond the Scheduled Maturity Date (see "Maturity Date Extension and Suspension of Payments" below), following its payment of such redemption proceeds to the Swap Counterparty the Issuer will rely solely upon the amounts payable to it by the Swap Counterparty under the Swap Transaction on the Business Day immediately preceding the Maturity Date to fund its redemption on the Notes. As a result, in these circumstances, the Issuer and the Noteholders are exposed to the credit risk of the Swap Counterparty and will not have the benefit of any security over any Original Collateral or redemption proceeds thereof.

A Credit Event may occur even if the Issuer and/or Swap Counterparty suffers no loss

The Issuer's obligations under the Notes and the Swap Transaction are irrespective of any loss which the Issuer and/or the Swap Counterparty may suffer as a result of the circumstances giving rise to a Credit Event. Neither the Issuer nor the Swap Counterparty are required to suffer any loss, liability or other detriment or to provide evidence of any loss, liability or detriment at any time as a condition to the occurrence of a Credit Event Determination Date, nor is any party required to have any credit exposure to any Reference Entity at any time.

Reference Entity may change as a result of Succession Events

Following the occurrence of certain corporate events relating to a corporate entity identified as a Reference Entity, such as a merger of the Reference Entity with another entity, a transfer of assets or liabilities by the Reference Entity or other similar event in which an entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement, ISDA may publicly announce that a Credit Derivatives Determinations Committee (a "CDDC") has resolved to treat a different entity or entities as the successor(s) to such original entity. If the Calculation Agent under the Swap Transaction determines that such CDDC resolution would apply for purposes of the Swap Transaction, then the

identity of the Reference Entity may be amended accordingly and Noteholders will be exposed to the credit risk of such successor Reference Entity in place of the original Reference Entity. Alternatively, absent a resolution of the CDDC, the Calculation Agent may, but will not be obliged to, make a determination that a different entity has become successor to the original Reference Entity. The effect of such amendment may be a material increase in the risk associated with an investment in the Notes, for example where the successor Reference Entity for a Long CDS Reference Entity is more indebted than the original Long CDS Reference Entity or is exposed to different business risks. Conversely, the effect of such amendment to a Short CDS Reference Entity may reduce the risk associated with the Short CDS Transaction and reduce the likelihood of a Protection Payment Amount becoming payable, for example where the successor Reference Entity for a Short CDS Reference Entity is less indebted than the original Short CDS Reference Entity or is exposed to different business risks. If a Long CDS Reference Entity has more than one successor entity, then Noteholders will be exposed to the creditworthiness of multiple Reference Entities instead of or in addition to the original Long CDS Reference Entity. The effect may be to materially increase the likelihood of a loss of principal and interest under the Notes as a result of a Credit Event occurring with respect to a greater number of Long CDS Reference Entities rather than just the original Reference Entity.

Determination of Value

Whilst the Value of the Valuation Obligations and Value of the Original Collateral are determined by reference to Quotations (as defined in the Conditions), if two or fewer Quotations are obtained, such values shall be determined by the Calculation Agent acting in a commercially reasonable manner. Where an asset the value of which is being sought is illiquid or of a low notional amount, there may be limited availability of dealers willing to provide Quotations. In such circumstances, the Calculation Agent would instead make such determination. No assurance can be given that sufficient numbers of Quotations will be available.

Determination of Swap Value and CDS Value

The Swap Value (used to determine the Swap Gain or Swap Loss) or Affected Swap Value (used to determine the Affected Swap Gain or Affected Swap Loss) are amounts determined by the Calculation Agent to be equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would be payable either by the Issuer to the Swap Counterparty (which will be a “**Swap Loss**” or “**Affected Swap Loss**”) or by the Swap Counterparty to the Issuer (which will be a “**Swap Gain**” or “**Affected Swap Gain**”) under the Swap Agreement upon a termination of the Swap Agreement (but for the purpose of determining the Affected Swap Value only, (I) excluding the Long CDS Transaction and Short CDS Transaction and (II) ignoring those components of any Interest Amounts comprising Party A Payments that relate to the Aggregate Fixed Amount);) on the relevant Valuation Date. The Affected Swap Value is calculated in a similar manner to the Swap Value, but on the basis that only the relevant portion of the asset swap component of the Swap Agreement is to be terminated, thereby ignoring for this purpose the Long CDS Transaction and the Short CDS Transaction.

The CDS Value is an amount determined by the Calculation Agent to be equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would payable either by the Issuer to the Swap Counterparty (which will be a “**CDS Loss**”) or by the Swap Counterparty to the Issuer (which will be a “**CDS Gain**”) upon a termination on the Valuation Date of the CDS Transaction and, if the relevant Valuation Date falls on or prior to the date on which the Short CDS Transaction has terminated, the Long CDS Transaction and the Short CDS Transaction in aggregate.

The determination by the Calculation Agent of an Early Termination Amount may, without limitation, involve the Calculation Agent (i) valuing different components of the Swap Transaction that are traded separately in the market and/or (ii) using financial models to determine the value of the relevant Swap Transaction and/or the Long CDS Transaction and the Short CDS Transaction. Financial models are typically simplified projections of what is expected to occur in practice and are likely to contain certain assumptions which may or may not be accurate. Different financial institutions may use different financial models to value the same asset, which may result in diverging valuations for such asset. For the purpose of determining the Swap Value and/or the CDS Value, the Calculation Agent shall take into account the fact that the Swap Counterparty's claim against the Issuer under any replacement transaction would be limited in recourse to the prevailing market value of the Collateral at that time. Such limited recourse nature could result in a lower Swap Value, Affected Swap Value or CDS Value than would otherwise be the case absent limited recourse.

Maturity Date Extension and Suspension of Payments

In certain circumstances, the Maturity Date of the Notes may be extended and/or the payment of interest and/or principal may be suspended (for significant lengths of time). Interest will only be payable in respect of any such extension of the principal payment beyond the Scheduled Maturity Date of the Notes (such interest will accrue on the basis of the EONIA Rates determined by the Calculation Agent and payable on the Extended Maturity Date). In respect of any other suspension of payments, no compensation shall be payable to Noteholders as a consequence of such extension or suspension.

Original Collateral

The outstanding principal amount of the Original Collateral held on behalf of the Issuer may be reduced from time to time (to an amount not less than zero) to the extent that Original Collateral is required to be transferred to the Swap Counterparty pursuant to the Credit Support Annex or where a Recovery Liquidation occurs. Such a transfer will be required under the Credit Support Annex if the Swap Value (as determined by Credit Suisse International in its role as Valuation Agent under the Credit Support Annex) increases in value from the Swap Counterparty's perspective, which may result from, among other things, a deterioration in the creditworthiness of the Long CDS Reference Entities and/or the Original Collateral Obligor and/or an increase in the creditworthiness of the Short CDS Reference Entities. A Recovery Liquidation may be required following the occurrence of a Credit Event Determination Date in respect of a Long CDS Reference Entity.

If the Notes redeem early, the Issuer will in certain circumstances deliver the Original Collateral to the Swap Counterparty under the Swap Agreement two Business Days prior to the Cash Settlement Date, whereas the Swap Counterparty will not pay the Early Cash Redemption Amount to the Issuer under the Swap Transaction until the Business Day falling immediately prior to the Cash Settlement Date. In such circumstances the Issuer will rely solely upon the Early Cash Redemption Amount payable to it by the Swap Counterparty under the Swap Transaction to fund its redemption payments on the Notes. Noteholders are therefore exposed to Swap Counterparty risk during this period and will not have the benefit of any security over any Original Collateral or proceeds thereof.

Specified Denominations may involve integral multiples

As the Notes may have Specified Denominations of EUR 100,000 plus one or more integral multiples of EUR 1,000 in excess thereof, (i) for so long as the relevant Clearing Systems so permit, the Notes will be tradable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000 and (ii) it is possible that the Notes may be traded in amounts in excess of EUR 100,000 that are not integral multiples of EUR 100,000. A Noteholder who, as a result of trading such amounts as contemplated in (ii) above, holds an amount which is less than EUR 100,000 in its account with the relevant Clearing System at the relevant time may need to purchase a principal amount of Notes such

that its holding amounts to not less than EUR 100,000 in order to be able to transfer its Notes (subject in all cases to the rules and procedures of the relevant Clearing System).

Provision of information

Neither the Issuer nor the Dealer (i) has provided (beyond what is included in this Series Prospectus) or will provide prospective purchasers of Notes with any information or advice with respect to the Reference Entities, the Original Collateral, the Original Collateral Obligor, the Custodian or the Swap Counterparty, or (ii) makes any representation as to the credit quality of the Reference Entities, the Original Collateral, the Original Collateral Obligor, the Custodian or the Swap Counterparty. The Issuer and/or the Swap Counterparty may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Entities, the Custodian, the Original Collateral and the Original Collateral Obligor which will not be disclosed to Noteholders. The timing and limited scope of the information provided to Noteholders regarding the Original Collateral, the Original Collateral Obligor and the occurrence of a Credit Event or a Collateral Event, may affect the liquidity of the Notes and the ability of Noteholders to value the Notes accordingly. Neither the Issuer nor the Dealer is under any obligation to make such information, whether or not confidential, available to Noteholders.

Business relationships

There is no limitation or restriction on Credit Suisse International or any of its affiliates with regard to acting as adviser (or acting in any other similar role) to other parties or persons or entering into, performing or enforcing its rights in respect of a broad range of transactions in various capacities for its own account and for the account of other persons from time to time in relation to its business. This, and other future activities of it and/or its affiliates, may give rise to conflicts of interest. These interests may conflict with the interests of the Noteholders, and the Noteholders may suffer a loss as a result.

The Issuer and/or the Swap Counterparty may have existing or future business relationships with a Reference Entity or the Original Collateral Obligor (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that it deems or they deem necessary or appropriate to protect their and/or its interests (in whatever capacity) arising therefrom (including, without limitation, any action which might constitute or give rise to a Collateral Event, Credit Event or Trigger Event) without regard to the consequences for a Noteholder.

The Issuer and the Swap Counterparty may deal in any obligations of any Reference Entity, any derivatives linked to the obligations or shares of any Reference Entity or the Original Collateral and any other obligations of an Original Collateral Obligor and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, any Reference Entity or the Original Collateral Obligor and may act with respect to such business in the same manner as each of them would have had the Notes not been in issue, regardless of whether any such action might have an adverse effect on the Reference Entity, the Original Collateral, the Original Collateral Obligor or the position of a Noteholder or otherwise.

No claim against any Reference Entity or the Original Collateral Obligor

The Notes will not represent a claim against any Reference Entity or the Original Collateral Obligor and, in the event of any loss, a Noteholder will not have recourse under the Notes to the Reference Entities or the Original Collateral Obligor.

In particular, Noteholders will not have:

- (a) the right to vote or give or withhold from giving any consent in relation to any obligation of the Reference Entities or Original Collateral Obligor;
- (b) the right to receive any coupons, fees or other distributions which may be paid by the Reference Entities or Original Collateral Obligor to holders of any debt obligations thereof; or

- (c) the right to receive any information from the Reference Entities or Original Collateral Obligor.

Accordingly, an investment in the Notes is not equivalent to an investment in the Original Collateral or any debt obligation of the Reference Entities.

Determinations

The determination as to whether a Collateral Event has occurred shall be made by the Calculation Agent and without regard to any related determination by the Original Collateral Obligor or any action taken, omitted to be taken or suffered to be taken by any other person, including, without limitation, any creditor of the Original Collateral Obligor.

A Credit Event Determination Date may occur upon a determination of the Credit Derivatives Determinations Committee which the Calculation Agent determines would apply to any Reference Entity and the Hypothetical Transaction (regarding which, Noteholders are referred to the sections below headed "Hypothetical Transaction" and "Role of the Credit Derivatives Determinations Committees"). Absent any such relevant determination of a Credit Derivatives Determinations Committee, the determination as to whether a Credit Event has occurred may be made by the Calculation Agent (and notified by the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) to the Noteholders) without regard to any related determination by any Reference Entity or any action taken, omitted to be taken or suffered by any other person including, without limitation, any creditor of any Reference Entity. Where the Calculation Agent determines that a Credit Event has occurred and gives a Credit Event Notice to that effect, the related Credit Event Determination Date may subsequently be deemed not to have occurred if prior to the relevant valuation date for the purposes of the Notes a Credit Derivatives Determinations Committee resolves that no such Credit Event occurred.

The determination as to whether a Trigger Event has occurred shall be made by the Calculation Agent and without regard to any action taken, omitted to be taken or suffered by any other person, including, without limitation, any creditor of the Original Collateral Obligor or of any Reference Entity.

The market value of the Notes may be affected by a wide variety of factors

A number of factors, many of which are beyond the control of the Issuer, the Trustee, the Dealer, the Swap Counterparty and the Calculation Agent, will influence the value of the Notes. In addition to those factors which would affect the value of the Issuer's debt generally (as described more fully in the Base Prospectus), factors specific to the Notes may include:

- (a) the financial condition and perceived creditworthiness of each Reference Entity;
- (b) the availability and payment profile of debt obligations of each Reference Entity;
- (c) liquidity and other technical factors affecting pricing in the credit default swap market (taking into account the impact of the different leverage factors on the Long CDS Transaction and Short CDS Transaction);
- (d) the views of analysts at rating agencies; and
- (e) economic, financial, political, regulatory or judicial events that affect a Reference Entity or the markets for the debt securities of each Reference Entity.

Even where a Credit Event has not occurred with respect to a Long CDS Reference Entity, the market value of the Notes may be adversely affected when the probability or perceived probability of a Credit Event occurring in respect of any specified Long CDS Reference Entity increases.

Hypothetical Transaction

Certain determinations in relation to the Notes, including the determination of whether a Credit Event Determination Date has occurred in relation to any Reference Entity, may be made by reference to a hypothetical credit default swap transaction entered into in respect of the Reference Entities (referred to as the Hypothetical Transaction). Under the Hypothetical Transaction, the Issuer will be the buyer of credit protection in respect of the Long Reference Entities and seller in respect of the Short Reference Entities and a hypothetical Noteholder will be the seller of credit protection in respect of the Long Reference Entities and buyer in respect of the Short Reference Entities.

The Hypothetical Transaction is contemplated to be entered into on the basis of definitions and provisions published by the International Swaps and Derivatives Association, Inc. ("ISDA"). The Hypothetical Transaction will be deemed to also incorporate such other terms as determined by the Calculation Agent in order to provide to the Issuer (as buyer of protection under the Hypothetical Transaction) with substantially similar rights and remedies with respect to the Reference Entities as are provided to it under the Notes. The Hypothetical Transaction is treated as existing solely for the purposes of determining whether resolutions of a Credit Derivatives Determinations Committee (including as to the holding of Auctions) will be binding on the Noteholders.

In making determinations in respect of the Hypothetical Transaction, the Calculation Agent will act in its own interest and has no fiduciary or other duty to act (or to refrain from acting) in the best interests of the Noteholders. Prior to purchasing any Notes, investors should ensure that they understand the terms of the Hypothetical Transaction and the Swap Transaction (including the Long CDS Transaction and Short CDS Transaction), and the risks associated with entry into any such transaction.

Role of the Credit Derivatives Determinations Committees

Prospective purchasers should note that the relevant Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Credit Event has occurred, which obligations are to be valued and whether an Auction (as defined herein) should take place in accordance with and as more fully described in the Credit Derivatives Determinations Committees Rules (the latest version of which is available on the ISDA website as www.isda.org/credit), as amended from time to time. The Calculation Agent may determine in its sole discretion that such decisions as are relevant to the Notes or which would be applicable to any Hypothetical Transaction (as defined herein) shall be binding on the Issuer and the Noteholders and, consequently, prospective purchasers will be bound by any such relevant decisions.

Noteholders will have no ability to submit questions to such Credit Derivatives Determinations Committees, no influence on the composition of such Credit Derivatives Determinations Committees and no recourse to ISDA or to the members of such Credit Derivatives Determinations Committees, in each case solely by virtue of being an investor in the Notes. None of the Issuer, the Swap Counterparty or the Calculation Agent will have any liability to the Noteholders where they rely on a determination of a Credit Derivatives Determinations Committee.

Credit Suisse International and certain of its affiliates are currently members of one or more Credit Derivatives Determinations Committees. In reaching decisions, neither Credit Suisse International nor any other member of a Credit Derivatives Determinations Committee will take account of the interests of the Noteholders.

Risks relating to settlement by reference to an Auction sponsored by ISDA

Where, following the occurrence of a Credit Event Determination Date, ISDA sponsors an Auction in relation to a Reference Entity and the Calculation Agent determines for purposes of the Notes that such Auction would apply, the Leveraged Loss Amount or the Protection Payment Amount will be determined according to a bidding process to establish the value of certain eligible obligations of the Reference Entity, which may be loans, bonds or other obligations issued directly by the Reference Entity or

obligations in respect of which the Reference Entity acts as guarantor. The Swap Counterparty or its affiliates may act as a participating bidder in any such Auction and, in such capacity, may take certain actions which may influence the Auction Final Price including (without limitation) submitting bids, offers and physical settlement requests with respect to the obligations of the Reference Entity.

The Auction Final Price determined pursuant to an Auction may be less than the market value that would otherwise have been determined in respect of the specified Reference Entity or its obligations. In particular, the Auction process may be affected by technical factors or operational errors which would not otherwise apply or may be the subject of actual or attempted manipulation. None of the Issuer, the Calculation Agent or any other party will have any responsibility to dispute any determination of an Auction Final Price or to verify that any Auction has been conducted in accordance with its Rules. See further the “*Credit Default Swaps and the Credit Event Provisions Relating to The Swap Transaction and the Notes*” section below.

Auction Settlement following a Restructuring Credit Event

For the purpose of determining an Auction Final Price, the Long CDS Transaction shall be treated as having been Triggered by the Issuer as seller of credit protection thereunder, which means that the Long CDS Transaction will be assigned to the Auction corresponding to the longest-dated maturity bucket, which would tend to result in a lower Auction Final Price and a greater risk of loss of principal to Noteholders.

The Short CDS Transaction, however, shall be treated as having been Triggered by the Issuer as buyer of credit protection thereunder. This means that the Short CDS Transaction will generally be assigned to the maturity bucket with the maturity bucket end date that occurs on or immediately following the Long CDS Scheduled Termination Date.

As a result of the above, the Auction Final Price determined in respect of an Affected Reference Entity (that will be a Long CDS Reference Entity) is likely to be lower than the Auction Final Price determined in respect of a Protected Reference Entity (that will be a Short CDS Reference Entity). Consequently, the principal reduction in the Notes resulting from a Credit Event occurring in respect of a Long CDS Reference Entity is likely to be greater in relative terms (and ignoring leverage) than any protection payments made to Noteholders as a result of a Credit Event occurring in respect of a Short CDS Reference Entity.

Risks relating to settlement by reference to bid prices obtained by the Calculation Agent

If the Calculation Agent determines that Cash Settlement applies (whether or not there is or will be a relevant Auction), the Leveraged Loss Amount or the Protection Payment Amount will be determined by reference to the value of certain obligations of, or guaranteed by, the affected Reference Entity. Such value will be determined by reference to quotations obtained for such obligations from third party dealers. Any quotations used may be affected by factors other than just the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer and substantially between dates on which such quotations are sought. The obligations valued for these purposes may be illiquid and such illiquidity may be more pronounced following the occurrence of a Credit Event, thereby adversely affecting the value of such obligation which in turn will reduce the Early Cash Redemption Amount of the Notes. The Calculation Agent will be entitled to select obligations for the purposes of valuation and in so doing will be entitled to select the eligible obligations with the lowest (in respect of the Long CDS Transaction) or highest (in respect of the Short CDS Transaction) value in the market at the relevant time. This may operate to reduce the Final Redemption Amount or Protection Payment Amount payable to Noteholders.

No secondary market

No secondary market is expected to develop in respect of the Notes and, in the unlikely event that a secondary market in the Notes does develop, there can be no assurance that it will continue.

Accordingly, the purchase of Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes.

Exchange rates and exchange controls

The Issuer will pay principal and interest on the Notes in EUR. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than EUR. These include the risk that exchange rates may significantly change (including changes due to a devaluation of EUR or a revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to EUR would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal and interest payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal at all.

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DOCUMENTS INCORPORATED BY REFERENCE

This Series Prospectus should be read and construed in accordance with the Base Prospectus which, except for the following sections, shall be deemed to be incorporated in, and form part of, this Series Prospectus:

- (i) Pass-Through Note Terms Product Supplement (pages 86 to 87 inclusive);
- (ii) Original Collateral (page 97); and
- (iii) Appendix – Form of Final Terms (page 111 to 118 inclusive).

The non-incorporated sections of the Base Prospectus are either not relevant for investors in the Notes or are covered elsewhere in this Series Prospectus. A copy of the Base Prospectus can be found at http://www.ise.ie/debt_documents/Base%20Prospectus_1d1f6527-e6bd-46d5-9964-f78a64f9f32f.PDF.

For the purpose of this Series Prospectus, references in the Base Prospectus to the applicable Issue Terms or Alternative Drawdown Document (including, for the avoidance of doubt, within the sections thereof incorporated by reference and forming part of this Series Prospectus) shall be to the provisions set out below under “Issue Terms”. In the event of any inconsistency between the Issue Terms and the Master Conditions or Base Prospectus, the Issue Terms will prevail.

FREQUENTLY ASKED QUESTIONS

The questions and answers set out below highlight selected information to help prospective investors understand the Notes, particularly the credit-linked features of the Notes. However, any decision to invest in the Notes should only be made after careful consideration of the Base Prospectus and this Series Prospectus in their entirety, particularly, the terms and conditions of the Notes set out in the Master Conditions and as amended, supplemented and varied by the Issue Terms set out herein (the “Conditions” of the Notes). This section should be treated as an introduction to certain terms of the Notes. It is not intended to be a substitute for, nor a summary of, the Conditions of the Notes.

Capitalised terms shall have the meanings given to them in the Conditions.

Who is the Issuer?

The Issuer is a special purpose entity whose only business is to issue debt instruments such as the Notes or borrow under loan agreements and, in each case, to invest and apply such funds into related transactions. The Issuer is not an affiliate or a subsidiary of Credit Suisse International. The Notes are solely obligations of the Issuer and none of the Swap Counterparty, any Reference Entity or any Original Collateral Obligor has any obligation to the Noteholders for payment of any amount due in respect of the Notes.

What does the Issuer do with the issue proceeds of the Notes?

The Issuer will use the issue proceeds of the Notes to purchase the Original Collateral from Credit Suisse International on the Issue Date pursuant to the securities sale provisions contained within the Issue Deed to be entered into on the Issue Date.

Will the Issuer enter into a Swap Agreement and a Credit Support Annex with the Swap Counterparty?

Yes. The Issuer will enter into a Swap Agreement with the Swap Counterparty. The Swap Agreement will provide, among other things, for (i) the Issuer to pay to the Swap Counterparty amounts equal to the scheduled payments due in respect of the remaining Original Collateral, (ii) the Swap Counterparty to pay to the Issuer amounts equal to the scheduled payments due under the Notes, (iii) the Issuer to pay the Swap Counterparty any Leveraged Loss Amount with respect to a Long CDS Reference Entity that is an Affected Reference Entity (in each case plus any Affected Swap Loss or minus any Affected Swap Gain), and (iv) the Swap Counterparty to pay the Issuer any Protection Payment Amount with respect to a Short CDS Reference Entity that is a Protected Reference Entity (see further “*What is the Credit Event Loss Amount*” below). An “**Affected Reference Entity**” is a Long CDS Reference Entity with respect to which a Credit Event Determination Date has occurred and a “**Protected Reference Entity**” is a Short CDS Reference Entity with respect to which a Credit Event Determination Date has occurred.

The Issuer will also enter into a Credit Support Annex with the Swap Counterparty pursuant to which the Issuer or the Swap Counterparty (as applicable) will be required to collateralise its respective obligations to the other party under the Swap Agreement. The Issuer will use the Original Collateral and any Original Collateral Proceeds to meet its collateral obligations under the Swap Agreement and the Original Collateral or Original Collateral Proceeds held by the Issuer will then be accordingly reduced (albeit they will still be taken into account under the Swap Transaction for so long as they form part of the Issuer’s Credit Support Balance). The Issuer will be required to transfer such collateral if the Swap Agreement increases in value from the Swap Counterparty’s perspective, which may arise as a result of a deterioration in the creditworthiness of any Long CDS Reference Entity and/or the Original Collateral Obligor, an improvement in the creditworthiness of any Short CDS Reference Entity or from a reduction in the Aggregate Outstanding Principal Amount of the Notes following a Credit Event Determination Date. The Swap Counterparty will use negotiable debt obligations issued by the Original Collateral Obligor or the governments of the United States of America, Spain, Germany,

France, Belgium, Japan, Switzerland and/or the United Kingdom ("**Eligible Securities**") or cash (provided such cash is in Euro) ("**Cash in an Eligible Currency**") to meet its collateral obligations under the Swap Agreement. The Swap Counterparty will be required to post such Eligible Securities or Cash in an Eligible Currency if the Swap Agreement increases in value from the Issuer's perspective which may arise as a result of a deterioration in the creditworthiness of any Short CDS Reference Entity, an improvement in the creditworthiness of any Long CDS Reference Entity and/or the Original Collateral Obligor.

What assets of the Issuer do the Noteholders have recourse to?

The Noteholders and the other Secured Creditors will have recourse to the Mortgaged Property for the Notes. The Mortgaged Property includes the Original Collateral, the charged rights under the Agency Agreement and the Swap Agreement and any assets, property, income, rights and/or agreements from time to time secured in favour of the Trustee securing the Notes.

The Noteholders and the other Secured Creditors will have recourse *only* to the Mortgaged Property in respect of the Notes and not to any other assets of the Issuer. Noteholders' claims (and those of other Secured Creditors) will be limited to the Mortgaged Property and subject to the specified order of priority. If the Mortgaged Property is not sufficient to meet Noteholders' claims and those of all the other Secured Creditors, the Mortgaged Property will be used to meet claims according to the specified order of priority. Amounts owing to the Swap Counterparty under the Swap Agreement, and certain sums payable to certain other Secured Creditors will be paid before Noteholders. If there is insufficient Mortgaged Property left after paying prior ranking creditors, the Noteholders will not be paid in full and may not be paid at all.

If a Credit Event Determination Date occurs with respect to a Long CDS Reference Entity (i.e. an Affected Reference Entity) then Original Collateral equal to the Original Collateral Affected Portion will be released from the Security (and will therefore not form part of the Mortgaged Property) and Noteholders will therefore no longer have recourse to such Original Collateral. In such circumstances Noteholders may, however, be entitled to a pro rata share of any Recovery Amount which remains after the Leveraged Loss Amount owing to the Swap Counterparty has been satisfied.

What is the difference between the Notes and an ordinary debt security?

The Notes are credit-linked notes. They are similar to an ordinary debt security in that they provide the investor with a regular stream of interest payments (which may vary in quantum depending on the occurrence of Credit Events with respect to the Reference Entities) and the return of par on maturity in the ordinary course (although bear in mind that the Issuer is a special purpose vehicle and recourse is limited to the Mortgaged Property in respect of the Notes). However, the Notes being credit-linked notes have the added features not present in ordinary debt securities of a leveraged exposure to the credit risk of the Long CDS Reference Entities and the leveraged benefit of credit protection in respect of the Short CDS Reference Entities. If a Credit Event occurs in relation to any Long CDS Reference Entity, an investor may lose part of its investment in the Notes and the future interest amounts may be reduced, and if a Credit Event occurs in relation to a number of Long CDS Reference Entities, an investor may lose up to all of its investment in the Notes or the Notes may redeem early as a result of a Trigger Event. Conversely, if a Credit Event occurs in relation to a Short CDS Reference Entity, an investor may receive a related Protection Payment Amount and the future interest amounts may be increased.

The amount of interest and principal which an investor receives will depend on whether a Credit Event occurs with respect to any Long CDS Reference Entity and/or Short CDS Reference Entity and whether a Credit Event Determination Date occurs as a result.

If no Credit Event Determination Date has occurred and the Calculation Agent does not believe that a Collateral Event or a Trigger Event will occur, then the Notes will be redeemed at their outstanding nominal amount on the Maturity Date.

If a Credit Event Determination Date does occur in relation to a Long CDS Reference Entity, (i) the Long CDS Cashflow Amount and therefore the Aggregate Fixed Amount may be reduced; and (ii) if collateral is liquidated, the Aggregate Floating Amount will be reduced and interest payable from and including the immediately preceding Interest Payment Date or (if no such preceding Interest Payment Date) the Interest Commencement Date will therefore be reduced, as this is calculated based in part on the Long CDS Cashflow Amount and the Aggregate Floating Amount.

The Final Redemption Amount payable on the Maturity Date may also be reduced if a Credit Event Determination Date occurs in relation to a Long CDS Reference Entity. An amount of Original Collateral will be liquidated and the Aggregate Outstanding Principal Amount of the Notes will be reduced by a nominal amount equal to the principal amount of Original Collateral liquidated. Noteholders may receive a Recovery Amount if the proceeds of liquidation (less any liquidation expenses) when taken together with the swap unwind value in respect of such liquidated Original Collateral exceeds the Leveraged Loss Amount that the Issuer needs to pay to the Swap Counterparty under the Swap Agreement. The Final Redemption Amount payable on the Maturity Date will therefore be reduced as this is calculated based on the Aggregate Outstanding Principal Amount of the Notes. Conversely, if a Credit Event occurs in relation to a Short CDS Reference Entity, the Aggregate Outstanding Principal Amount of the Notes shall not be affected and Noteholders will receive their pro rata share of an amount equal to the Protection Payment Amount.

The Aggregate Outstanding Principal Amount of the Notes and the Final Redemption Amount of each Note may even be reduced to zero if a Credit Event Determination Date has occurred with respect to a number of Long CDS Reference Entities and a Trigger Event has not occurred.

What are credit-linked notes?

Credit-linked notes are debt securities, the value of which is linked to the credit risk of one or more Reference Entities. The amount of interest and principal which investors will receive on the Notes is dependent on whether certain Credit Events occur in respect of any Reference Entity to which the Notes are linked.

In purchasing the Notes, investors are assuming credit risk exposure to each Long CDS Reference Entity (and possible successors thereof), whilst also benefitting from credit protection in respect of each Short CDS Reference Entity (for so long as the Short CDS Transaction is outstanding). A credit-linked note is broadly intended to give the investor access to a credit default swap referencing certain reference entity(ies) in funded format. Therefore, many of the features and risks applicable to a market standard credit default swap referencing each Reference Entity will be equally applicable to the Notes.

What is credit risk?

Credit risk with respect to a Reference Entity is the risk that the Reference Entity fails to perform its obligations under certain types of transactions of the Reference Entity. This is generally (but not exclusively) as a result of a deterioration in its financial condition.

For the Notes, the credit risk is in relation to a broad range of transactions of each Reference Entity, and extends to any borrowed money obligations of each Reference Entity. Borrowed money obligations would include any loan agreements entered into by each Reference Entity and any debt securities issued by each Reference Entity.

What is the difference between the Notes and a bond issued by any of the Reference Entities?

The Notes give the investor exposure to the credit risk of each Long CDS Reference Entity and credit protection in respect of each Short CDS Reference Entity without having to own a bond or other type of debt obligation of such Reference Entity. Each Reference Entity itself is not a party to and has no direct involvement in the Notes and an investor will not be able to claim for any losses it suffers from a Credit Event

of any Reference Entity. Neither the Issuer nor the Swap Counterparty is obliged to hold any obligation of any Reference Entity or otherwise have credit risk exposure to any Reference Entity. In addition to the credit risk of each Reference Entity to which the Notes are linked, an investor will also be exposed to credit risk in relation to the Original Collateral Obligor, the Custodian and the Swap Counterparty, so even if each Reference Entity is performing well, an investor may still suffer a loss as a result of these other credit risks.

What is the maturity of the Notes?

The Notes have a Scheduled Maturity Date of 15 January 2021, subject to adjustment if that is not a Business Day. In the case of Index Credit-linked Notes, even if a Credit Event Determination Date does occur in respect of one or more Reference Entities in the index (which in this case, is iTraxx® Europe Index Series 21, Version 1 in respect of the Long CDS Transaction and iTraxx® Europe Crossover Series 21, Version 1 in respect of the Short CDS Transaction), the Scheduled Maturity Date of the Notes will not be affected unless there is a need to extend as a result of the Termination Date under the Swap Transaction being extended (see further "*What are Index Credit-linked Notes?*" below).

The maturity date of the Notes may be extended after the Scheduled Maturity Date in certain cases, for example, if a potential Credit Event may have occurred in respect of a Long CDS Reference Entity before the Scheduled Maturity Date, and a determination of whether such potential Credit Event has become an actual Credit Event has yet to be made.

What is ISDA?

The International Swaps and Derivatives Association, Inc. ("**ISDA**") is a trade organisation of participants in the market for over-the-counter derivatives. It is headquartered in New York, and is responsible for creating standardised contracts such as the ISDA Master Agreement and the 2003 ISDA Credit Derivatives Definitions (the "**Credit Derivative Definitions**") and a wide range of related documentation, that are used to enter into derivatives transactions. Definitions, confirmations and other documents and information published by ISDA are available on ISDA's website: <http://www2.isda.org/>. Certain publications are available free of charge while others are available to subscribers of the website only.

At the date of this Series Prospectus, ISDA has more than 800 members from 64 countries. These members include a broad range of OTC derivatives market participants including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure including exchanges, clearinghouses and repositories, as well as law firms, accounting firms and other service providers.

What is the Hypothetical Transaction?

There is no requirement that the Hypothetical Transaction is actually entered into between any parties as a result of the Notes. The Hypothetical Transaction is treated as existing solely for the purposes of determining whether resolutions of a Credit Derivatives Determinations Committee (including as to the holding of Auctions) will be binding on the Noteholders.

The Hypothetical Transaction is used solely for the purposes of making determinations under the Notes by reference to the Credit Derivatives Provisions within the Swap Agreement. Accordingly, the Notes do not give rise to any ownership or other interest of Noteholders in any actual credit default swap transaction and Noteholders will not be treated as having any rights to give any notice or require performance of any obligation under the Hypothetical Transaction.

What is the Affected Reference Entity Amount and Protected Reference Entity Amount?

The amount of credit protection purchased and sold under the Notes in relation to any particular Reference Entity is referred to in these Frequently asked Questions as the Affected Reference Entity Amount and Protected Reference Entity Amount (each of which take into account the relevant leverage factor).

The “**Affected Reference Entity Amount**” for each Long CDS Reference Entity will be the product of (x) the Long CDS Cashflow Amount of the Notes as at the Observation Start Date (being EUR 100,000,000), (y) the Repurchased Note Factor and (z) the Reference Entity Weighting of the relevant Affected Reference Entity, provided that where an Affected Reference Entity results from a Relevant Restructuring in respect of which the Swap Counterparty has elected one or more Exercised Percentage(s) of less than 100 per cent., for the purpose of this definition the Reference Entity Weighting of such Affected Reference Entity on each relevant Credit Event Determination Date shall be multiplied by the corresponding Exercised Percentage.

The “**Protected Reference Entity Amount**” for each Short CDS Reference Entity will be the product of (x) the Short CDS Cashflow Amount of the Notes as at the Observation Start Date (being EUR 10,000,000), (y) the Repurchased Note Factor and (z) the Reference Entity Weighting of the relevant Protected Reference Entity, provided that where a Protected Reference Entity results from a Relevant Restructuring in respect of which the Swap Counterparty has elected one or more Exercised Percentage(s) of less than 100 per cent., for the purpose of this definition the Reference Entity Weighting of such Protected Reference Entity on each relevant Credit Event Determination Date shall be multiplied by the corresponding Exercised Percentage..

The maximum possible loss which an investor in the Notes can incur as a result of the occurrence of a Credit Event with respect to a Long CDS Reference Entity to which the Notes are linked is its *pro rata* share in the Affected Reference Entity Amount. The maximum possible benefit which an investor in the Notes can incur as a result of the occurrence of a Credit Event with respect to a Short CDS Reference Entity to which the Notes are linked is its *pro rata* share in the Protected Reference Entity Amount.

A reduction in the Long CDS Cashflow Amount may also lead to a reduction in Interest payable going forward, whilst a reduction in the Short CDS Cashflow Amount may also lead to an increase in Interest payable going forward (see further “*What Interest Payments will Noteholders receive?*” below).

What are Index Credit-linked Notes?

The Notes are linked to the credit risk of multiple Reference Entities and each Noteholder will be exposed to the credit risk of each of the Long CDS Reference Entities included within the Long CDS Index and benefit from credit protection in respect of each of the Short CDS Reference Entities included within the Short CDS Index (which in this case, is iTraxx® Europe Index Series 21, Version 1 in respect of the Long CDS Transaction and iTraxx® Europe Crossover Series 21, Version 1 in respect of the Short CDS Transaction) in an amount per Note equal to a proportion of the Affected Reference Entity Amount or Protected Reference Entity Amount of each Reference Entity attributable to that Note. Credit Events and therefore Credit Event Determination Dates may occur with respect to more than one Reference Entity.

What is a Credit Event?

A Credit Event is, broadly speaking, an event which is regarded as being indicative of a default or material decline in the creditworthiness of the Reference Entity.

Credit Events are determined by reference to the relevant Reference Entity itself and certain eligible types of obligations of such Reference Entity which, in relation to the Notes, include loans, debt securities or other borrowed money obligations of the Reference Entity (“**Obligations**”).

The Credit Events relevant to the Reference Entities in respect of the Notes are: (i) the bankruptcy or insolvency of the Reference Entity, (ii) the Reference Entity's failure to pay a specified amount due under an

Obligation, and (iii) a restructuring of an Obligation owed or guaranteed by the Reference Entity due to a deterioration in the Reference Entity's financial condition.

Following the occurrence of a Credit Event Determination Date with respect to a Long CDS Reference Entity (i.e. an Affected Reference Entity) within the Long CDS Index, the Aggregate Outstanding Principal Amount of the Notes will be reduced by a nominal amount equal to the principal amount of Original Collateral comprising the Original Affected Collateral Portion so liquidated. The proceeds of the liquidation will be applied in order to satisfy the Issuer's obligation to pay any Leveraged Loss Amount (plus any Affected Swap Loss or minus any Affected Swap Gain) to the Swap Counterparty under the Swap Agreement, with any remaining proceeds paid to the investor as a "Recovery Amount" (see further *"What is the difference between the Notes and an ordinary debt security?"* above and *"When can a Credit Event Determination Date occur and what are the consequences for the Notes if a Credit Event Determination Date occurs?"* and *"What is the Aggregate Recovery Amount?"* below).

When does a Credit Event need to occur to affect the payout on the Notes?

If a relevant Credit Derivatives Determinations Committee resolves that a Credit Event has occurred in relation to any Reference Entity or an Obligation thereof (see further *"What are the Credit Derivatives Determinations Committees and how do they affect the Notes?"* below), such Credit Event must have occurred during the period from and including the date that is 60 calendar days prior to the date on which it first received a request to resolve whether or not such Credit Event has occurred to and including the Scheduled Maturity Date (subject to extension in certain circumstances). Whereas, if the Calculation Agent determines that a Credit Event has occurred in relation to any Reference Entity or an Obligation thereof and delivers a Credit Event Notice to the Issuer to that effect, such Credit Event must have occurred on or prior to the Scheduled Maturity Date (subject to extension in certain circumstances).

Can a Credit Event occur prior to the Issue Date?

Yes. A Credit Event may occur prior to the Issue Date of the Notes and may even occur prior to the Observation Start Date of 28 March 2014 (which is treated as the "Trade Date" for the purpose of the Credit Derivatives Definitions).

Noteholders should conduct their own review of any recent developments with respect to each Reference Entity by consulting publicly available information. If a request has been delivered to ISDA prior to the Observation Start Date to determine whether a Credit Event has occurred with respect to any Reference Entity, details of such request may be found on the ISDA website at <http://dc.isda.org/>.

When can a Credit Event Determination Date occur and what are the consequences for the Notes if a Credit Event Determination Date occurs?

A Credit Event Determination Date may occur:

- (a) as a result of the publication by ISDA of a resolution by a Credit Derivatives Determinations Committee that a Credit Event has occurred in relation to any Reference Entity which the Calculation Agent in its sole discretion determines would apply to the Hypothetical Transaction (in which case, the Credit Event Determination Date will be on the date of such publication by ISDA); or
- (b) where the Credit Derivatives Determinations Committee has not resolved on the Credit Event, if the Calculation Agent delivers a notice to the Issuer of the Credit Event together with supporting information (such notice together with the supporting information is referred to herein as the Credit Event Notice) of such Credit Event derived from specified sources (that is, public news or information sources, the Reference Entity itself, court or other public filings or paying agents, trustees or other intermediaries appointed in respect of obligations of the Reference Entity).

In certain circumstances where the Calculation Agent delivers a Credit Event Notice (as described in (b) above), the related Credit Event Determination Date may subsequently be deemed not to have occurred as a result of a resolution of a relevant Credit Derivatives Determinations Committee.

If the Credit Event occurs in respect of a Long CDS Reference Entity, an amount of Original Collateral equal to the Original Collateral Affected Portion shall be liquidated, the Aggregate Outstanding Principal Amount (and therefore the Final Redemption Amount) will be reduced by a nominal amount equal to the principal amount of Original Collateral comprising such Original Collateral Affected Portion and Noteholders will be entitled to receive the relevant Recovery Amount (if any) (see further *“What is the difference between the Notes and an ordinary debt security?”* above and *“What is the Final Redemption Amount?”* and *“What Interest Payments will Noteholders receive?”* below).

If the Credit Event occurs in respect of a Short CDS Reference Entity, the Aggregate Outstanding Principal Amount (and therefore the Final Redemption Amount) will not be affected by such Credit Event and Noteholders shall receive an amount equal to their pro rata share of the Protection Payment Amount.

The occurrence of Credit Events in respect of any Reference Entity will also affect the amount of interest payable on the Notes.

Regardless whether a Credit Event has occurred with respect to a Reference Entity, the Aggregate Principal Amount of the Notes will also be reduced by the nominal amount of any Notes that have been surrendered for repurchase.

Can a Credit Event Determination Date only occur if a Credit Derivatives Determinations Committee determines that one has occurred?

No. The Calculation Agent may also deliver a Credit Event Notice to the Issuer in relation to the Credit Event triggering a Credit Event Determination Date. Such notice may be delivered at any time prior to the Maturity Date where a Credit Derivatives Determinations Committee has not resolved whether a Credit Event has occurred (see further *“When can a Credit Event Determination Date occur and what are the consequences for the Notes if a Credit Event Determination Date occurs?”* above).

What is the Post-Event Amount?

The Post-Event Amount is the aggregate amount payable on the Notes if the Notes are redeemed early due to the occurrence of a Collateral Event, a Trigger Event or a Programme Event (See further *“When may the Issuer redeem the Notes early?”* below).

The Post-Event Amount is an amount determined by the Calculation Agent equal to (a) the Value of the Original Collateral, plus (b) the Swap Gain in relation to the Swap Agreement (if any), minus (c) the Swap Loss in relation to the Swap Agreement (if any) plus (d) any interest amount to be transferred to the Issuer by the Swap Counterparty in respect of the cash balance from time to time (if any) within the Issuer’s Credit Support Balance.

The Swap Gain or Swap Loss (as applicable) reflects the early termination amount that would be payable upon the early termination of the Swap Agreement (including the Long CDS Transaction and, where the Valuation Date occurs on or prior to the Short CDS Scheduled Termination Date, the Short CDS Transaction in aggregate), as determined by the Calculation Agent acting in a commercially reasonable manner. The credit exposure to the Long CDS Reference Entities and credit protection in respect of the Short CDS Reference Entities, among other things, will be factored into the calculation of the Swap Gain or Swap Loss (as applicable).

What are the Leveraged Loss Amount and the Protection Payment Amount ?

The Leveraged Loss Amount is the settlement amount calculated in relation to a Credit Event with respect to any Long CDS Reference Entity. Such amount is taken into account in calculating the Original Collateral Affected Portion of Original Collateral to be liquidated (which is relevant for determining the Aggregate Outstanding Principal Amount (and therefore the Final Redemption Amount)) and any Recovery Amount. In circumstances where a Credit Event Determination Date occurs with respect to a Long CDS Reference Entity (i.e. an Affected Reference Entity) an amount equal to the Leveraged Loss Amount (plus any Affected Swap Loss or minus any Affected Swap Gain) will be paid by the Issuer to the Swap Counterparty pursuant to the Swap Agreement.

The Protection Payment Amount is the settlement amount calculated in relation to a Credit Event with respect to any Short CDS Reference Entity. In circumstances where a Credit Event Determination Date occurs with respect to a Short CDS Reference Entity (i.e. a Protected Reference Entity), an amount equal to the Protection Payment Amount will be paid by the Swap Counterparty to the Issuer pursuant to the Swap Agreement.

The Leveraged Loss Amount and the Protection Payment Amount are determined based on the price of certain eligible obligations of the relevant Reference Entity on a specified date following the occurrence of a Credit Event with respect to the Reference Entity to which this applies. With respect to the Notes, the eligible obligations need to be loans or bonds of a Reference Entity (or of a downstream affiliate of a Reference Entity and guaranteed by that Reference Entity) that also meet certain specified Valuation Obligation Characteristics. The price of such eligible obligations may be determined either by an Auction or, where Cash Settlement applies as a fallback, on the basis of bid quotations received by the Calculation Agent from third party dealers.

How are the Leveraged Loss Amount and the Protection Payment Amount determined if Auction Settlement applies?

Unless the Calculation Agent determines that Auction Settlement would not apply for certain specified reasons, the Leveraged Loss Amount and the Protection Payment Amount will be determined by reference to prices determined by way of a credit derivatives auction sponsored by ISDA (an "**Auction**"). The Auction will involve a bidding process by institutions participating in the relevant Auction, pursuant to a bidding procedure set by ISDA, to establish the value of the eligible obligations (the "**Deliverable Obligations**") of the relevant Reference Entity. Credit Suisse International may act as a participating bidder in any such Auction and may submit bids and offers with respect to the Deliverable Obligations of the Reference Entity.

Deliverable Obligations mean obligations of the Reference Entity which satisfy certain specified "Deliverable Obligation Categories" and "Deliverable Obligation Characteristics", including that they need to be either a bond or a loan.

If Auction Settlement applies, the Leveraged Loss Amount in respect of an Affected Reference Entity will be equal to the greater of (i) zero and (ii) the product of (a) the Affected Reference Entity Amount and (b) 100 per cent. minus the Auction Final Price. The Protection Payment Amount in respect of a Protected Reference Entity will be equal to the greater of (i) zero and (ii) the product of (a) the Protected Reference Entity Amount and (b) 100 per cent. minus the Auction Final Price.

The auction price is likely to be lower than the par value of the Deliverable Obligations of the Reference Entity and will be reflective of a loss experienced by the holder of such Deliverable Obligations. Moreover, the price is likely to reflect the lowest prevailing market value of any Deliverable Obligation. The lower the auction price, the greater the Leveraged Loss Amount and Protection Payment Amount will be.

How are the Leveraged Loss Amount and the Protection Payment Amount determined if Auction Settlement does not apply?

If the Calculation Agent determines that Cash Settlement will apply, the Leveraged Loss Amount or the Protection Payment Amount will be determined on the basis of the bid quotations sought by the Calculation Agent from third party dealers for the eligible obligations of the relevant Reference Entity selected by the Calculation Agent and satisfying certain specified obligation categories and obligation characteristics (such obligations being the Valuation Obligations). However, if two or fewer quotations are obtained, the Calculation Agent will determine the final price acting in a commercially reasonable manner. The Issuer will be entitled to select the cheapest Valuation Obligations for valuation and this could reduce the Recovery Amount.

If Cash Settlement applies, the Leveraged Loss Amount in respect of an Affected Reference Entity will be equal to the greater of (i) zero and (ii) the product of (a) the Affected Reference Entity Amount and (b) 100 per cent. minus the Value of the Valuation Obligations. The Protection Payment Amount in respect of a Protected Reference Entity will be equal to the greater of (i) zero and (ii) the product of (a) the Protected Reference Entity Amount and (b) 100 per cent. minus the Value of the Valuation Obligations.

What happens if, following a Restructuring Credit Event, the Swap Counterparty elects to apply only an Exercised Percentage in respect of the Affected Reference Entity?

If a Credit Event Determination Date in respect of a Reference Entity results from a Restructuring Credit Event, then the Swap Counterparty may elect to trigger such Credit Event in one or more Exercised Percentages. If the Swap Counterparty elects to apply an Exercised Percentage in respect of the relevant Reference Entity that is less than 100 per cent., then the Swap Counterparty may subsequently specify one or more further Exercised Percentages in respect of such Restructuring (provided that the aggregate of all such Exercised Percentages cannot exceed 100 per cent.). In such circumstances, the Aggregate Outstanding Principal Amount and the Recovery Amount shall be determined separately in respect of each such Exercised Percentage for an Affected Reference Entity and the Protection Principal Amount shall be determined separately in respect of each such Exercised Percentage for a Protected Reference Entity.

If no election is made by the Swap Counterparty within three (3) Business Days commencing on the Recovery Trigger Date (that being the date when the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) gives notice to the Noteholders that a Credit Event Determination Date has occurred), then the Exercised Percentage will be deemed to be 100 per cent.

What is the Final Redemption Amount?

The Final Redemption Amount is payable at maturity, provided that the Notes have not been (or In the process of being) redeemed early. This is a function of the Aggregate Outstanding Principal Amount of the Notes, the CDS Value and the Swap Counterparty CSA Amount (if any).

If a Credit Event Determination Date occurs in respect of a Long CDS Transaction then this could result in a reduction of the Aggregate Outstanding Principal Amount of the Notes and therefore a reduction in the Final Redemption Amount.

For Credit Events that occur in respect of a Long CDS Reference Entity what is the Recovery Amount?

The Recovery Amount is an amount determined by the Calculation Agent within seven (7) Business Days commencing on the Auction Final Price Determination Date (or the date on which the Calculation Agent determines the Value of the Valuation Obligations where “Cash Settlement” applies) to be equal to (x) the realised proceeds from the relevant Recovery Liquidation (less any liquidation expenses) plus the Affected Swap Gain (if any) minus the Affected Swap Loss (if any) minus (y) the Leveraged Loss Amount.

The Recovery Amount is determined once the Auction Final Price (if Auction Settlement applies) or the Value of the Valuation Obligations (if Cash Settlement applies), as applicable, has been determined in respect of that Affected Reference Entity. See the sections below headed “Determinations” and “Role of the Credit Derivatives Determinations Committee” for more information on specific risks linked to the determination of Credit Events.

Regardless whether a Credit Event has occurred with respect to a Reference Entity, the Aggregate Principal Amount of the Notes will also be reduced by the nominal amount of any Notes that have been surrendered for repurchase.

What is the CDS Value?

The CDS Value is an amount determined by the Calculation Agent to be equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would be payable either by the Issuer to the Swap Counterparty (which will be a “CDS Loss”) or by the Swap Counterparty to the Issuer (which will be a “CDS Gain”) under the Swap Agreement upon a termination on the Valuation Date of the Long CDS Transaction or, if the relevant Valuation Date falls on or prior to the Short CDS Scheduled Termination Date, the Long CDS Transaction and the Short CDS Transaction in aggregate.

How much will Noteholders receive if no Credit Event Determination Date occurs?

If no Credit Event Determination Date has occurred, and provided that the Notes are not otherwise redeemed early, repurchased or cancelled (see further “*When may the Issuer redeem the Notes early?*” below), each Note will be redeemed on the Maturity Date (which may in certain circumstances have been extended) at its Final Redemption Amount, which, in such circumstances, will be an amount equal to par (see further “*What is the Final Redemption Amount?*” above).

May Noteholders elect to redeem their Notes early?

The Noteholders do not have a right to require the Issuer to redeem their Notes early. The Dealer may, but is not obligated to, purchase the Notes at any time in the open market or by tender or private treaty.

When may the Issuer redeem the Notes early?

The Issuer may redeem the Notes early if (i) a Collateral Event occurs with respect to any Original Collateral, (ii) a Trigger Event occurs, (iii) certain tax events occur with respect to the Notes or the Original Collateral, (iv) the Swap Agreement is terminated early, (v) certain events occur which make it unlawful for the Issuer to perform certain obligations, comply with material provisions of agreements entered into in connection with the Notes or hold Original Collateral or (vi) certain Events of Default occur.

What interest payments will Noteholders receive?

Noteholders will receive Interest at the rate of interest specified in the Issue Terms and in accordance with the terms set out in the Issue Terms and the Master Conditions (subject to any early redemption of the Notes).

If a Credit Event Determination Date occurs with respect to one or more Long CDS Reference Entities, the Long CDS Cashflow Amount, which is a component of the Aggregate Fixed Amount, will be reduced (and, if collateral is liquidated, the Aggregate Floating Amount will reduce) and accordingly the interest payable from and including the immediately preceding Interest Payment Date or (if no such preceding Interest Payment Date) the Interest Commencement Date may be reduced.

If a Credit Event Determination Date occurs with respect to one or more Short CDS Reference Entities, the Short CDS Cashflow Amount, which is a component of the Aggregate Fixed Amount, will be reduced and accordingly the interest payable from and including the relevant Credit Event Determination Date may be increased.

If an early redemption event occurs, Interest shall cease to accrue from and including the Interest Payment Date preceding such occurrence of the early redemption event or (if no such Interest Payment Date exists) the Issue Date.

How do changes in share prices of any Reference Entity affect the value of the Notes?

Taking credit risk on each Long CDS Reference Entity by purchasing Notes is different from taking equity risk by investing in shares of each Long CDS Reference Entity. There are a number of reasons for this. For example:

- (a) credit derivatives reference debt obligations of each Reference Entity, and a Reference Entity must generally pay amounts due to the creditors on these debt obligations before paying dividends or capital to shareholders;
- (b) the obligations of each Reference Entity referenced by the Notes consist of bonds and other debt; holders of this type of debt will generally rank ahead of holders of ordinary shares in the insolvency of a Reference Entity, and so may have (but are not guaranteed) a higher rate of recovery of moneys due to them;
- (c) because the Notes reference these debt obligations, the market value of the Notes is related to (although not necessarily equal to) the value of these debt obligations; and
- (d) there is no direct link between share prices and the value of the Notes.

However, in some circumstances, change in the share price of a Reference Entity may result in or from, at a general level, a change in the market value of its debt and vice versa.

What are the Credit Derivatives Determinations Committees and how do they affect the Notes?

The Credit Derivatives Determinations Committees were established by ISDA in March 2009 to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency.

Prospective Noteholders should note that a Credit Derivatives Determinations Committee has the power to make binding decisions which the Calculation Agent may determine are applicable for the purposes of the Notes on critical issues, including:

- (a) the occurrence of a Credit Event and Credit Event Determination Date;
- (b) whether one or more Auctions will be held in respect of the Reference Entity for which a Credit Event has occurred and the price determined in such Auction;

- (c) if one or more Auctions is to be held, what Deliverable Obligations of the Reference Entity will be used for the purposes of determining the price for each such Auction; and
- (d) the occurrence of a "Succession Event" and the identity of any "Successors".

Consequently, Noteholders will be bound by any such relevant decisions determined to be applicable to the Notes and the payments on the Notes and the timing of any such payments may be affected by such decisions or determinations. Questions referred to the Credit Derivatives Determinations Committee and the results of binding votes will be published on <http://www2.isda.org/>.

The Credit Derivatives Determinations Committees are regional and there is a Credit Derivatives Determinations Committee for each of the following five regions: the Americas, Asia (excluding Japan), Australia and New Zealand, Europe, the Middle East and Africa and Japan. The Credit Derivatives Determinations Committees which are relevant for the Notes will be the ones constituted for the Americas and Europe.

The proceedings of each Credit Derivatives Determinations Committee will be governed by rules published from time to time by ISDA. A copy of such rules is available as at the date of this Series Prospectus free of charge at <http://www2.isda.org/>.

Each Credit Derivatives Determinations Committee is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region.

As at the date of this Series Prospectus, Credit Suisse International and certain of its affiliates are members of one or more Credit Derivatives Determinations Committee.

Is it possible to change a Reference Entity?

A Reference Entity may not be changed unless a "Succession Event" occurs with respect to that Reference Entity on or after the "Succession Event Backstop Date". A "Succession Event" means a corporate event relating to a Reference Entity, for example a merger, demerger, or transfer of assets or liabilities or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to an agreement.

What is a "Successor" to a Reference Entity and how can succession affect the Notes?

If ISDA publicly announces that a Credit Derivatives Determinations Committee has resolved that a different entity or entities has or have become successor(s) to an original Reference Entity to which the Notes are linked, then such entity may be identified as a "Successor" to that original Reference Entity. The Calculation Agent under the Swap Agreement (being Credit Suisse International) may also, following a Succession Event, identify an entity or entities as a successor(s) to an original Reference Entity.

The identity of an original Reference Entity will be treated as having been amended accordingly for the purposes of the Notes so that, following the occurrence of the Succession Event, the Notes will be linked to the credit risk of a Successor Reference Entity. The credit risk associated with a Successor Reference Entity or Entities may be different from and could be greater than the credit risk associated with an original Reference Entity.

A Succession Event may occur at any time from and including the "Succession Event Backstop Date", which is a rolling date that is:

- (a) if a Credit Derivatives Determinations Committee receives a request to resolve whether or not a Succession Event has occurred, 90 calendar days prior to the date of such request (regardless of whether the Credit Derivatives Determinations Committee resolves to determine such matter or not); or
- (b) otherwise, 90 calendar days prior to the date on which notice of the occurrence of a Succession Event is delivered by the Calculation Agent under the Swap Agreement to the Issuer and the Swap Counterparty under the Swap Agreement.

Can a Succession Event occur prior to the Issue Date?

Yes. A Succession Event may occur prior to the Issue Date of the Notes and may even occur prior to the Observation Start Date of 28 March 2014. The Succession Event Backstop Date may fall prior to the Observation Start Date and accordingly a Succession Event may occur prior to the Observation Start Date.

Noteholders should conduct their own review of any recent developments with respect to each Reference Entity by consulting publicly available information. If a request has been delivered to convene a Credit Derivatives Determinations Committee prior to the Observation Start Date to determine whether a Succession Event has occurred with respect to a Reference Entity, details of such request may be found on the ISDA website <http://dc.isda.org/>.

Who is the Calculation Agent?

Credit Suisse International will act as Calculation Agent for the Notes and the Swap Agreement.

What is the role of the Calculation Agent and the Issuer in deciding certain issues related to the Notes?

The Calculation Agent may exercise certain discretions and make certain determinations relating to the Notes, including (but not limited to) the following: (i) determination of whether a Collateral Event has occurred, (ii) determination of whether a Credit Event Determination Date has occurred with respect to a Reference Entity, which determinations may in certain circumstances be reversed if the Credit Derivatives Determinations Committee has determined that no Credit Event has occurred, (iii) determination of whether a Succession Event has occurred with respect to a Reference Entity, whether or not the Credit Derivatives Determinations Committee has considered such determination, (iv) the right to determine whether an Auction would apply for the purposes of the Hypothetical Transaction and (v) where Auction Settlement does not apply, the right to determine the Value of the Valuation Obligation on the basis of bid quotations from third party dealers.

Noteholders should note that any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Noteholders.

Where, prior to the Auction Recovery Valuation Date, Fallback Recovery Valuation Date or Valuation Obligation Valuation Date, as applicable, a Credit Derivatives Determinations Committee has made a determination as to whether a Credit Event has occurred, the Calculation Agent shall apply the same determination for the purposes of the Notes.

Will the Notes be rated by any rating agency?

The Notes will not be rated by any rating agency.

CREDIT DEFAULT SWAPS AND THE CREDIT EVENT PROVISIONS RELATING TO THE SWAP TRANSACTION AND THE NOTES

Credit derivatives and credit default swaps

A credit derivative transaction is generally a transaction which is entered into between two parties to transfer to one of the parties the credit risk of a third party. One of the parties to the transaction will be a purchaser of credit protection (and hence a seller of credit risk), whilst the other will be a seller of credit protection (and therefore a purchaser of credit risk). The Notes represent a funded credit derivative transaction in the form of a debt security whilst the Swap Transaction includes a credit derivative component. Under the terms of the Notes, the Issuer will be the buyer of credit protection under the Long CDS Transaction and the seller of credit protection under the Short CDS Transaction and the Noteholders will be the sellers of credit protection under the Long CDS Transaction and the buyers of credit protection under the Short CDS Transaction. Under the Swap Transaction, the Issuer will be the seller of credit protection under the Long CDS Transaction and the buyer of credit protection under the Short CDS Transaction and the Swap Counterparty will be the buyer of credit protection under the Long CDS Transaction and the seller of credit protection under the Short CDS Transaction.

Credit default swaps are transactions in which settlement is triggered by one of a specified number of events, which may include default, insolvency or distressed restructuring, of a particular Reference Entity or Reference Entities referenced in the terms of such transaction. Credit default swaps are bilateral contracts rather than debt securities and are traded between two parties "over-the-counter". A protection buyer will typically make one or more fixed rate payments to the protection seller. In exchange, the protection seller typically agrees to make payment to the protection buyer following the occurrence of the relevant event in relation to a Reference Entity or an obligation thereof, subject to satisfaction of certain conditions. Alternatively, the protection seller may agree in such case to purchase at par bonds or loans of the Reference Entity (which are likely to be trading in the market at a discount to par following the occurrence of the relevant event in relation to a Reference Entity). Credit default swaps are the most commonly-traded form of credit derivative transaction and many banks and financial institutions regularly quote prices for entering into credit default swaps. Credit default swaps may be entered into in relation to the credit risk of a single Reference Entity or a basket of Reference Entities. Credit default swaps may also be entered into in respect of certain published credit indices (such as an iTraxx® Index), in which case the parties thereto enter into a separate and independent credit derivative transaction in respect of each Reference Entity listed in such index at an agreed date.

Documentation and terms of a credit default swap

Credit default swaps are typically entered into on the basis of standard definitions and provisions published by ISDA. ISDA is a trade association whose membership comprises participants in the over-the-counter derivatives markets. As at the date of this Series Prospectus, these definitions and provisions are primarily contained in the 2003 ISDA Credit Derivatives Definitions. From time to time, ISDA publishes supplements to such definitions. For example, the majority of credit default swap transactions traded incorporate the terms of the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions. The 2003 ISDA Credit Derivatives Definitions as so supplemented are referred to below as the "**Credit Derivatives Definitions**". The full text of the Credit Derivatives Definitions is available on ISDA's website <http://www2.isda.org/> on a subscription basis. The Credit Derivatives Definitions are incorporated into the Swap Agreement and cross referred to in the Conditions of the Notes.

Certain terms of credit default swaps are subject to negotiation between the parties, for example the maturity of each transaction and the price of credit protection purchased. However, many key terms of credit default swaps - for example, the applicable Credit Events - are typically determined by reference to a matrix of market

standard terms published by ISDA (referred to below as the "**Settlement Matrix**"). The Settlement Matrix recognises a variety of standard terms based on the nature of the relevant Reference Entity (corporate, sovereign, etc.) and its location (Europe, North America, Latin America, etc.). The terms of the Confirmation are based on these key terms. As at the date of this Series Prospectus, the Settlement Matrix is available free of charge on ISDA's website at <http://www2.isda.org/>.

The Hypothetical Transaction is a hypothetical credit derivative transaction

The Hypothetical Transaction is a hypothetical credit derivative transaction, under which the Issuer will be the buyer of credit protection in respect of the Long Reference Entities and seller in respect of the Short Reference Entities and a hypothetical Noteholder will be the seller of credit protection in respect of the Long Reference Entities and buyer in respect of the Short Reference Entities. It is treated as existing solely for the purposes of determining whether certain resolutions of a CDDC (including as to the holding of Auctions) may be binding on the Noteholders.

The Confirmation for the Swap Transaction sets out all of the relevant terms of the Long CDS Transaction and Short CDS Transaction provided for in the Swap Transaction between the Issuer and the Swap Counterparty. Certain provisions of the Confirmation differ from the market standard terms as published by ISDA.

CDDCs have the power to make binding determinations

The CDDCs were established in March 2009 to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. Prospective Noteholders should note that a CDDC that is determined to be relevant to the Notes may have the power to make binding decisions for the purposes of the Notes on critical issues such as whether a Credit Event has occurred and whether one or more Auctions should take place. Consequently, Noteholders will be bound by any such relevant decisions that the Calculation Agent determines are applicable to the Notes and the timing and/or occurrence of any payments on the Notes may be affected by any such relevant decisions or subsequent determinations.

The CDDCs are regional and as at the date of this Series Prospectus there is a CDDC for each of the following five regions: (i) the Americas, (ii) Asia (excluding Japan), (iii) Australia and New Zealand, (iv) Europe, the Middle East and Africa and (v) Japan. The CDDC which is relevant for the Notes and a Reference Entity will be the one constituted for the region applicable to the relevant Reference Entity to which a given determination relates.

The proceedings of each CDDC will be governed by rules published from time to time by ISDA (the "**Rules**"). A copy of the Rules published by ISDA as of 7 April 2014 (as amended) is available free of charge at <http://www.isda.org/credit/revisedcrules.html>. A CDDC will be convened upon referral of a question to ISDA by an eligible market participant, subject to the agreement of a specified number of the voting members of the relevant CDDC. ISDA will convene the CDDC for the region to which the referred question relates, as determined in accordance with the Rules. Noteholders will not have any rights to submit questions for resolution by a CDDC solely by virtue of being an investor in the Notes, and none of the Issuer, the Trustee, the Swap Counterparty nor any entity connected with any of them will have an obligation to submit a question on behalf of any Noteholders.

In resolving that a Credit Event has occurred, a CDDC must act by a super-majority of 80 per cent. of voting members. Certain other determinations, for example, as to the initial list of eligible obligations for purposes of an Auction (see below) may be made by a majority of more than 50 per cent. of voting members. Where either a CDDC is required to resolve a particular matter by way of a super-majority, but having voted on such matter is unable to do so, or where a CDDC so resolves by a majority, questions may be submitted to an external review process which will be convened to review the question and potentially overturn the decision of the CDDC. In order for the external review panel to overturn the decision of a CDDC, (i) two out of three of the members of the panel must vote in the affirmative if the original vote of the CDDC did not exceed 60 per cent., or (ii) all three members of the panel must vote in the affirmative if the original vote of the CDDC was more

than 60 per cent. and less than 80 per cent. The external review panel will be chosen from a pool that is made of industry experts nominated by ISDA members. The members of each external review panel will be chosen with the unanimous approval of the applicable CDDC or by ISDA.

A CDDC may decline to resolve a particular question. Questions referred to the CDDC and the results of binding votes will be published on <http://www2.isda.org/>. None of the Issuer, the Trustee, the Swap Counterparty nor any entity connected with any of them will be obliged to inform the Noteholders that a CDDC has been or is likely to be convened.

CDDC membership

Each CDDC is composed of fifteen voting members and three non-voting consultative members. Ten of the voting members are dealer institutions, with eight serving across all regions and two potentially varying by region. The other five voting members are non-dealer institutions that serve across all regions. The three non-voting consultative members consist of one dealer institution and one non-dealer institution that serve across all regions and one dealer institution that could potentially vary by region. Noteholders will have no role in the composition of the CDDC.

As at the date of this Series Prospectus, ISDA published the 2014 ISDA Credit Derivatives Definitions, which it expects the credit derivatives market to adopt from an implementation date expected to be in September 2014. The 2014 ISDA Credit Derivatives Definitions will introduce several new terms, including a new credit event that will be triggered by a government bail-in of a financial reference entity. The Swap Counterparty and its affiliates were represented in the working group for the 2014 ISDA Credit Derivative Definitions and engaged in such process without regard to the interests of the Noteholders. The 2014 ISDA Credit Derivatives Definitions will only apply to existing transactions where parties thereto agree to amend the documentation.

Changes to the terms of market standard credit default swaps

From time to time the terms of market standard credit default swap transactions may be subject to modification. Where such modifications are intended to affect existing transactions (in addition to transactions entered into after the date on which the relevant modification is announced), such modifications have previously been implemented by way of a protocol published by ISDA. Market participants may elect to adhere to such a protocol in order to confirm that they wish transactions to which they are a party to be subject to such modification or, they may agree such other amendments amongst themselves.

If the Issuer and the Swap Counterparty wished to amend the credit derivatives provisions relating to the Swap Transaction and the Notes, the Issuer is likely to seek consent from the Noteholders.

Calculation Agent Determinations and Discretions

Noteholders should note that the Calculation Agent (under both the Notes and the Swap Agreement) is responsible for making certain determinations and has the right to exercise certain discretions with respect to the Notes and the Swap Transaction.

Determinations

For example, the Calculation Agent is responsible for:

- (i) determining whether an Auction would apply for the purposes of a Credit Event (see further “*How are the Leveraged Loss Amount and the Protection Payment Amount determined if Auction Settlement applies?*” in the “Frequently Asked Questions” section above);
- (ii) where there are multiple Auctions held concurrently, determining the Auction which will apply to the Notes (see further “*How are the Leveraged Loss Amount and the Protection Payment Amount determined if Auction Settlement applies?*” in the “Frequently Asked Questions” section above);

- (iii) determining the Value of the Valuation Obligations, where an Auction is not applicable in respect of an Affected Reference Entity or a Protected Reference Entity on the basis of bid quotations from third party dealers (in which context the Calculation Agent will be entitled to select any eligible obligation for Valuation Obligations - see further *"How are the Leveraged Loss Amount and the Protection Payment Amount determined if Auction Settlement does not apply?"* in the "Frequently Asked Questions" section above);
- (v) notwithstanding publication by ISDA of a resolution of a CDDC, determining successor Reference Entities for the purposes of the Swap Transaction (see further *"Reference Entities and Succession Events"* below); and
- (vii) determining whether, under the terms of the Swap Transaction and the Notes, the obligations of the parties would be suspended pending a resolution of a CDDC.

Discretions

The Calculation Agent has the right to:

- (i) elect whether to deliver a notice and supporting information to trigger an early redemption of the Notes following the occurrence of a Credit Event (see further *"When can a Credit Event Determination Date occur and what are the consequences for the Notes if a Credit Event Determination Date occurs?"* in the "Frequently Asked Questions" section above);
- (iii) where the Leveraged Loss Amount or Protection Payment Amount is not determined by an Auction, (a) select a date for the valuation of the Valuation Obligations and (b) select third party dealers from which to obtain bid quotations for the purposes of such valuation (see further *"Fallback settlement"* below); and
- (iv) select the date on which certain valuations are undertaken to determine the Early Cash Redemption Amount payable.

Noteholders should note that any determination and/or calculation made by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Issuer and the Noteholders.

Noteholders should note that a resolution of the CDDC will be binding for the purposes of the Notes so long as that resolution would be effective for the purposes of the Hypothetical Transaction, as determined by the Calculation Agent.

Reference Entities and Succession Events

Noteholders are exposed, through the Conditions of the Notes, to the credit risk of the Long Reference Entities and benefit from credit protection in respect of the Short Reference Entities. The creditworthiness of a Reference Entity may change over time. If the creditworthiness of a Long Reference Entity declines, then the market value of the Notes is likely to decline, reflecting an increase in the perceived likelihood that a Credit Event may occur in relation to that Long Reference Entity. If the creditworthiness of a Short Reference Entity declines, then the market value of the Notes may increase, reflecting an increase in the perceived likelihood that a Credit Event may occur in relation to that Short Reference Entity.

The identity of a Reference Entity, and hence the credit risk and credit protection associated with the Notes, may change as a result of corporate events relating to that Reference Entity, for example a merger, demerger, or transfer of assets or liabilities or, in the case of a sovereign Reference Entity, events such as unification or dissolution or annexation (referred to in the Credit Derivatives Definitions as a **"Succession Event"**). If ISDA publicly announces that a CDDC has resolved that a different entity or entities has or have become successor(s) to the original Reference Entity, then the identity of the original Reference Entity may be treated as having been amended accordingly for the purposes of the Notes. The credit risk or credit protection associated with a successor Reference Entity or Reference Entities may be different from and could be

greater than the credit risk or less beneficial than the credit protection associated with the original Reference Entity.

The Credit Derivatives Definitions set out detailed rules for the determination of successor Reference Entities following a Succession Event. For Reference Entities which are not sovereigns (as is the case for the Notes), this will involve a determination, on the basis of available information, as to the liability which has been assumed by any potential successor in relation to the outstanding bonds and loans of the relevant Reference Entity. It is possible that, based on such a determination, a single successor will be identified, or there may be multiple successors. The original Reference Entity may itself continue to be a Reference Entity, together with other successor Reference Entities. If multiple successor Reference Entities are identified, then the Swap Transaction will be amended by the Calculation Agent so as to be treated as having been split into multiple new transactions, each such transaction referencing one of the relevant successors and each such new transaction having a Reference Entity Notional Amount equal to the Reference Entity Notional Amount of the original Reference Entity divided by the number of successors. Accordingly, if a Reference Entity has more than one successor Reference Entity as a result of such corporate event, then the Noteholders will be exposed to the creditworthiness of multiple Reference Entities in its place.

In determining successors, a CDDC will disregard a Succession Event that occurred more than 90 days prior to the date of the relevant request to convene the CDDC. The Calculation Agent is not obliged to make any such request to a CDDC on behalf of the Noteholders, and Noteholders will have no ability to make such a request solely by virtue of being a Noteholder. Absent publication by ISDA of a resolution of a CDDC, the Calculation Agent may make, but will not be obliged to make, a determination as to successor Reference Entities for the purposes of the Swap Agreement and, consequently, the Notes.

Reference Obligation and Valuation Obligations

Each "**Reference Obligation**" for the purposes of the Notes and each Reference Entity under the Swap Transaction are set out in each "**Relevant Annex**", which is the relevant list for the Long or Short Index published by Markit Group Limited (or any replacement therefor) as the Index Publisher (which can be accessed currently at <http://www.markit.com>). The specific Reference Obligation may affect the credit risk represented by an investment in the Notes and, together with other Valuation Obligations, will directly impact what is payable to Noteholders following the occurrence of a Credit Event. A Valuation Obligation will be any obligation of a Reference Entity which is described by the "Valuation Obligation Category" and having the "Valuation Obligation Characteristics" specified in the Confirmation (see "*Deliverable Obligations and Valuation Obligations*" below).

In certain circumstances – for example, where the specified Reference Obligation is redeemed – the Credit Derivative Definitions provide for determination of a substitute Reference Obligation. Any such substitute Reference Obligation is required, amongst other things, to rank equally in right of payment with the originally specified Reference Obligation. If ISDA publicly announces that a CDDC has resolved to treat a different obligation or obligations as a substitute or substitutes for the original Reference Obligation or Reference Obligations, the Calculation Agent may determine that such resolution would apply to the Swap Transaction, in which case those substitute reference obligations that are identified by the relevant CDDC will replace one or more Reference Obligations. Irrespective of publication by ISDA of a resolution of a CDDC the Calculation Agent may make, but will not be obliged to make, a determination as to any substitute Reference Obligation for the purposes of the Reference CDS. If International Index Company Ltd., or any successor thereto, publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a Reference Entity in connection with a Succession Event, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) for the purpose of the Swap Agreement and the Notes. The Calculation Agent will notify the Noteholders of any such substitute Reference Obligation.

Conditions to Settlement and Notice Delivery Period

A Credit Event Determination Date will occur if there is a public announcement by ISDA that a CDDC has resolved that a Credit Event has occurred and the Calculation Agent determines that it would relate to the Hypothetical Transaction. In such circumstances, the Credit Event in question must have occurred no earlier than the date (referred to as the “**Credit Event Backstop Date**”) 60 days before the date on which the relevant request was made to convene the CDDC (referred to as the “**Credit Event Resolution Request Date**”) and the Credit Event Resolutions Request Date must have fallen within a specified period (referred to as the “**Notice Delivery Period**”).

The Credit Event Backstop Date may be prior to the Issue Date and the Observation Start Date (which is the Trade Date for the purpose of the CDS Transactions). Therefore, a Credit Event may have occurred prior to the “Issue Date” or the Observation Start Date specified with respect to the Notes and the Swap Transaction. Noteholders should conduct their own review of any recent developments with respect to a Reference Entity by consulting publicly available information. If a request to convene a CDDC has been delivered prior to the Issue Date to determine whether a Credit Event has occurred with respect to a Reference Entity, details of such request may be found free of charge on the ISDA website at <http://dc.isda.org/>. Even if a CDDC has not been convened to determine such matter as of the Issue Date, a CDDC may still be convened after the Issue Date in respect of an event which occurs up to 60 calendar days before the date of a request to convene such CDDC.

The Notice Delivery Period in relation to the Hypothetical Transaction is the period during which a Credit Event may be triggered with respect to the relevant Reference Entity. The Notice Delivery Period will commence on the “**Trade Date**” of the Swap Transaction (as specified in the Confirmation and coinciding with the Observation Start Date) and will expire on the date that is 14 calendar days after the Scheduled Termination Date of the Long or Short CDS Transaction, as applicable.

Whether or not a request has been made to the CDDC to determine whether a Credit Event has occurred, the Calculation Agent may trigger the early redemption of the Notes by delivering a notice of a Credit Event, together with supporting information derived from specified sources (that is, public news or information sources, the Reference Entity itself, court or other public filings or paying agents, trustees or other intermediaries appointed in respect of Obligations) as required under the Conditions of the Notes.

For further information on the consequences for the Notes of the occurrence of a Credit Event Determination Date, see “*When can a Credit Event Determination Date occur and what are the consequences for the Notes if a Credit Event Determination Date occurs?*” in the “*Frequently Asked Questions*” section above.

Credit Events and related terms

Settlement of a credit derivative, including the CDS Transactions under the Swap Transaction and the Notes, is contingent on the occurrence of a Credit Event. The Credit Events which are applicable for the purposes of a particular Reference Entity may vary from Reference Entity to Reference Entity. The selection of Credit Events as applicable or not applicable will materially affect the credit risk to which Noteholders are exposed.

The Credit Derivatives Definitions provide for a number of Credit Events, with the following applying to the CDS Transactions under the Swap Transaction and the Notes:

Bankruptcy

“Bankruptcy” includes where a Reference Entity:

- (i) is dissolved (other than where this is as a result of the Reference Entity merging or otherwise combining with another entity);
- (ii) becomes insolvent or is unable to pay its debts as they become due or admits its inability to do so;

- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes, or has instituted against it, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition results in a judgment of insolvency or bankruptcy or is not dismissed within 30 calendar days of such institution;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator or equivalent official; or
- (vii) has a secured party take possession of all or substantially all of its assets, or such assets are subject to attachment by a creditor.

Failure to Pay

A "Failure to Pay" will occur where the Reference Entity fails to make, when and where due and after the expiration of any applicable time period (a "**Grace Period**") during which such failure may be cured by the Reference Entity (and after the satisfaction of any conditions precedent to such Grace Period), any payments in an aggregate amount of not less than a specified amount under one or more Obligations (as defined below) in accordance with the terms of such Obligations at the time of such failure. The Grace Period, if any, will be as set out in the terms of the Obligation; if no such Grace Period is specified, a minimum Grace Period will be assumed to apply.

The redemption of the Notes may also be extended beyond their Scheduled Maturity Date until the "Extended Maturity Date" of the Notes if at any time prior to the Scheduled Maturity Date, the Calculation Agent under the Swap Agreement determines that a credit event may be determined after the Scheduled Maturity Date to have occurred in respect of a Long CDS Reference Entity where the relevant event took place on or prior to the Scheduled Maturity Date. In such case the redemption of the Notes may be subject to material delay. After the Scheduled Maturity Date interest will accrue at the rate for overnight deposits in EUR (based on the EONIA Rate determined by the Calculation Agent), without margin or spread. Such rate is likely to be lower than the rate which applied to the Notes prior to the Scheduled Maturity Date.

Restructuring

"Restructuring" is, generally speaking, a process whereby a company or a sovereign entity facing cash flow problems, or which is otherwise in financial distress, renegotiates its debts. A "Restructuring" for the purposes of the Credit Derivative Definitions will occur if:

- (i) any of the following events occurs in relation to a particular obligation of a Reference Entity:
 - (A) a reduction in the rate or amount of interest payable;
 - (B) a reduction in the amount of principal payable;
 - (C) a postponement or other deferral of a date or dates for payment;
 - (D) a change in the ranking in priority of payment of such obligation resulting in the such obligation becoming subordinated in its right to receive payment to one or more other obligations; or

- (E) a redenomination of an obligation (other than to certain permitted currencies, and excluding a redenomination into Euro where the relevant currency jurisdiction joins the Eurozone); and
- (ii) such event occurs in a form which is applicable to all of the holders of that obligation and where such event is not expressly provided for under the original terms of that obligation; and
- (iii) any such event results from a deterioration in the creditworthiness or financial condition of the relevant Reference Entity.

Unless “Multiple Holder Obligation” is specified as not applicable in relation to a particular Reference Entity in the Confirmation, a Restructuring will have occurred only if the event in question relates to an Obligation held by more than three non-affiliated holders and, where, for Obligations other than bonds, the consent of at least two-thirds of the holders of the relevant Obligation is required.

Limitations may apply as to the eligible obligations which may be taken into account for credit derivatives auction or, where applicable, delivered in settlement of a credit default swap.

*Restructuring Maturity Limitation and Fully Transferable Obligations (“**Mod R**”)*

If “Mod R” applies in accordance with the Confirmation, then in order to be taken into account for settlement an obligation must be a “Fully Transferable Obligation” that is capable of being assigned or novated without consent. It must also be possible to transfer the obligation to a bank or financial institution or other entity which regularly makes, purchases or invests in loans or other financial assets. The maturity of such obligation must fall within specified limits.

*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligations (“**Mod Mod R**”)*

If “Mod Mod R” applies in accordance with the Confirmation, then in order to be taken into account for settlement an obligation must be a “Conditionally Transferable Obligation” that is capable of being assigned or novated with consent, provided that such consent must not be unreasonably withheld. Again, the maturity of such obligation must fall within specified limits.

Obligations

The occurrence of a Failure to Pay or Restructuring Credit Event will be determined by reference to eligible obligations of a Reference Entity, referred to as “**Obligations**”, which may be loans, bonds or other obligations issued directly by a Reference Entity or obligations in respect of which a Reference Entity acts as guarantor. Obligations are defined by reference to the “Obligation Category” and “Obligation Characteristics” (if any) specified in the Confirmation for the Swap Transaction.

Obligation Categories

The Obligation Category for the Long CDS Transaction and the Short CDS Transaction and, consequently, the Notes, is Borrowed Money.

“Borrowed Money” includes bonds and loans (except for an undrawn revolving credit facility) and deposits, but excludes repos where a security is repurchased at a higher price, the difference being equivalent to a finance charge. It also includes deposits and disbursements under letters of credit.

Obligation Characteristics

No Obligation Characteristics are specified for the Swap Transaction and, consequently, the Notes.

Auction Settlement

When a Credit Event occurs in respect of a Reference Entity that is referenced in a significant number of credit derivative transactions, a CDDC may resolve that an Auction should be held to facilitate settlement of credit default swap transactions referencing such Reference Entity at the same time and at a fixed settlement price. The price determined through an Auction is referred to as an **“Auction Final Price”**. Where a senior Auction is held for a Reference Entity under a CDS Transaction and the Calculation Agent determines that the **“Deliverable Obligations”** (see below) would be substantially the same as the provisions in the Swap Transaction for determining Valuation Obligations in respect of that CDS Transaction, the related Auction Final Price may be used to determine the Protection Payment Amount (if the Credit Event occurs in respect of a Short CDS Reference Entity) or the Recovery Amount (by reference to the Leveraged Loss Amount if the Credit Event occurs in respect of a Long CDS Reference Entity) that will be paid to Noteholders.

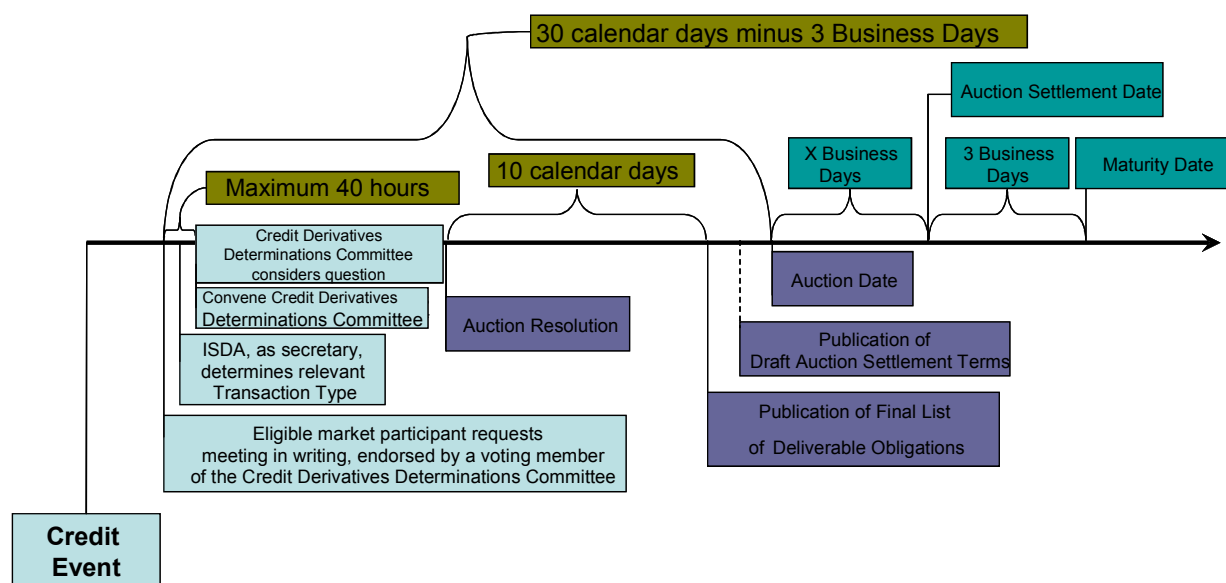
During the Auction process credit derivatives dealers participating in the Auction submit prices at which they would buy and sell the eligible obligations of the relevant Reference Entity, together with requests to buy or sell such obligations received from their customers.

As of the date hereof, the Swap Counterparty (and certain of its affiliates) is a leading dealer in the credit derivatives market. There is a high probability that the Swap Counterparty or its affiliates will act as a participating bidder in any Auction held with respect to a Reference Entity. In such capacity, the Swap Counterparty or its affiliates may take certain actions which may influence the Auction Final Price including, amongst other things, providing rates of conversion to determine the Auction currency rate and submitting bids and offers on behalf of itself or its customers. In deciding whether to take any such action (or whether to act as a participating bidder in any Auction), the Swap Counterparty or its affiliates will not be required to, and will not, consider the interests of the Noteholders. A Noteholder has no right, solely by virtue of being an investor in the Notes, to submit a bid or offer in an Auction.

If an Auction is held in respect of a Reference Entity it is expected that the relevant Auction will occur three (3) Business Days immediately before the 30th calendar day after which the relevant CDDC received the request to determine whether a Credit Event has occurred with respect to such Reference Entity. However, the CDDC may decide that an Auction in respect of a Reference Entity should take place quicker than normal, for example, to ensure that quicker than normal settlement of relevant obligations occurs before any proposed bond exchange. Alternatively, the Auction process may be substantially delayed, for example because the CDDC determines that there is insufficient information available to it to establish auction terms. In such case, the payment of the Recovery Amount or the Final Redemption Amount to the Noteholders may be substantially delayed.

The expected timeline is illustrated in the diagram below which is indicative only and may be expanded or compressed by resolution of a specified majority of the relevant CDDC.

Expected Auction Timeline for credit default swaps



Deliverable Obligations and Valuation Obligations

An Auction will be conducted in relation to eligible obligations of the relevant Reference Entity, referred to as “**Deliverable Obligations**”. Deliverable Obligations will be identified by the CDDC. Members of the relevant CDDC may propose obligations which they consider to be eligible for inclusion in an initial list to be published. Subsequently, market participants may propose additional obligations for inclusion in such list, or challenge the eligibility of obligations already on such list, prior to publication of a final list of such Deliverable Obligations. Noteholders will not have the ability to propose obligations for inclusion in the list of Deliverable Obligations, or to challenge the eligibility of Deliverable Obligations which are included on such list.

Where the Calculation Agent determines that an Auction will apply to the Notes, the Deliverable Obligations will be defined by reference to what could constitute a Valuation Obligation under the Swap Transaction. The “Deliverable Obligation Category” will track the “Valuation Obligation Category” and the “Deliverable Obligation Characteristics” will track the “Valuation Obligation Characteristics” applicable to the Swap Transaction.

The Valuation Obligation Category (to which the Deliverable Obligation Category corresponds) is “Bond or Loan”. Other possible Deliverable Obligation Categories that may apply in relation to a Reference Entity under the Credit Derivatives Definitions (only one of which may apply at any time) are “Payment”, “Borrowed Money”, “Reference Obligations Only”, “Bond” or “Loan”.

The Valuation Obligation Characteristics (to which the Deliverable Obligation Characteristics correspond) are “Not Subordinated”, “Specified Currency”, “Not Contingent”, “Assignable Loan”, “Consent Required Loan”, “Transferable”, “Maximum Maturity (30 years)”, and “Not Bearer”. Other possible Deliverable Obligation Characteristics that may apply in relation a Reference Entity under the Credit Derivatives Definitions (one or more of which may apply at any time) are “Not Sovereign Lender”, “Not Domestic Currency”, “Not Domestic Issuance”, “Not Domestic Law”, “Listed”, “Direct Loan Participation” and “Accelerated or Matured”. Certain of such characteristics will be applicable only to Obligations which are bonds (“Listed”, “Not Bearer”), which are not loans (“Transferable”) or which are loans (“Assignable Loan, Consent Required Loan”, “Direct Loan Participation”). In the case of “Assignable Loan”, “Consent Required Loan” and “Direct Loan Participation” the relevant Deliverable Obligation is required to satisfy one only of such characteristics.

“Accelerated or Matured” means an Obligation which on or prior to the date on which it is to be delivered in an Auction it is due to mature and due to be repaid, or as a result of downgrade/bankruptcy is due to be repaid as a result of an acceleration clause.

“Assignable Loan” means a Loan is capable of being assigned or novated to a different bank or financial institution as lender without the consent of the Reference Entity or guarantor, if any, of such Loan or any agent for the Loan.

“Bond” includes any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security but does not include any other type of Borrowed Money.

“Bond or Loan” means any Obligation which is either a Bond or a Loan.

“Consent Required Loan” means a Loan that may be assigned or novated only with the consent of the relevant Reference Entity or guarantor, if any of such Loan or any agent for the Loan.

“Direct Loan Participation” means a Loan with a participation agreement whereby the buyer is capable of creating, or procuring the creation of, a contractual right in favour of the seller that provides the seller with recourse to the participation seller for a specified share in any payments due under the relevant loan which are received by the participation seller.

“Listed” means an obligation which is quoted, listed or ordinarily purchased and sold on an exchange.

“Loan” includes any term loan agreement, revolving loan agreement or other similar credit agreement but does not include any other type of “Borrowed Money” obligation.

“Maximum Maturity” means that the Obligation must have a maximum maturity which is no longer than the period specified in the Confirmation.

“Not Bearer” means that an obligation must not be in the form of a bearer instrument unless it is held and traded within Euroclear, Clearstream or another internationally recognised clearing system. A bearer instrument is an instrument that is payable on demand to the holder of the instrument, i.e. the entity or person physically possessing the instrument is deemed to be the owner and ownership is passed by physical delivery of the instrument.

“Not Contingent” means an obligation which on or prior to the date on which it is to be delivered in an Auction has terms such that its outstanding principal balance, or the amount that is due and payable whether by reason of acceleration, maturity, termination or otherwise, is not capable of being reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment).

“Not Domestic Currency” means any obligation that is payable in any currency other than the domestic currency as specified in the Settlement Matrix or Confirmation. If the currency is not specified, the domestic currency shall be that of the Reference Entity if it is a sovereign, or that of the country in which the Reference Entity is organised if it is not a sovereign.

“Not Domestic Issuance” means any obligation except any obligation that was, at the time it was issued or incurred, intended to be offered for sale primarily in the domestic market of the Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) satisfies this characteristic.

“Not Domestic Law” means any obligation that is not governed by the laws of the relevant Reference Entity, if such Reference Entity is a Sovereign, or the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign.

“Not Sovereign Lender” means any obligation that is not primarily owed to a sovereign or supra-national organisation.

“Not Subordinated” means that the obligation which can trigger a credit event must rank equal or higher in the Reference Entity’s capital structure than the most senior Reference Obligation of the Reference Entity in terms of priority of payment. If no Reference Obligation is specified, then “Not Subordinated” refers to any of the Reference Entity’s senior “Borrowed Money” obligations.

“Specified Currency” means an obligation that is payable in the currency or currencies specified in the Confirmation or, if no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom, the United States of America and the Euro and any successor currency to any such currencies.

“Transferable” means an Obligation that is transferable to institutional investors without any contractual, statutory or regulatory restrictions.

Deliverable Obligations may be indirect obligations of the relevant Reference Entity by way of an eligible guarantee. If the Confirmation in respect of the Swap Confirmation specifies that “All Guarantees” applies to a particular Reference Entity, then an eligible guarantee will be any irrevocable guarantee of the Reference Entity of all amounts due to be paid by the relevant underlying obligor, subject to exceptions e.g. where the arrangement is structured as surety bond or letter of credit, or where the terms of the arrangement provide for the reduction or discharge or assignment of the obligations of the guarantor.

If “All Guarantees” is not specified as applicable in the in respect of a CDS Transaction under the Swap Transaction, then eligible guarantees will only be those provided by a parent company in respect of a subsidiary (broadly speaking, a subsidiary is an where another company (the “parent company”) owns more than 50 per cent. of the shares or other interests with the power to elect the board of directors or any other similar body).

Auction Settlement following a Restructuring Credit Event

In relation to certain categories of Reference Entity and a Restructuring Credit Event, limitations on the maturity of eligible obligations to be taken into account for the purposes of the related Auction(s) will apply.

Such limitations will apply to a Reference Entity if either “Restructuring Maturity Limitation and Fully Transferable Obligation” (often abbreviated to “Modified Restructuring” or “Mod R” as explained above) or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation (often referred to as “Modified Modified Restructuring” or “Mod Mod R” as explained above) is expressed to be applicable to that Reference Entity in accordance with the Confirmation.

In cases where settlement of a credit default swap is triggered by the buyer and Mod R (being market standard for credit default swaps referencing North American corporate reference entities to which Restructuring is applicable) or Mod Mod R (being market standard for European corporate entities) is applicable, any obligation which such buyer wishes to deliver to the seller must not only constitute a Deliverable Obligation but must also satisfy additional requirements as to transferability (for Mod R, being a Fully Transferable Obligation and for Mod Mod R being a Conditionally Transferable Obligation as explained under “Restructuring” above) and as to its final maturity date (as explained under “Restructuring” above).

Where Mod R or Mod Mod R applies, several concurrent but separate Auctions may occur with respect to such Reference Entity, as determined by the relevant CDDC, with each such Auction relating to credit default swaps with maturities falling within stipulated periods (so-called “maturity buckets”) following the occurrence of the effective date of the event giving rise to the relevant Restructuring Credit Event. In general, market practice is such that a total of eight separate maturity buckets might apply in respect of a Reference Entity with respect to which a Restructuring has occurred and in respect of which Mod R or Mod Mod R is applicable. The first seven such Maturity Buckets will each encompass a maturity period that ends,

respectively, on the first of March 20, June 20, September 20 or December 20 to occur on or immediately following the date that is 2.5 years, 5 years, 7.5 years, 10 years, 12.5 years, 15 years or 20 years following the date of the Restructuring; and the eighth maturity bucket will encompass a maturity period ending after 20 years following the date of the Restructuring (each such ending date referred to as a “**Maturity Bucket End Date**”). Where settlement of a credit default swap is triggered by the buyer, as a general rule, credit default swaps will be assigned to the maturity bucket with the Maturity Bucket End Date that occurs on or immediately following the scheduled termination date of such credit default swap. Where settlement of a credit default swap is triggered by the seller, as a general rule, credit default swaps will be assigned to the longest-dated maturity bucket.

An Auction will only be held in relation to any particular maturity bucket if there is a sufficient volume of credit default swaps with maturities falling within that period. Failing that, no Auction will be held in relation to such bucket, and each party to a standard credit default swap transaction will have the ability to (but will not have to) give a notice requiring that the Auction Final Price be determined based on the Auction conducted in relation to an alternative maturity bucket. Where the buyer of credit protection gives such a notice, the relevant Auction used to determine the Auction Final Price will be the Auction for which a more limited number of obligations of the relevant Reference Entity are eligible or, where there are a number of such Auctions, the Auction with the widest range of such obligations (that is, the Auction corresponding to the next-shortest dated maturity bucket, which would tend to result in a higher Auction Final Price and hence a lower credit loss). Where the relevant notice is given by the credit protection seller, the relevant Auction will be the Auction with the widest range of eligible obligations (that is the Auction corresponding to the longest-dated maturity bucket, which would tend to result in a lower Auction Final Price and hence a greater loss). If both parties deliver such a notice, then the credit protection buyer's notice will prevail.

For the purposes of determining the Auction which is relevant to the Notes, the Calculation Agent will take into account the senior Auction, if any, which would be used for purposes of settlement of a Long CDS Reference Entity or Short CDS Reference Entity, as the case may be, and Seller shall be deemed to have delivered each Credit Event Notice under the Long CDS Transaction (and therefore the Long CDS Transaction shall be treated as having been Triggered by Seller) and Buyer shall be deemed to have delivered each Credit Event Notice under the Short CDS Transaction (and therefore the Short CDS Transaction shall be treated as having been Triggered by Buyer). Noteholders will not have the ability to give notice of selection of an Auction in such circumstances.

Fallback settlement

Whether or not a CDDC elects not to hold an Auction in relation to a particular Credit Event (or, in the case of a Restructuring Credit Event, in relation to a particular maturity bucket and there is no election to apply an Auction relating to an alternative maturity bucket), the Calculation Agent may determine that cash settlement will apply. In such case, the Leveraged Loss Amount or Protection Payment Amount will be determined on the basis of the bid quotations sought by the Calculation Agent from third party dealers for eligible obligations of the relevant Reference Entity selected by the Calculation Agent and satisfying certain specified obligation categories and obligation characteristics (such obligations being the Valuation Obligations).

In such circumstances, the Calculation Agent will select a date for valuation of certain eligible obligations which will be within the period of 120 Business Days commencing on the Credit Event Determination Date and, consequently, payment of the Recovery Amount, Protection Payment Amount or the Final Redemption Amount (as applicable) may be substantially delayed.

ISSUE TERMS

PART A – CONTRACTUAL TERMS

The Notes will be subject to the Master Conditions and also to the provisions set out in these issue terms (the “**Issue Terms**” which include the relevant schedule(s) attached hereto). References in such Master Conditions to the Issue Terms or Alternative Drawdown Document shall be to the provisions set out in these Issue Terms. In the case of a discrepancy or conflict with such Master Conditions, the following Issue Terms shall prevail.

SERIES DETAILS

1	Issuer:	Demeter Investments B.V.
2	Series Number:	2014-6
3	Specified Currency:	Euro (“ EUR ”)
4	Aggregate Nominal Amount of Notes:	EUR 20,000,000 (the “ Initial Principal Amount ”)
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount of the Notes
6	(i) Specified Denominations:	EUR 100,000 and integral multiples of EUR 1,000 in excess thereof
	(ii) Calculation Amount:	EUR 1,000
7	(i) Issue Date:	7 May 2014
	(ii) Interest Commencement Date:	Issue Date, provided that for the purpose of determining the interest payable in respect of the initial Interest Accrual Period, the Aggregate Fixed Amount component thereof shall be determined in respect of the Initial CDS Period (as defined in paragraph 15 below) which commences on the Observation Start Date.
8	Maturity Date:	15 January 2021 adjusted in accordance with the Business Day Convention (such date the “ Scheduled Maturity Date ”) and further subject to the provisions in Condition 8 (<i>Redemption and Purchase</i>) and the provisions set out in paragraph 7 of Schedule 1 to these Issue Terms
9	Interest Basis:	Variable Rate, subject to the provisions set out in paragraph 15 below and Schedule 1 to these Issue Terms
10	Redemption/Payment Basis:	Redemption at Final Redemption Amount, subject to the provisions set out in Schedule 1 to these Issue Terms and section 4 of the Confirmation
11	Date Board approval for issuance of Notes obtained:	6 May 2014
12	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Note Provisions:	Not Applicable
14	Floating Rate Note Provisions:	Not Applicable
15	Variable Rate Note Provisions:	Applicable. The Notes are Variable Rate Notes and the

following provisions shall apply:

- (i) Each Variable Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable in respect of any Note and any Interest Accrual Period shall be an amount determined by the Calculation Agent to be equal to the product of the amount of interest payable per Calculation Amount, as determined in accordance with the following provisions of this paragraph 15, and the Calculation Amount Factor of the relevant Note.
- (ii) The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the Aggregate Interest Amount divided by the Calculation Amount Quotient.
- (iii) For the purposes of this paragraph 15, the following words and expressions shall bear the following meanings:

“Aggregate Fixed Amount” means, in respect of any Interest Accrual Period, (x) the Long CDS Cashflow minus (y) the Short CDS Cashflow;

“Aggregate Floating Amount” means, in respect of any Interest Accrual Period, the product of (x) the Collateral Rate; (y) the outstanding principal amount of the Original Collateral (including any Original Collateral that has been transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex and that then comprises part of the Issuer’s Credit Support Balance thereunder, but excluding any Original Collateral that is the subject of a Recovery Liquidation with effect from the date of Liquidation) as at close of business (London time) on the second Business Day before the Interest Period Date on which the relevant Interest Accrual Period ends; and (z) the Day Count Fraction for the relevant Interest Accrual Period;

“Aggregate Interest Amount”, means, in respect of any Interest Accrual Period, the sum of (x) the Aggregate Floating Amount; and (y) the Aggregate Fixed Amount;

“Collateral Rate” means, for any Interest Accrual Period, a rate equal to the sum of (x) the ISDA Rate and (y) the Margin;

“Day Count Fraction” means Actual/360. For the purposes of calculating the amount of interest payable in respect of any Interest Accrual Period, the Interest Accrual Periods shall not be subject to adjustment in accordance with the Business Day Convention;

“Initial CDS Period” means the period beginning on (and including) the Observation Start Date and ending on (but

excluding) the first Interest Period Date;

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date. For the avoidance of doubt there shall be a long final Interest Accrual Period from (and including) the Interest Period Date falling on 20 September 2020 to (but excluding) the Interest Period Date falling on 15 January 2021;

“Interest Payment Date” means each Interest Period Date, subject to adjustment in accordance with the Business Day Convention;

“Interest Period Date” means (i) 20 March, 20 June, 20 September and 20 December in each year, commencing on (and including) 20 June 2014 and ending on (and including) 20 September 2020 and (ii) 15 January 2021. For the avoidance of doubt, the Interest Period Dates shall not be subject to adjustment in accordance with the Business Day Convention;

“ISDA Rate” means, for any Interest Accrual Period, the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is EUR-EURIBOR-Reuters (provided that if the relevant rate does not appear on the Reuters Screen EURIBOR01 Page or such Screen Page is not available, the rate for the relevant Interest Accrual Period shall be determined by the Calculation Agent in its discretion acting in a commercially reasonable manner);
- (y) the Designated Maturity is three months except in respect of the first and last Interest Accrual Period in relation to which Linear Interpolation shall apply; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period.

For the purposes of the Notes, **“Floating Rate”**, **“Calculation Agent”**, **“Floating Rate Option”**, **“Designated Maturity”**, **“Linear Interpolation”**, **“Reset Date”** and **“Swap Transaction”** have the meanings given to those terms in the ISDA Definitions;

“Long CDS Cashflow” means, in respect of any Interest Accrual Period, the product of (x) the Long CDS Rate; (y) the Long CDS Cashflow Amount outstanding as at close of business (London time) on the second Business Day before the Interest Period Date on which the relevant Interest

Accrual Period ends; and (z) the Day Count Fraction for the relevant Interest Accrual Period (provided that for the purpose of determining the interest payable in respect of the initial Interest Accrual Period, the Day Count Fraction for the Initial CDS Period shall be used instead of the relevant Interest Accrual Period);

“Long CDS Cashflow Amount” means the product of (x) the Initial Principal Amount, (y) the Repurchased Note Factor and (z) the Long CDS Factor, subject to the provisions set out in paragraph 6(i) of Schedule 1 to these Issue Terms relating to reduction of the Long CDS Cashflow Amount;

“Long CDS Factor” means 5;

“Long CDS Rate” means 1.15 per cent. per annum;

“Margin” means 0.87 per cent. per annum;

“Short CDS Cashflow Amount” means the product of (x) the Initial Principal Amount, (y) the Repurchased Note Factor and (z) the Short CDS Factor, subject to the provisions set out in paragraph 7(i) of Schedule 1 to these Issue Terms relating to reduction of the Short CDS Cashflow Amount;

“Short CDS Cashflow” means, in respect of any Interest Accrual Period, the product of (x) the Short CDS Rate; (y) the Short CDS Cashflow Amount outstanding as at close of business (London time) on the second Business Day before the Interest Period Date on which the relevant Interest Accrual Period ends; and (z) the Day Count Fraction for the relevant Interest Accrual Period (provided that for the purpose of determining the interest payable in respect of the initial Interest Accrual Period, the Day Count Fraction for the Initial CDS Period shall be used instead of the relevant Interest Accrual Period);

“Short CDS Factor” means 0.5; and

“Short CDS Rate” means:

- (i) 2.95 per cent. per annum up to and including the Short CDS Scheduled Termination Date; and
- (ii) thereafter, zero.

16	Zero Coupon Note Provisions:	Not Applicable
17	Default Interest:	As per Master Condition 7(d)

MORTGAGED PROPERTY

18	Mortgaged Property:	
	(i) Original Collateral:	The Original Collateral shall comprise EUR 20,000,000 in principal amount of an issue of 3.875 per cent. notes due 14 January 2021 issued by Orange SA:
		Original Collateral Orange SA
		Obligor:

Asset:

ISIN: XS0563306314
Bloomberg E14774697
Ticker:
Coupon: 3.875 per cent.
Maturity: 14 January 2021
Currency: EUR
Market on which admitted to trading: Berlin Stock Exchange, Dusseldorf Stock Exchange, Euronext Paris SA, EuroTLX SIM S.p.A, Boerse Frankfurt Zertifikate AG and Munich Stock Exchange
Governing law: English law

The Issuer shall purchase the Original Collateral from Credit Suisse International on the Issue Date pursuant to the securities sale provisions contained within the Issue Deed to be entered into between the parties on the Issue Date.

The principal amount of the Original Collateral will be reduced from time to time where Liquidation of the Original Collateral is effected pursuant to the provisions set out in paragraph 5(iv) of Schedule 1 to these Issue Terms.

- (ii) Swap Agreement: Applicable. The form of the Confirmation evidencing the Swap Transaction is set out in Schedule 3 to these Issue Terms.
- (iii) Swap Counterparty: Credit Suisse International
- (iv) Credit Support Annex: Applicable
- (v) Original Collateral Substitution: Not Applicable

PROVISIONS RELATING TO REDEMPTION

- 19 Final Redemption Amount of each Note: The Final Redemption Amount shall be an amount per Note equal to that Note's *pro rata* share of:
- (i) the Aggregate Outstanding Principal Amount of the Notes; plus
 - (ii) the CDS Gain (if any), less
 - (iii) the CDS Loss (if any); plus
 - (iv) the Swap Counterparty CSA Interest Amount (if any)
- in each case determined on a date (determined by the Calculation Agent) falling not earlier than 5, but not later than 2, Business Days before the Maturity Date
- Where:
- “CDS Gain” means (i) where the CDS Value would be payable to the Issuer, the absolute value of the CDS Value, or (ii) otherwise zero;

“CDS Loss” means (i) where the CDS Value would be payable to the Swap Counterparty, the absolute value of the CDS Value, or (ii) otherwise zero; and

“CDS Value” means, with respect to the Valuation Date, an amount determined by the Calculation Agent in EUR equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer, under the Swap Agreement upon a termination, on the Valuation Date, of the Long CDS Transaction, and provided the Valuation Date falls on or prior to the Scheduled Termination Date of the Short CDS Transaction, the termination of the Short CDS Transaction, in aggregate. Such Early Termination Amount shall be determined on the basis that:

- (i) the Swap Counterparty is not the Affected Party;
- (ii) the Base Currency is EUR;
- (iii) the Swap Counterparty's claim to any Early Termination Amount payable by the Issuer shall be limited to the sum of the prevailing Value of the Original Collateral;
- (iv) the Calculation Agent is the Determining Party and Section 6(e)(ii)(1) of the Swap Agreement applies but without reference to Section 6(e)(ii)(3) thereof; and
- (v) the Swap Agreement is deemed for this purpose to comprise solely the Long CDS Transaction and, only in respect of a Valuation Date occurring on or prior to the Short CDS Scheduled Termination Date, the Short CDS Transaction in aggregate.

20	Redemption by Instalments:	Not Applicable
21	Early Cash Redemption Amount:	(1) Subject to paragraph (2) below, where the Notes are redeemed early pursuant to any of Condition 8(d) (<i>Redemption for Taxation Reasons</i>), Condition 8(f) (<i>Redemption for Termination of Swap Agreement</i>) (save where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty), Condition 8(h) (<i>Redemption following an Illegality Event</i>), Condition 8(j) (<i>Redemption following the occurrence of an Event of Default</i>), the Additional Redemption Event specified in paragraph 4 of Schedule 1 to these Issue Terms (<i>Early Redemption following a Trigger Event</i>) or the Additional Redemption Event specified in paragraph 5 of Schedule 1 to these Issue Terms (<i>Early</i>

Redemption following a Collateral Event), the Early Cash Redemption Amount shall be an amount per Note equal to that Note's *pro rata* share of the Post-Event Amount; and

- (2) where the Notes are redeemed early pursuant to Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*) or Condition 8(f) (*Redemption for Termination of Swap Agreement*) (where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty), the Early Cash Redemption Amount shall be determined in accordance with subparagraph (i) of that definition contained in Master Condition 1(a).

Where:

"Post-Event Amount" means, with respect to any Valuation Date, an amount denominated in EUR calculated by the Calculation Agent equal to the greater of:

- (i) zero; and
- (ii) (a) the Value of the Original Collateral; plus
 - (b) the Swap Gain (if any); minus
 - (c) the Swap Loss (if any); plus
 - (d) the Swap Counterparty CSA Interest Amount (if any),

for which purposes:

"Swap Counterparty CSA Interest Amount" means the amount (if any) of the Interest Amount (as defined in the Credit Support Annex) that the Swap Counterparty is obliged to transfer to the Issuer as a result of the Notes falling due for redemption;

"Swap Gain" means (i) where the Swap Value would be payable to the Issuer, the absolute value of the Swap Value, or (ii) otherwise, zero;

"Swap Loss" means (i) where the Swap Value would be payable to the Swap Counterparty, the absolute value of the Swap Value, or (ii) otherwise, zero;

"Swap Value" means, with respect to the Valuation Date, an amount determined by the Calculation Agent in EUR equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer, under the Swap Agreement upon a termination

on the Valuation Date of the Swap Agreement (including for the avoidance of doubt, the Long CDS Transaction and, only in respect of a Valuation Date falling on or prior to the Short CDS Scheduled Termination Date, the Short CDS Transaction). Such Early Termination Amount shall be determined on the basis that:

- (i) the Swap Counterparty is not the Affected Party;
- (ii) the Base Currency is EUR;
- (iii) the Swap Counterparty's claim to any Early Termination Amount payable by the Issuer shall be limited to the sum of the prevailing Value of the Original Collateral;
- (iv) the portion of the Party A Payment Amounts relating to the Interest Amounts payable under the Notes shall be valued taking into account that a percentage of such Party A Payment Amounts reflecting the Long CDS Cashflows and/or Short CDS Cashflows may not have been payable in whole or in part if one or more Credit Event Determination Dates were to occur (to reflect the fact that the Fixed Amounts would cease to be payable or be reduced), in each case with effect from and including the Interest Payment Date immediately preceding such Event Determination Date (or, if no such preceding Interest Payment Date, the first day of the Initial CDS Period); and
- (v) the Calculation Agent is the Determining Party and Section 6(e)(ii)(1) of the Swap Agreement applies but without reference to Section 6(e)(ii)(3) thereof; and

"Value of the Original Collateral" means, with respect to any Valuation Date, (i) prior to the scheduled maturity of the Original Collateral in accordance with its terms and conditions, the Value of the Original Collateral determined in accordance with paragraph 12 of Schedule 1 to these Issue Terms (*Determination of Value*) (together with the amount of any redemption proceeds received by the Issuer in respect thereof), for which purpose the Calculation Agent shall request each of five dealers in the relevant market to provide its all-in, firm executable bid price (for the purpose of the Value of the Original Collateral, a **"Quotation"**) in EUR to purchase the Original Collateral on the relevant Valuation Date and (ii) on or following the date on which the Original Collateral is redeemed at scheduled maturity in accordance with its terms, the redemption proceeds (the **"Original Collateral Proceeds"**), provided that in each case the Original Collateral shall reflect any reductions following a Liquidation pursuant to paragraph 6(v) of Schedule 1 to these Issue Terms.

22	Early Redemption Method:	Settlement	Cash Settlement
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23	Additional Redemption Event:	Applicable. See paragraphs 4 and 5 of Schedule 1 to these Issue Terms.
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PRODUCT SUPPLEMENTS AND ADDITIONAL CONDITIONS

24	Applicable Product Supplement:	Not Applicable. The additional provisions contained in Schedules 1 and 2 to these Issue Terms amend the Master Conditions
	Additional Conditions:	<p>For the purpose of Master Condition 9(d) (<i>Business Day Convention</i>), “Business Day Convention” means the Modified Following Business Day Convention.</p> <p>For the purposes of the Conditions, a “Business Day” shall mean a Reference Business Day as defined in Master Condition 1(a).</p> <p>“Original Collateral Principal Trading Centre” means a TARGET Settlement Day or, if the Calculation Agent determines at any time that one or more different principal trading centre(s) apply to the relevant currency of the Original Collateral, such centre(s) as shall be notified by the Calculation Agent to the Issuer and the Paying Agent (and the definitions of Reference Business Day and business day for the purpose of Master Condition 10(g) shall be construed accordingly).</p>

PROVISIONS RELATING TO DISPOSAL AGENT

25	Disposal Agent:	Credit Suisse International
26	Liquidation:	As per Master Conditions, subject to the additional provisions contained in Schedule 1 to these Issue Terms.

27	Disposal Agent Fee:	No
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

28	Form of Notes:	<p>Bearer Notes:</p> <p>Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note</p>
29	Applicable TEFRA exemption:	TEFRA C
30	New Global Note:	No
31	Financial Centre(s):	London and TARGET Settlement Days and Original Collateral Principal Trading Centre
32	Reference Business Day:	London and TARGET Settlement Days and Original Collateral Principal Trading Centre
33	Agents:	
	(i) Calculation Agent:	Credit Suisse International

- One Cabot Square
London E14 4QJ
- (ii) Custodian: The Bank of New York Mellon, acting through its London Branch
One Canada Square
London E14 5AL
- (iii) Disposal Agent: Credit Suisse International
One Cabot Square
London E14 4QJ
- (iv) Issuing and Paying Agent: The Bank of New York Mellon, acting through its London Branch
One Canada Square
London E14 5AL

DISTRIBUTION

- 34 (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager(s) (if any): Not Applicable
- 35 If non-syndicated, name of Dealer: Credit Suisse International

PART B – OTHER INFORMATION

1. LISTING

Listing and admission to trading:	Application has been made for the Notes to be admitted to the Official List of the Irish Stock Exchange and for the Notes to be admitted to trading on the Main Securities Market.
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2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUER/OFFER:

Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

3. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

(i) Estimated net proceeds:	EUR 20,000,000
(ii) Estimated total expenses:	EUR 2,791.20

4. RATINGS

Ratings:	The Notes to be issued have not been rated.
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5. OPERATIONAL INFORMATION

ISIN Code:	XS1053964810
Common Code:	105396481
Swiss Security Number:	24121409
WKN Number:	Not Applicable
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s):	Not Applicable
Delivery:	Delivery free of payment

SCHEDULE 1 TO THE ISSUE TERMS - AMENDMENTS TO MASTER CONDITIONS

1 Master Condition 7 (*Interest*) - addition of Variable Rate Note provisions

For the purposes of the Notes, Master Condition 7 (*Interest*) shall be amended by the addition of the following new condition after Master Condition 7(b) (*Interest on Floating Rate Notes*) but before Master Condition 7(c) (*Zero Coupon Notes*):

“(bb) Interest on Variable Rate Notes: Each Variable Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date in the amounts specified in, or calculated in accordance with, the applicable Issue Terms. Such interest shall be payable in arrear on each Interest Payment Date.”

2 Non-application of Master Conditions 8(c) (*Redemption upon Original Collateral Default*) and 8(e) (*Redemption for Original Collateral Call*)

The provisions of Master Condition 8(c) (*Redemption upon Original Collateral Default*) and Master Condition 8(e) (*Redemption for Original Collateral Call*) shall not apply to the Notes and references to such Master Conditions throughout the remaining Conditions shall be ignored.

3 Amendment of Master Conditions 15(a) (*Application of Available Proceeds of Liquidation*) and 15(b) (*Available Proceeds of Enforcement of Security*).

(l) The provisions of Master Condition 15(a) (*Application of Available Proceeds of Liquidation*) shall, for the purpose of the Notes, be replaced with the following:

“Application of Available Proceeds of Liquidation: The Issuer shall, on each Issuer Application Date, apply the Available Proceeds as they stand on each such date as follows:

- (i) first, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty’s Credit Support Balance (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount (as determined by the party responsible for determining such amounts under the Swap Agreement and such amount being a **“CSB Return Amount”**)) equal to the lesser of (A) the Available Proceeds, (B) the value of the Swap Counterparty’s Credit Support Balance that was used in determining the Early Termination Amount payable under the Swap Agreement and (C) the value of the amounts owing to the Swap Counterparty under the Swap Agreement, if any, which shall be deemed to be zero if no such amounts are owing (the excess of the value defined in (C) above the value defined in (B), if any, the **“Remaining Swap Counterparty Claim Amount”**) shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of any taxes owing by the Issuer;
- (iii) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Trustee under the Trust Deed (including any taxes required to be paid, legal fees and the Trustee’s remuneration);
- (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Mortgaged Property, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and

(III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;

- (v) fifthly, in payment or satisfaction of any Disposal Agent Fees;
- (vi) sixthly, *pari passu* in payment of any amounts owing to the Swap Counterparty under the Swap Agreement (which, to the extent that a CSB Return Amount has been paid to the Swap Counterparty, shall be limited to the Remaining Swap Counterparty Claim Amount), provided that where:
 - (1) the Swap Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
 - (2) in addition to amounts owing to the Swap Counterparty under the Swap Agreement there are also amounts that are owed by the Swap Counterparty under the Swap Agreement and which remain unpaid or there are obligations that were required to be settled by delivery from the Swap Counterparty to the Issuer and which have not been so settled,

there shall be no payment to the Swap Counterparty under this limb and no payment to any person ranking junior to the Swap Counterparty under this Master Condition 15(a) until such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;

- (vii) seventhly, *pari passu* in payment of (I) any Early Redemption Amount then due and payable, (II) any Final Redemption Amount then due and payable and/or (III) any interest or Instalment Amount that became due and payable on the Maturity Date and that remains due and payable, as applicable, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (viii) eighthly, in payment rateably of the Residual Amount to the holders of Notes,

save that no such application shall be made at any time following a Enforcement Notice having been effectively delivered by the Trustee following the occurrence of an Enforcement Event.

Notwithstanding the above, if, upon a Counterparty Bankruptcy Event, the Swap Counterparty or its agents or representatives has indicated that it disagrees with any calculations or determinations made in respect of the Swap Agreement or the Issuer has reasonable grounds for anticipating that there will be such a disagreement (and, for this purpose, the mere fact that a Counterparty Bankruptcy Event has occurred or that the Swap Counterparty is subject to an insolvency or analogous event shall not, of itself, constitute reasonable grounds), the Issuer may prior to any payment made under this Master Condition 15(a): (i) require to be indemnified and/or secured and/or pre-funded to its satisfaction in respect of any payment that might be required to be made to the Swap Counterparty should the relevant determination or determinations be found or agreed to be incorrect, and/or (ii) make such retention as seems reasonable to it in order to provide for any payments that might be required to be made by or on behalf of the Issuer should the relevant calculations or determinations be found or agreed to be incorrect.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

If, following the Initial Issuer Application Date, the Issuer receives any sum from the Mortgaged Property, the Issuer shall send a notice to the Trustee, the Issuing and Paying Agent, the Disposal Agent (where there is one) and the Swap Counterparty of the same as soon as is reasonably practicable upon receiving any such sum.”

- (II) The provisions of Master Condition 15(b) (*Application of Available Proceeds of Enforcement of Security*) shall, for the purpose of the Notes, be replaced with the following:

“Application of Available Proceeds of Enforcement of Security: Subject to and in accordance with the terms of the Security Documents, with effect from the date on which any valid Enforcement Notice is effectively delivered by the Trustee following the occurrence of an Enforcement Event, the Trustee will hold the Available Proceeds received by it under the Trust Deed on trust to apply them as they stand on each Trustee Application Date as follows:

- (i) first, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty’s Credit Support Balance (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount (as determined by the Swap Counterparty or the party responsible for determining such amounts under the Swap Agreement and such amount being a **“CSB Return Amount”**) equal to the lesser of (A) the Available Proceeds (B) the value of the Swap Counterparty’s Credit Support Balance that was used in determining the Early Termination Amount payable under the Swap Agreement and (C) the value of the amounts owing to the Swap Counterparty under the Swap Agreement, if any, which shall be deemed to be zero if no such amounts are owing (the excess of the value defined in (C) above the value defined in (B), if any, the **“Remaining Swap Counterparty Claim Amount”**) shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of any taxes owing by the Issuer;
- (iii) thirdly, in payment or satisfaction of any fees, costs, charges, expenses and liabilities of the Trustee or any receiver in preparing and executing the trusts under the Trust Deed (including any taxes required to be paid, legal fees, the cost of realising any Security and the Trustee’s remuneration);
- (iv) fourthly, *pari passu*, in payment of (I) any amounts owing to the Custodian for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement relating to sums receivable on or in respect of the relevant Collateral, (II) any amounts owing to the Issuing and Paying Agent for reimbursement in respect of payments properly made by it in accordance with the terms of the Agency Agreement to any person in discharge of a Secured Payment Obligation and (III) any fees, costs, charges, expenses and liabilities then due and payable to the Agents under the Agency Agreement;
- (v) fifthly, in payment or satisfaction of any Disposal Agent Fees;
- (vi) sixthly, *pari passu* in payment of any amounts owing to the Swap Counterparty under the Swap Agreement (which, to the extent that a CSB Return Amount has been paid to the Swap Counterparty, shall be limited to the Remaining Swap Counterparty Claim Amount), provided that where:
 - (1) the Swap Agreement has not been subject to a designation or occurrence of an Early Termination Date; and
 - (2) in addition to amounts owing to the Swap Counterparty under the Swap Agreement there are also amounts that are owed by the Swap Counterparty under the Swap Agreement and which remain unpaid or there are obligations that were required to be settled by delivery from the Swap Counterparty to the Issuer and which have not been so settled,

there shall be no payment to the Swap Counterparty under this limb and no payment to any person ranking junior to the Swap Counterparty under this Master Condition 15(b) until

such time as an Early Termination Date has been designated or occurred and the Termination Payment determined;

- (vii) seventhly, *pari passu* in payment of (I) any Early Redemption Amount then due and payable, (II) any Final Redemption Amount then due and payable and/or (III) any interest or Instalment Amount that became due and payable on the Maturity Date and that remains due and payable, as applicable, and, in each case, any interest accrued thereon (which, for the avoidance of doubt, shall include Default Interest) to the holders of Notes; and
- (viii) eighthly, in payment rateably of the Residual Amount to the holders of Notes.

Any Secured Creditor that has a claim in respect of more than one Secured Payment Obligation may rank differently in respect of each Secured Payment Obligation.

If the amount of moneys available to the Trustee for payment in respect of the Notes under this Master Condition 15(b) at any time following delivery by the Trustee of an Enforcement Notice in accordance with the Conditions, other than where the Mortgaged Property has been exhausted, amount to less than 10 per cent. of the nominal amount of the Notes then outstanding, the Trustee shall not be obliged to make any payments under this Master Condition 15(b) and may, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under the Trustee's control and available for such payment, amount to at least 10 per cent. of the nominal amount of the Notes then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable taxes) shall be applied as specified in this Master Condition 15(b)."

4 Additional Redemption Event: Early Redemption following a Trigger Event

The following Additional Redemption Event shall apply to the Notes for the purposes of Master Condition 8(i) (*Redemption following an Additional Redemption Event*):

"Redemption following a Trigger Event

Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, if the Calculation Agent determines that a Trigger Event has occurred and gives notice of such determination to the Issuer (copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) pursuant to the Swap Agreement (the date of such determination being the **"Trigger Event Determination Date"**), then:

- (i) except as specified in paragraph (v) below, no payments of principal or interest (including, but not limited to, the Final Redemption Amount) shall be made from (and including) the Trigger Event Determination Date (and, for the avoidance of doubt, interest shall be deemed to have ceased to accrue from and including the immediately preceding Interest Payment Date or, if no such immediately preceding Interest Payment Date, the Interest Commencement Date);
- (ii) within the period of five Business Days commencing on the Trigger Event Determination Date the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with an Early Redemption Notice addressed to the Noteholders, on its behalf) will give an Early Redemption Notice to the Noteholders and attach to that a copy of the notice delivered by the Calculation Agent with respect to the Trigger Event Determination Date;
- (iii) the Trigger Event Determination Date shall be the **"Early Redemption Trigger Date"**;
- (iv) the Value of the Original Collateral, and the Swap Value shall be determined on a Business Day falling within the period of five Business Days commencing on the Early Redemption Trigger Date (the date upon which all such values are determined being the **"Trigger Event Valuation Date"**);

- (v) each Note will be redeemed on the Cash Settlement Date by payment to each Noteholder of its Early Cash Redemption Amount, irrespective of whether the Trigger Event is continuing on such date; and
- (vi) for the avoidance of doubt, the Early Redemption Notice referred to in sub-paragraph (ii) above may be delivered after the Trigger Event Valuation Date and shall be for the sole purposes of notifying Noteholders that a Trigger Event has occurred.”

5 Additional Redemption Event: Early Redemption following a Collateral Event

The following Additional Redemption Event shall apply to the Notes for the purposes of Master Condition 8(i) (*Redemption following an Additional Redemption Event*):

“Redemption following a Collateral Event

Provided that no Early Redemption Trigger Date or Early Redemption Date has occurred pursuant to any other Condition, if the Calculation Agent determines that a Collateral Event has occurred with respect to any Original Collateral and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) pursuant to the Swap Agreement (the date of such determination being the “**Collateral Event Determination Date**”), then:

- (i) except as specified in paragraph (iv) below, no payments of principal or interest (including, but not limited to, the Final Redemption Amount) shall be made from (and including) the Collateral Event Determination Date (and, for the avoidance of doubt, interest shall be deemed to have ceased to accrue from and including the immediately preceding Interest Payment Date or, if no such immediately preceding Interest Payment Date, the Interest Commencement Date);
- (ii) within the period of five Business Days commencing on the Collateral Event Determination Date the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with an Early Redemption Notice addressed to the Noteholders, on its behalf) will give an Early Redemption Notice to the Noteholders (the date of such notice to the Noteholders being the “**Early Redemption Trigger Date**”), including a description in reasonable detail of the facts relevant to such determination, by attaching to such Early Redemption Notice a copy of the notice delivered by the Calculation Agent with respect to the Collateral Event Determination Date or the information provided therein;
- (iii) the Value of the Original Collateral and the Swap Value shall be determined on a Business Day falling within the period of five Business Days commencing on the Early Redemption Trigger Date (the date upon which all such values are determined being the “**Collateral Event Valuation Date**”); and
- (iv) each Note will be redeemed on the Cash Settlement Date by payment to each Noteholder of its Early Cash Redemption Amount, irrespective of whether the relevant Collateral Event is continuing on such date.”

6 Reduction following a Credit Event with respect to any Long CDS Reference Entity

Provided that no Early Redemption Date has occurred and subject to paragraph 6(viii) below, if the Calculation Agent determines that a Credit Event Determination Date has occurred with respect to any Long CDS Reference Entity (each, an “**Affected Reference Entity**”) on or prior to the Scheduled Maturity Date, then the following provisions shall apply:

- (i) in all cases, from and including the Interest Payment Date immediately preceding the Credit Event Determination Date (or the Interest Commencement Date if the Credit Event Determination Date

occurs prior to the first Interest Payment Date) the Long CDS Cashflow Amount shall be reduced by an amount equal to the Affected Reference Entity Amount;

- (ii) subject to paragraph 6(iii) below, Auction Settlement shall apply where a Credit Event Determination Date has occurred pursuant to paragraph (ii) of the definition of Credit Event Determination Date (as a result of a DC Credit Event Announcement), for which purpose “**Auction Settlement**” means that the following shall occur:
 - (a) within the period of five Business Days commencing on a DC Credit Event Announcement, the Calculation Agent will give notice to the Issuer (copied to the Issuing and Paying Agent, the Swap Counterparty and the Trustee) and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders that a Credit Event Determination Date has occurred as a result of a DC Credit Event Announcement and that the Long CDS Cashflow Amount has been reduced by the Affected Reference Entity Amount (the date of such notice to the Noteholders being a “**Credit Event Notification Date**”);
 - (b) if the Credit Event Determination Date results from a Relevant Restructuring (as defined in paragraph 6(ix) below) and the Swap Counterparty has elected under the Swap Transaction in respect of the Long CDS Transaction an exercised percentage (an “**Exercised Percentage**”) that it wishes to apply in respect of the Relevant Restructuring and such Affected Reference Entity, which shall be no greater than the relevant Remaining Exercisable Percentage and deemed to be the relevant Remaining Exercisable Percentage if a greater percentage is elected, then:
 - (x) an Exercised Percentage must, when multiplied by the Initial Principal Amount, be equal to (i) EUR 1,000,000 or an integral multiple thereof or (ii) the Long CDS Cashflow Amount; and
 - (y) such Exercised Percentage shall be taken into account when applying the remaining provisions of this paragraph 6(ii);
 - (c) the Leveraged Loss Amount, the Required Collateral Amount, the Original Collateral Affected Portion (in accordance with paragraph 6(iv) below) and the Recovery Amount will be determined for such Affected Reference Entity within the period of seven Business Days commencing on the relevant Auction Final Price Determination Date (the date upon which all such values are determined being the “**Auction Recovery Valuation Date**”) and the Disposal Agent shall then be required to effect a Liquidation of the Original Collateral Affected Portion in accordance with paragraph 6(v) below;
 - (d) the Aggregate Outstanding Principal Amount of the Notes shall be reduced by the nominal amount of the Original Collateral Affected Portion so Liquidated with effect from the date of Liquidation; and
 - (e) where a Recovery Amount in respect of the relevant Affected Reference Entity is payable to the Noteholders, the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders as soon as reasonably practicable of such Recovery Amount and an amount in respect of each Calculation Amount equal to the Recovery Amount divided by the Calculation Amount Quotient shall be payable on each Note on the fifth Business Day following the completion of such Liquidation (a “**Recovery Payment Date**”).

- (iii) Notwithstanding the foregoing, but subject to paragraph 6(viii) below, Cash Settlement shall apply instead of Auction Settlement if the Calculation Agent determines in its sole and absolute discretion that any of the following circumstances has occurred:

- (a) an Auction Cancellation Date;
- (b) a No Auction Announcement Date;
- (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event; or
- (d) a Credit Event Determination Date has occurred pursuant to paragraph (i) of the definition of Credit Event Determination Date (as a result of the delivery of a Credit Event Notice by the Calculation Agent to the Issuer),

for which purpose "**Cash Settlement**" means that the following shall occur:

- (I) within the period of five Business Days commencing on the date of the Calculation Agent's determination that one or more circumstances giving rise to Cash Settlement has occurred, the Calculation Agent will give notice to the Issuer (copied to the Issuing and Paying Agent, the Swap Counterparty and the Trustee) and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders that a Credit Event Determination Date has occurred and that the Long CDS Cashflow Amount has been reduced by the Affected Reference Entity Amount (the date of such notice to the Noteholders being a "**Credit Event Notification Date**");
- (II) if the Credit Event Determination Date results from a Relevant Restructuring (as defined in paragraph 6(ix) below) and the Swap Counterparty has elected under the Swap Transaction in respect of the Long CDS Transaction an exercised percentage (an "**Exercised Percentage**") that it wishes to apply in respect of the Relevant Restructuring and such Affected Reference Entity, which shall be no greater than the relevant Remaining Exercisable Percentage and deemed to be the relevant Remaining Exercisable Percentage a greater percentage is elected, then:
 - (x) an Exercised Percentage must, when multiplied by the Initial Principal Amount, be equal to (i) EUR 1,000,000 or an integral multiple thereof or (ii) the Long CDS Cashflow Amount; and
 - (y) such Exercised Percentage shall be taken into account when applying the remaining provisions of this paragraph 6(iii);
- (III) on or prior to the Valuation Obligation Valuation Date (as defined below), the Calculation Agent will give notice to the Noteholders (copied to the Trustee) identifying the Valuation Obligations (as defined in Section 6.5 of the Confirmation) of the Affected Reference Entity which the Calculation Agent reasonably expects will be used to calculate the Value of the Valuation Obligation(s) for the purposes of the Long CDS Transaction;
- (IV) the Value of the Valuation Obligations will be determined by the Calculation Agent within the period of 120 Business Days commencing on of the Credit Event Determination Date (the date of such determination being the "**Valuation Obligation Valuation Date**"), the Leveraged Loss Amount, the Required Collateral Amount, the Original Collateral Affected Portion (in accordance with paragraph 6(iv) below) and

the Recovery Amount will be determined for such Affected Reference Entity within the period of seven Business Days commencing on the Valuation Obligation Valuation Date (the date upon which all such values are determined being the “**Fallback Recovery Valuation Date**”) and the Disposal Agent shall then be required to effect a Liquidation of the Original Collateral Affected Portion in accordance with paragraph 6(v) below);

- (V) the Aggregate Outstanding Principal Amount of the Notes shall be reduced by the nominal amount of the Original Collateral Affected Portion so Liquidated with effect from the date of Liquidation; and
 - (VI) where a Recovery Amount in respect of the relevant Affected Reference Entity is payable to the Noteholders, the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders as soon as reasonably practicable of such Recovery Amount and an amount in respect of each Calculation Amount equal to the Recovery Amount divided by the Calculation Amount Quotient shall be payable on each Note on the fifth Business Day following the Completion of such Liquidation (a “**Recovery Payment Date**”).
- (iv) For the purpose of determining the Original Collateral Affected Portion to be Liquidated in respect of an Affected Reference Entity, the following procedure will apply:
- (a) the Calculation Agent shall liaise with each of five dealers in the relevant market to determine the lowest principal amount of the Original Collateral (being an integer multiple of its tradable unit) that such dealer would need to purchase on the basis of that dealer’s all-in, firm executable bid price in EUR (the “**Required Collateral Amount**”) such that the price paid by that dealer would not be less than the value of (x) the Leveraged Loss Amount minus (y) the Affected Swap Gain (if any) or plus (z) the Affected Swap Loss (if any) (determined assuming that the Required Collateral Amount were the Original Collateral Affected Portion);
 - (b) if a dealer’s Required Collateral Amount is:
 - (I) less than or equal to the Available Original Collateral, then such Required Collateral Amount shall be a “**Liquidation Quotation Amount**” and the related all-in, firm executable bid price shall be a “**Liquidation Quotation Price**” (together, a “**Liquidation Quotation**”);
 - (II) greater than the Available Original Collateral, then the Calculation Agent shall instead request such dealer to provide an all-in, firm executable bid price in EUR to purchase the Available Original Collateral (such dealer’s bid price being a “**Fallback Quotation Price**” and a “**Fallback Quotation**”);
 - (c) the Disposal Agent shall effect any Liquidation pursuant to paragraph 6(v) below by:
 - (I) where one or more Liquidation Quotations are obtained, transacting with the dealer that has specified the lowest Liquidation Quotation Amount, provided that (x) if more than one Liquidation Quotation has the same lowest Liquidation Quotation Amount, then such Liquidation Quotation having the highest Liquidation Quotation Price shall be used and (y) if more than one such Liquidation Quotation has the same highest Liquidation Quotation Price, the Disposal Agent shall determine in its sole discretion which of the dealers providing such Liquidation Quotations to transact with; and

- (II) where no Liquidation Quotation is obtained but one or more Fallback Quotations are obtained, transacting with the dealer that has specified the highest Fallback Quotation Price, provided that if more than one such Fallback Quotation has the same highest Fallback Quotation Price, the Disposal Agent shall determine in its sole discretion which of the dealers providing such Fallback Quotations to transact with; and
- (d) the “**Original Collateral Affected Portion**” to be Liquidated shall equal:
 - (I) the Liquidation Quotation Amount where the Disposal Agent transacts with a dealer that has provided a Liquidation Quotation; or
 - (II) the principal amount of the Available Original Collateral where the Disposal Agent transacts with a dealer that has provided a Fallback Quotation.
- (v) The Calculation Agent shall notify the Issuer and the Disposal Agent of the relevant Original Collateral Affected Portion determined pursuant to paragraph 6(ii) or 6(iii) and 6(iv) above, and the Disposal Agent shall effect a Liquidation of the Original Collateral Affected Portion (each, a “**Recovery Liquidation**”) as soon as practicable following the Auction Recovery Valuation Date or the Fallback Recovery Valuation Date, as applicable, as if a Liquidation Commencement Notice had been given under the Conditions, but on the basis of transacting with the relevant dealers in accordance with paragraph 6(iv) rather than in accordance with the process set out in Master Condition 13(b) where:
 - (a) in accordance with the terms of the Trust Deed and Master Condition 5(d) (*Disposal Agent’s right following Liquidation Event*), the Security shall be released without further action on the part of the Trustee to the extent necessary for the Disposal Agent to effect the Liquidation of the relevant Original Collateral Affected Portion;
 - (b) the Disposal Agent is instructed to apply the realised proceeds from such Liquidation (less any Liquidation Expenses) (X) first, towards payment to the Swap Counterparty on behalf of the Issuer of the corresponding Party B Additional Payment Amount due under the Swap Transaction and (Y) secondly, towards payment to the Issuing and Paying Agent on behalf of the Issuer to be applied towards payment to the Noteholders of any Recovery Amount, in each case subject to the terms of the Agency Agreement; and
 - (c) in accordance with the Master Conditions, the Original Collateral (and, therefore, Collateral) shall be reduced by the nominal amount of the Original Collateral Affected Portion so Liquidated with effect from the date of Recovery Liquidation.
- (vi) Notwithstanding any Early Redemption Trigger Date having occurred pursuant to any other Condition, if prior to the Early Redemption Date or Cash Settlement Date (as the case may be) resulting therefrom the Calculation Agent determines that a Credit Event Determination Date has occurred with respect to any Long CDS Reference Entity, then this paragraph 6 (*Reduction following a Credit Event*) shall be taken into account for the purposes of determining the Post-Event Amount or Termination Payment used to calculate the Early Cash Redemption Amount.
- (vii) Resolutions of the relevant Credit Derivatives Determinations Committee or the Index Sponsor that are, in the sole discretion of the Calculation Agent, relevant to the Notes or which would be applicable to any Hypothetical Transaction shall be binding on the Issuer and the Noteholders, regardless of any other determination that may be made by the Calculation Agent. Such resolutions may, *inter alia*, have the effect under the Notes that, without any further act or determination on the part of the Issuer:
 - (a) a Credit Event is deemed to have occurred;

- (b) one or more Successors to any Reference Entity are determined; and
 - (c) if a Credit Event Determination Date occurs and an Auction is held, the Leveraged Loss Amount or the Protection Payment Amount is determined by reference to the Auction Final Price.
- (viii) The following provisions shall apply for the purpose of determining whether a Credit Event Determination Date has occurred:
- (a) no Credit Event Determination Date will occur as a result of the Calculation Agent giving a Credit Event Notice if, on or prior to the date of the Credit Event Notice, either a DC Credit Event Announcement or DC No Credit Event Announcement has occurred in respect of the Reference Entity to which such Credit Event Notice relates;
 - (b) if a Credit Event Determination Date has occurred (either as a result of a DC Credit Event Announcement or the Calculation Agent giving a Credit Event Notice) and prior to the related Auction Recovery Valuation Date, Fallback Recovery Valuation Date or Valuation Obligation Valuation Date (as applicable) ISDA publicly announces (as a DC No Credit Event Announcement or otherwise) that a Credit Derivatives Determinations Committee has Resolved that the relevant event that gave rise to such Credit Event Determination Date does not constitute the Credit Event with respect to the Affected Reference Entity or Protected Reference Entity or the respective Obligation thereof, then:
 - (I) such previously determined Credit Event Determination Date shall be deemed not to have occurred; and
 - (II) the Calculation Agent shall determine the necessary adjustments (if any) to be made to the Conditions of the Notes to reflect the interest that should otherwise have been payable had the Credit Event Determination Date not been determined in the first place (which adjustments may include additional amounts payable by the Issuer to Noteholders or a reduction in future interest and or principal payments payable by the Issuer to Noteholders);
 - (c) if a Credit Event Determination Date has occurred as a result of the Calculation Agent giving a Credit Event Notice and prior to the related Fallback Recovery Valuation Date or Valuation Obligation Valuation Date (as applicable) (x) ISDA publicly announces that a Credit Derivatives Determinations Committee will be convened to determine whether or not a Credit Event has occurred with respect to the relevant Reference Entity and (y) the Calculation Agent determines that the subject matter (including the specific Credit Event) of such Credit Derivatives Determinations Committee's consideration is substantially the same as the subject matter (including the specific Credit Event) of the Credit Event Notice (a **"Relevant CDDC Convention"**), then:
 - (I) any such Fallback Recovery Valuation Date or Valuation Obligation Valuation Date (as applicable) shall be postponed until the Credit Derivatives Determinations Committee has either (x) Resolved not to determine whether or not the event constitutes a Credit Event or (y) a DC Credit Event Announcement or DC No Credit Event Announcement has occurred (and no additional payments shall be due to Noteholders as a result of such postponement);
 - (II) if the Credit Derivatives Determinations Committee Resolves not to determine whether or not the event constitutes a Credit Event or a DC Credit Event Announcement occurs, then the Fallback Recovery Valuation Date or Valuation Obligation Valuation Date (as applicable) shall occur on the second Business Day following the date on which the Calculation Agent learns of such Resolution or DC

Credit Event Announcement and the other provisions of paragraph 6 or paragraph 7 of this Schedule 1 shall be construed accordingly; and

- (III) if a DC No Credit Event Announcement occurs, then (x) such previously determined Credit Event Determination Date shall be deemed not to have occurred and (y) the Calculation Agent shall determine the necessary adjustments (if any) to be made to the Conditions of the Notes to reflect the interest that should otherwise have been payable had the Credit Event Determination Date not been determined in the first place (which adjustments may include additional amounts payable by the Issuer to Noteholders or a reduction in future interest and or principal payments payable by the Issuer to Noteholders); and
- (d) if a Credit Event Determination Date has occurred as a result of the Calculation Agent giving a Credit Event Notice and a Relevant CDDC Convention occurs on or following the related Fallback Recovery Valuation Date or Valuation Obligation Valuation Date (as applicable), then for the avoidance of doubt the provisions of paragraph 6 or paragraph 7 of this Schedule 1 shall apply without adjustment as a result of this sub-paragraph 6(viii).
- (ix) If a Credit Event Determination Date occurs as a result of a Restructuring Credit Event in respect of which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified to be applicable in the Confirmation (a "**Relevant Restructuring**"), then the Swap Counterparty may elect to trigger such Credit Event in one or more Exercised Percentages.

If the Swap Counterparty has notified the Issuer within the period of three Business Days commencing on the initial Credit Event Notification Date of an Exercised Percentage that is less than 100%, then the Swap Counterparty may subsequently specify one or more further Exercised Percentages in respect of such Restructuring (in each case not exceeding the Remaining Exercisable Percentage) by giving notice to the Issuer (copied to the Issuing and Paying Agent and the Calculation Agent) at any time prior to the Maturity Date. In such circumstances, the Swap Counterparty's notice shall be deemed to have been a Credit Event Notice that has triggered a Credit Event Determination Date on the date of delivery, for which purpose Cash Settlement will apply in accordance with paragraph 6(ii) above. The Aggregate Outstanding Principal Amount and any Recovery Amount shall be determined separately in respect of each such Exercised Percentage for the Affected Reference Entity.

7 Payment following a Credit Event with respect to any Short CDS Reference Entity

Provided that no Early Redemption Date has occurred, if the Calculation Agent determines that a Credit Event Determination Date has occurred with respect to any Short CDS Reference Entity (each, a "**Protected Reference Entity**") on or prior to the Scheduled Maturity Date, then the following provisions shall apply:

- (i) in all cases, from and including the relevant Credit Event Determination Date, the Short CDS Cashflow Amount shall be reduced by an amount equal to the Protected Reference Entity Amount;
- (ii) subject to paragraph 7(iii) below, Auction Settlement shall apply where a Credit Event Determination Date has occurred pursuant to paragraph (ii) of the definition of Credit Event Determination Date (as a result of a DC Credit Event Announcement), for which purpose "**Auction Settlement**" means that the following shall occur:
 - (a) within the period of five Business Days commencing on a DC Credit Event Announcement, the Calculation Agent will give notice to the Issuer (copied to the Issuing and Paying Agent, the Swap Counterparty and the Trustee) and the Issuer (or the Issuing and Paying Agent,

having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders that a Credit Event Determination Date has occurred as a result of a DC Credit Event Announcement and that the Short CDS Cashflow Amount has been reduced by the Protected Reference Entity Amount (the date of such notice to the Noteholders being a “**Credit Event Notification Date**”);

- (b) if the Credit Event Determination Date results from a Relevant Restructuring (as defined in paragraph 6(ix) above which applies *mutatis mutandis* to a Credit Event Determination Date in respect of a Protected Reference Entity) and the Swap Counterparty has elected under the Swap Transaction in respect of the Short CDS Transaction an exercised percentage (an “**Exercised Percentage**”) that it wishes to apply in respect of the Relevant Restructuring and such Protected Reference Entity, which shall be no greater than the relevant Remaining Exercisable Percentage and deemed to be the relevant Remaining Exercisable Percentage if a greater percentage is elected, then:
 - (x) an Exercised Percentage must, when multiplied by the Initial Principal Amount, be equal to (i) EUR 1,000,000 or an integral multiple thereof or (ii) the Short CDS Cashflow Amount; and
 - (y) such Exercised Percentage shall be taken into account when applying the remaining provisions of this paragraph 7(ii);
 - (c) the Protection Payment Amount will be determined for such Protected Reference Entity within the period of two Business Days commencing on the relevant Auction Final Price Determination Date; and
 - (d) Noteholders shall be paid an amount in respect of each Calculation Amount being equal to the Protection Payment Amount divided by the Calculation Amount Quotient on the fifth Business Day following the relevant Auction Final Price Determination Date (such date, the “**Protection Payment Date**”).
- (iii) Notwithstanding the foregoing, but subject to paragraph 6(viii) above, Cash Settlement shall apply instead of Auction Settlement if the Calculation Agent determines in its sole and absolute discretion that any of the following circumstances has occurred:
- (a) an Auction Cancellation Date;
 - (b) a No Auction Announcement Date;
 - (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event; or
 - (d) a Credit Event Determination Date has occurred pursuant to paragraph (i) of the definition of Credit Event Determination Date (as a result of the delivery of a Credit Event Notice by the Calculation Agent to the Issuer),

for which purpose “**Cash Settlement**” means that the following shall occur:

- (I) within the period of five Business Days commencing on the date of the Calculation Agent’s determination that one or more circumstances giving rise to Cash Settlement has occurred, the Calculation Agent will give notice to the Issuer (copied to the Issuing and Paying Agent, the Swap Counterparty and the Trustee) and the Issuer (or the Issuing and Paying Agent, having been supplied by the Issuer or the Calculation Agent with a notice addressed to the Noteholders, on its behalf) will give notice to the Noteholders that a Credit Event

Determination Date has occurred in respect of a Short CDS Reference Entity Amount (the date of such notice to the Noteholders being a **“Credit Event Notification Date”**);

- (II) if the Credit Event Determination Date results from a Relevant Restructuring (as defined in paragraph 6(ix) above which applies *mutatis mutandis* to a Credit Event Determination Date in respect of a Protected Reference Entity) and the Swap Counterparty has elected under the Swap Transaction in respect of the Short CDS Transaction an exercised percentage (an **“Exercised Percentage”**) that it wishes to apply in respect of the Relevant Restructuring and such Protected Reference Entity, which shall be no greater than the relevant Remaining Exercisable Percentage and deemed to be the relevant Remaining Exercisable Percentage if a greater percentage is elected, then:
 - (x) an Exercised Percentage must, when multiplied by the Initial Principal Amount, be equal to (i) EUR 1,000,000 or an integral multiple thereof or (ii) the Short CDS Cashflow Amount; and
 - (y) such Exercised Percentage shall be taken into account when applying the remaining provisions of this paragraph 7(iii);
 - (III) on or prior to the Valuation Obligation Valuation Date (as defined below), the Calculation Agent will give notice to the Noteholders (copied to the Trustee) identifying the Valuation Obligations (as defined in Section 6.5 of the Confirmation) of the Protected Reference Entity which the Calculation Agent reasonably expects will be used to calculate the Value of the Valuation Obligation(s) for the purposes of the Short CDS Transaction;
 - (IV) the Value of the Valuation Obligations will be determined by the Calculation Agent within the period of 120 Business Days commencing on the Credit Event Determination Date (the date of such determination being the **“Valuation Obligation Valuation Date”**), the Protection Payment Amount will be determined for such Affected Reference Entity within the period of two Business Days commencing on the Valuation Obligation Valuation Date; and
 - (V) Noteholders shall be paid an amount in respect of each Calculation Amount being equal to the Protection Payment Amount divided by the Calculation Amount Quotient on the fifth Business Day following the relevant Valuation Obligation Valuation Date (such date, the **“Protection Payment Date”**).
- (iv) Notwithstanding any Early Redemption Trigger Date having occurred pursuant to any other Condition, if prior to the Early Redemption Date or Cash Settlement Date (as the case may be) resulting therefrom the Calculation Agent determines that a Credit Event Determination Date has occurred with respect to any Short CDS Reference Entity on or prior to the Short CDS Scheduled Termination Date, such event shall be taken into account for the purposes of determining the Post-Event Amount or Termination Payment used to calculate the Early Cash Redemption Amount.
 - (v) The provisions of paragraphs 6(viii) and (ix) shall apply *mutatis mutandis* to a Credit Event Determination Date in respect of a Protected Reference Entity.
 - (vi) For the avoidance of doubt, there shall be no Liquidation of any Original Collateral pursuant to this paragraph 7 and neither the Aggregate Outstanding Principal Amount of the Notes nor the Original Collateral shall be reduced.

8 Alternative Early Redemption

Notwithstanding Conditions 8(d) (*Redemption for Taxation Reasons*), 8(f) (*Redemption for Termination of Swap Agreement*), 8(h) (*Redemption following an Illegality Event*), or 8(j) (*Redemption following the*

occurrence of an Event of Default) (each, a “**Programme Event**” and together, the “**Programme Events**”), any of the Additional Redemption Events specified in paragraphs 4 and 5 above or Condition 1(a) (*Definitions*), but subject always to paragraph 9 (*Liquidation Fallback*) of this Schedule 1 below, the occurrence of an Early Redemption Trigger Date in respect of any of the Programme Events or the Additional Redemption Events shall not constitute a Liquidation Event for the purposes of Condition 13 (*Liquidation*) and the following shall apply to the redemption of the Notes:

- (i) if an Early Redemption Trigger Date occurs in respect of any of the Programme Events:
 - (A) the Value of the Original Collateral and the Swap Value shall be determined:
 - (I) in the case of a Programme Event which occurs pursuant to Conditions 8(d) (*Redemption for Taxation Reasons*), 8(f) (*Redemption for Termination of Swap Agreement*) and 8(h) (*Redemption in part following an Illegality Event*), as soon as reasonably practicable following the determination by the Issuer or the Calculation Agent acting on its behalf that the relevant Programme Event has occurred; or
 - (II) in the case of a Programme Event which occurs pursuant to Condition 8(j) (*Redemption in part following the occurrence of an Event of Default*), on a Business Day falling within the period of ten Business Days commencing on the Early Redemption Trigger Date,

(in each case, the “**Programme Event Valuation Date**”); and
 - (B) each Note will be redeemed on the Cash Settlement Date by payment to each Noteholder of the Early Cash Redemption Amount, irrespective of whether the relevant Programme Event is continuing; and
- (i) if an Early Redemption Trigger Date occurs in respect of an Additional Redemption Event, the provisions of paragraphs 3 or 4 (as the case may be) of this Schedule 1 above shall apply.

9 Liquidation Fallback

If:

- (i) an Early Redemption Trigger Date occurs in respect of Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*); or
- (ii) an Early Redemption Trigger Date has occurred pursuant to any other Condition but, prior to the delivery by the Issuer of any Original Collateral and any Original Collateral Proceeds to the Swap Counterparty in connection therewith, the Issuer is directed by an Extraordinary Resolution that a Counterparty Bankruptcy Credit Event has occurred; or
- (iii) an Early Redemption Trigger Date occurs in respect of Condition 8(f) (*Redemption for Termination of Swap Agreement*) where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either the Issuer or the Swap Counterparty,

then the provisions of Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*) or Condition 8(f) (*Redemption for Termination of Swap Agreement*), as the case may be, and Condition 13 (*Liquidation*) will take precedence and thereafter govern the redemption of the Notes (in the case of paragraph (ii) above, as if the previous Early Redemption Trigger Date had not occurred).

10 Suspension of Payments

If the Calculation Agent determines that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event prior to determining the actual occurrence of a Collateral Event, no payment of principal or interest shall be made by the Issuer in respect of the Notes during the Suspension Period (as defined in the Swap Agreement). If, at any time during the Suspension Period,

the Calculation Agent determines that a Collateral Event has occurred or has given a Credit Event Notice or a DC Credit Event Announcement has occurred, then the provisions of the Additional Redemption Event (*Redemption following a Collateral Event*) or paragraph 6 (*Reduction following a Credit Event*) of Schedule 1 to these Issue Terms, as applicable, shall apply. If, on the final Business Day of the Suspension Period, no such determination has been made then the balance of the principal or interest that would otherwise have been payable in respect of the Notes shall be due on the second Business Day after such final Business Day of the Suspension Period. Noteholders or Couponholders shall not be entitled to a further payment as a consequence of the fact that such payment of such principal or interest is postponed pursuant to this paragraph 8. If no such determination has been made and the Maturity Date would otherwise fall within the Suspension Period, it shall be postponed until the second Business Day following the end of the Suspension Period.

Notwithstanding the foregoing, if the Calculation Agent determines that the circumstances giving rise to such potential Collateral Event have been remedied (if possible) or no longer exist prior to the end of the applicable grace period such that no related Collateral Event has occurred, then the Issuer shall make any payments that would otherwise have been payable in respect of the Notes on the second Business Day following the date on which the Calculation Agent makes such determination and the Suspension Period shall be deemed to have ceased. Noteholders or Couponholders shall not be entitled to a further payment as a consequence of the fact that such payment of such principal or interest is postponed pursuant to this paragraph. In determining whether a payment failure has (or may have) occurred, the Calculation Agent may rely on evidence of non-receipt of funds.

11 Maturity Date Extension

If at any time prior to the Scheduled Maturity Date the Calculation Agent reasonably believes that the Termination Date under the Swap Agreement would fall after the Scheduled Maturity Date, then the Maturity Date and/or the payment of interest and principal (if applicable) under the Notes will be postponed and will be paid on the date (the “**Extended Maturity Date**”) falling five Business Days after the Termination Date of the Swap Agreement. The Calculation Agent shall notify the Issuing and Paying Agent of any such postponement and the Issuing and Paying Agent (having been instructed by the Issuer) will give notice to the Noteholders of such extension, which shall include details of the Extended Maturity Date.

In the event of an extension of the Maturity Date in accordance with this paragraph, the Final Redemption Amount in respect of each Note shall only be payable on the Maturity Date (as postponed). Interest shall accrue on the unpaid Final Redemption Amount at the EONIA Rate determined in respect of each TARGET Settlement Day by the Calculation Agent from (and including) the Scheduled Maturity Date up to (but excluding) the Maturity Date (as postponed) and be payable on the Maturity Date (as postponed).

12 Determination of Value

Where the Value of the Valuation Obligations or Value of the Original Collateral (each, a “**Value**”) is required to be determined by the Calculation Agent in respect of a Valuation Date by reference to applicable Quotations:

- (i) if four or more Quotations are obtained, the Calculation Agent shall disregard the highest and lowest quotations and the Value shall be the arithmetic mean of the remaining Quotations provided that (a) if more than one Quotation has the same highest or lowest value, then one of such Quotations shall be disregarded unless (b) all Quotations have the same value, in which case two of such Quotations shall be disregarded;
- (ii) if three Quotations are obtained, the Calculation Agent shall disregard the highest and lowest Quotations and the Value shall be the remaining Quotation, provided that (a) if two Quotations

- have the same highest or lowest value, then one of such Quotations shall be disregarded and (b) if three Quotations have the same value, then two of such Quotations shall be disregarded; and
- (iii) if two or fewer Quotations are obtained, the Value shall be determined by the Calculation Agent acting in a commercially reasonable manner.

13 Original Collateral

For the purposes of this Series of Notes only, “**Original Collateral**” shall be construed to include any Original Collateral that is transferred by the Issuer to the Swap Counterparty pursuant to the Credit Support Annex but to exclude any Original Collateral Liquidated pursuant to a Recovery Liquidation.

SCHEDULE 2 TO THE ISSUE TERMS - ADDITIONAL DEFINITIONS

The following words and expressions shall be deemed to be inserted in Master Condition 1(a) (*Definitions*) in the correct alphabetical order:

“Affected Reference Entity” has the meaning given in paragraph 6 of Schedule 1 to these Issue Terms;

“Affected Reference Entity Amount” means, in respect of an Affected Reference Entity, an amount equal to the product of (x) the Long CDS Cashflow Amount of the Notes as at the Observation Start Date (being EUR 100,000,000), (y) the Repurchased Note Factor and (z) the Reference Entity Weighting of the relevant Affected Reference Entity, provided that where an Affected Reference Entity results from a Relevant Restructuring in respect of which the Swap Counterparty has elected one or more Exercised Percentage(s) of less than 100 per cent., for the purpose of this definition the Reference Entity Weighting of such Affected Reference Entity on each relevant Credit Event Determination Date shall be multiplied by the corresponding Exercised Percentage;

“Affected Swap Gain” means (i) where the Affected Swap Value would be payable to the Issuer, the absolute value of the Affected Swap Value, or (ii) otherwise, zero;

“Affected Swap Loss” means (i) where the Affected Swap Value would be payable to the Swap Counterparty, the absolute value of the Affected Swap Value, or (ii) otherwise, zero;

“Affected Swap Value” means, for the purposes of the Auction Recovery Valuation Date or Fallback Recovery Valuation Date, an amount determined by the Calculation Agent in EUR equal to the Early Termination Amount (as defined in the Swap Agreement) of the Swap Agreement (but excluding any Unpaid Amounts relating to the Credit Support Balance of either the Issuer or the Swap Counterparty under the Credit Support Annex) that would be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer, under the Swap Agreement upon a termination of the Swap Agreement (excluding the Long CDS Transaction and the Short CDS Transaction) on the Auction Recovery Valuation Date or Fallback Recovery Valuation Date, as applicable. Such Early Termination Amount shall be determined on the basis that:

- (i) the Swap Counterparty is not the Affected Party;
- (ii) the Base Currency is EUR;
- (iii) the notional amount of Notes and of Original Collateral shall be deemed to be equal to the nominal amount of the Original Collateral Affected Portion;
- (iv) the Swap Counterparty's claim to any Early Termination Amount payable by the Issuer shall be limited to the prevailing market value of the proportion of the Mortgaged Property at that time that corresponds to the Original Collateral Affected Portion and the CDS Value;
- (v) for the purpose of determining the Affected Swap Value (I) the Calculation Agent shall not take into account the Long CDS Transaction or the Short CDS Transaction; and (II) any Interest Amounts comprising Party A Payments shall exclude the Aggregate Fixed Amounts (nor any Party A Additional Payment Amounts, Party A Additional Recovery Amounts or Party B Additional Payment Amounts); and
- (vi) the Calculation Agent is the Determining Party and Section 6(e)(ii)(1) of the Swap Agreement applies but without reference to Section 6(e)(ii)(3) thereof;

“Aggregate Outstanding Principal Amount” means, with respect to any day, an amount equal to:

- (i) the Initial Principal Amount of the Notes multiplied by the Repurchased Note Factor; minus

- (ii) the aggregate of the Original Collateral Affected Portions calculated by the Calculation Agent up to that day,

in each case on such day;

“Auction” has the meaning given to it in the relevant Credit Derivatives Auction Settlement Terms;

“Auction Cancellation Date” means the date on which an Auction is deemed to be cancelled pursuant to the Credit Derivatives Auction Settlement Terms with respect to the Reference Entity;

“Auction Final Price” means the price, expressed as a percentage, determined to be the Auction Final Price with respect to the Reference Entity under the relevant CDS Transaction pursuant to the relevant Credit Derivatives Auction Settlement Terms;

“Auction Final Price Determination Date” means the day, if any, on which the Auction Final Price is determined pursuant to the Credit Derivatives Auction Settlement Terms with respect to the Reference Entity;

“Available Original Collateral” means, on any day, the sum of the remaining Original Collateral standing to the credit of the Custody Account plus any Original Collateral then forming part of the Issuer’s Credit Support Balance under the Credit Support Annex;

“Calculation Amount Quotient” means, with respect to any day, the quotient of (i) (a) the Initial Principal Amount of the Notes minus (b) the sum of the original nominal amounts of all Notes that have been surrendered for repurchase pursuant to the Repurchase and Cancellation Agreement at any time on or prior to such day; and (ii) the Calculation Amount;

“Cash Settlement Date” means, in relation to any Trigger Event, Collateral Event or Programme Event, the day falling five Business Days after the Trigger Event Valuation Date, the Collateral Event Valuation Date or the Programme Event Valuation Date, as applicable;

“CDS Transaction” has the meaning given to such term in the Swap Agreement;

“Collateral Event” means:

- (i) the occurrence of an Original Collateral Call; or
- (ii) the occurrence of an Original Collateral Default; or
- (iii) in respect of any Original Collateral, a failure to make a scheduled payment;

“Collateral Event Valuation Date” has the meaning given to such term in the Additional Redemption Event specified in paragraph 5 of Schedule 1 to these Issue Terms;

“Confirmation” means the confirmation dated 7 May 2014 evidencing the Swap Transaction between the Issuer and the Swap Counterparty in relation to the Notes;

“Credit Derivatives Auction Settlement Terms” means the senior Credit Derivatives Auction Settlement Terms published by International Swaps and Derivatives Association, Inc. (“ISDA”), in accordance with the Rules, with respect to any Reference Entity (which may be amended in accordance with the Rules from time to time) for which the Calculation Agent has determined, in its sole discretion, that the provisions for establishing what obligations may constitute Deliverable Obligations are substantially the same as the provisions in the Swap Agreement for establishing what obligations may constitute Valuation Obligations (and if the Calculation Agent determines that such provisions are substantially the same then the Credit Derivatives Auction Settlement Terms shall be deemed to be applicable for the purpose of Auction Settlement hereunder);

“Credit Derivatives Definitions” has the meaning given to it in the Swap Agreement and to the extent necessary for the purposes of interpreting the Credit Derivatives Definitions “Trade Date” (as used in and by such definitions) means the Observation Start Date;

“Credit Derivatives Determinations Committees” means the committees from time to time established by ISDA for the purposes of reaching certain resolutions with respect to credit derivative transactions (which would include the Hypothetical Transaction) as more fully described in the applicable Credit Derivatives Determinations Committee Rules set out as an annex to the 2009 ISDA Credit Determinations Committees, Auction Settlement and Restructuring Supplement to the 2003 ISDA Credit Derivatives Definitions, as amended from time to time in accordance with the terms thereof (the **“Rules”**);

“Credit Event” has the meaning, with respect to each CDS Transaction, given to it in the Swap Agreement;

“Credit Event Determination Date” means, subject as provided in paragraph 6 of Schedule 1 to these Issue Terms (*Reduction following a Credit Event with respect to any Long CDS Reference Entity*) and paragraph 7 of Schedule 1 to these Issue Terms (*Payment following a Credit Event with respect to any Short CDS Reference Entity*), either:

- (i) the date on which a Credit Event Notice is given by the Calculation Agent to the Issuer (and copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty); or
- (ii) if a DC Credit Event Announcement has occurred, the date of such DC Credit Event Announcement;

“Credit Event Notice” means a notice of the occurrence of a Credit Event (irrespective of whether it is continuing), describing the Credit Event and giving Publicly Available Information in respect of such Credit Event, given by the Calculation Agent to the Issuer (and copied to the Issuing and Paying Agent, the Trustee and the Swap Counterparty) at the election of the Calculation Agent and in its sole and absolute discretion at any time prior to the Maturity Date;

“Credit Event Resolution Request Date” means the date, as publicly announced by ISDA, to be the date that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which a notice delivered to ISDA requesting that a Credit Derivatives Determinations Committee be convened to determine whether or not a Credit Event has occurred (and, if so, the date of the occurrence of such event) with respect to the Reference Entity was effective and the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to such resolutions. Such a notice may, but need not, be delivered to ISDA by the Issuer or the Swap Counterparty or any of its affiliates;

“DC Credit Event Announcement” means a public announcement by ISDA which the Calculation Agent determines in its sole and absolute discretion would be a DC Credit Event Announcement (as defined in the Credit Derivatives Definitions) for the purposes of any Reference Entity and the relevant Hypothetical Transaction;

“DC No Credit Event Announcement” means a public announcement by ISDA which the Calculation Agent determines in its sole and absolute discretion would be a DC No Credit Event Announcement (as defined in the Credit Derivatives Definitions) for the purposes of any Reference Entity and the relevant Hypothetical Transaction;

“EONIA Rate” means in respect of any TARGET Settlement Day a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on the Reuters Screen EONIA page (or any successor screen page or information source) in respect of that day, or any successor rate in respect thereof;

“Fallback Quotation” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Fallback Quotation Price” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Hypothetical Transaction” means a hypothetical credit derivative transaction between the Issuer (as **“Buyer”** in respect of the Long Reference Entities and **“Seller”** in respect of the Short Reference Entities) and a hypothetical Noteholder (as **“Seller”** in respect of the Long Reference Entities and **“Buyer”** in respect of the Short Reference Entities) which incorporates the Credit Derivatives Definitions and which is otherwise on such terms as may be determined by the Calculation Agent to provide to the Issuer substantially similar rights and remedies with respect to the Reference Entities as are provided under the Notes. A Hypothetical Transaction is used only for the purposes of determining whether resolutions of a Credit Derivatives Determinations Committee (including as to the holding of Auctions) will be binding on the Noteholders;

“Index” means either the Long CDS Index or Short CDS Index;

“Index Publisher” means Markit Group Limited, or any replacement thereto appointed by the Index Sponsor for the purposes of officially publishing the Index;

“Index Sponsor” means International Index Company Ltd., or any successor thereto;

“Issuer CSA Interest Amount” means the amount (if any) of the Interest Amount (as defined in the Credit Support Annex) that the Issuer is obliged to transfer to the Swap Counterparty as a result of the Notes falling due for redemption;

“Leveraged Loss Amount” means, with respect to an Affected Reference Entity and any date, an amount determined by the Calculation Agent equal to the greater of (i) zero and (ii) the product of (a) the Affected Reference Entity Amount, and (b) 100 per cent. minus either (x) the Auction Final Price or (y) if Cash Settlement applies, the Value of the Valuation Obligations, as applicable, provided that such Leveraged Loss Amount may be adjusted where, pursuant to Section 2.2(a) of the Credit Derivatives Definitions and Section 6.2 of the Confirmation, one or more Successors are identified in relation to the Reference Entity. For the purposes of determining the Auction Final Price or the Value of the Valuation Obligations (as the case may be), the Long CDS Transaction shall be treated as having been Triggered by Seller (as defined in the Credit Derivatives Definitions);

“Liquidation Quotation” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Liquidation Quotation Amount” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Liquidation Quotation Price” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Long CDS Index” means iTraxx® Europe Series 21, Version 1;

“Long CDS Reference Entity” means each of the Reference Entities forming the Long CDS Index, as of the Observation Start Date as set out in the Long CDS Relevant Annex, subject to the provisions set out in the Confirmation for the Long CDS Transaction. In the event of any inconsistency between the list of Long CDS Reference Entities shown in Annex 4 to the Confirmation and the Long CDS Relevant Annex published by the Index Sponsor as at the Observation Start Date, the Long CDS Relevant Annex published by the Index Sponsor shall prevail;

“Long CDS Relevant Annex” means the list for the Long CDS Index as published by the Index Publisher and set out as of the Observation Start Date in Annex 4 to the Confirmation or from the Markit website at:

<http://www.markit.com/assets/en/docs/products/data/indices/credit-index-annexes/iTraxx%20Europe%20Series%2021.pdf>;

“Long CDS Scheduled Termination Date” means 20 June 2024;

“Long CDS Transaction” means the credit derivative transaction entered into between the Issuer (as **“Seller”**) and the Swap Counterparty (as **“Buyer”**), on the terms set out in the Confirmation, pursuant to which Seller sells credit protection to Buyer in respect of the Long CDS Index; such transaction having the terms set out in the Confirmation forming part of the Swap Agreement;

“No Auction Announcement Date” means the date on which ISDA first publicly announces that (i) no Credit Derivatives Auction Settlement Terms will be published with respect to the Reference Entity and the relevant Credit Event, (ii) Credit Derivatives Auction Settlement Terms will be published with respect to the Reference Entity and the relevant Credit Event, but they shall not be deemed applicable for the purpose of Auction Settlement hereunder (as determined in accordance with the definition of Credit Derivatives Auction Settlement Terms), or (iii) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to the Reference Entity and the relevant Credit Event following a prior public announcement by ISDA to the contrary;

“Observation Start Date” means 28 March 2014;

“Original Collateral Affected Portion” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Original Collateral Obligor” means each issuer of the Original Collateral from time to time;

“Programme Event Valuation Date” has the meaning given to such term in paragraph 8 of Schedule 1 to these Issue Terms;

“Protection Payment Amount” means, in respect of a Protected Reference Entity, an amount determined by the Calculation Agent within the period of two Business Days commencing on the Auction Final Price Determination Date (or the Valuation Obligation Valuation Date) to be equal to the product of (i) the Protected Reference Entity Amount and (ii) 100 per cent. minus either (x) the Auction Final Price or (y) if Cash Settlement applies, the Value of the Valuation Obligations, as applicable, in respect of the Short CDS Transaction. For the purposes of determining the Auction Final Price or the Value of the Valuation Obligations (as the case may be), the Short CDS Transaction shall be treated as having been triggered by Buyer;

“Protected Reference Entity Amount” means, in respect of a Protected Reference Entity, an amount equal to the product of (x) the Short CDS Cashflow Amount of the Notes as at the Observation Start Date (being EUR 10,000,000), (y) the Repurchased Note Factor and (z) the Reference Entity Weighting of the relevant Protected Reference Entity, provided that where a Protected Reference Entity results from a Relevant Restructuring in respect of which the Swap Counterparty has elected one or more Exercised Percentage(s) of less than 100 per cent., for the purpose of this definition the Reference Entity Weighting of such Protected Reference Entity on each relevant Credit Event Determination Date shall be multiplied by the corresponding Exercised Percentage;

“Publicly Available Information” has the meaning given to it in the Swap Agreement as a result of its incorporating the Credit Derivatives Definitions (and, as used in such definition, Buyer and Seller shall have the meanings given to them in the Swap Agreement and references therein to Credit Derivative Transaction shall be construed as references to the Swap Agreement);

“Recovery Amount” means, in respect of a Recovery Liquidation effected for an Affected Reference Entity, an amount determined by the Calculation Agent within the period of three Business Days commencing on such Recovery Liquidation being completed to be equal to the greater of :

- (i) zero; and
- (ii) (x) the realised proceeds from such Recovery Liquidation (less any Liquidation Expenses) plus the Affected Swap Gain (if any) minus the Affected Swap Loss (if any);
minus
(y) the Leveraged Loss Amount;

“Reference Entity” means each of the Short CDS Reference Entities and the Long CDS Reference Entities;

“Reference Entity Weighting” means, in respect of a Reference Entity, the percentage weighting specified in respect of such Reference Entity set out in Annex 3 or Annex 4, as applicable, to the Confirmation or in the applicable Relevant Annex (and in the event of any inconsistency between Annex 3 or Annex 4 and the applicable Relevant Annex, such Relevant Annex shall prevail), subject to adjustment by the Calculation Agent under the Swap Agreement in accordance with paragraph 6.2 of the Confirmation where one or more Successors are identified in relation to a Reference Entity;

“Relevant Annex” means either the Long CDS Relevant Annex or Short CDS Relevant Annex;

“Relevant Restructuring” has the meaning given to such term in paragraph 6(ix) of Schedule 1 to the Issue Terms;

“Remaining Exercisable Percentage” means, with respect to an Affected Reference Entity or Protected Reference Entity resulting from a Restructuring Credit Event, 100 per cent. minus the sum of all Exercised Percentages previously elected by the Swap Counterparty pursuant to paragraphs 6 or 7 of Schedule 1 to the Issue Terms in respect of such Affected Reference Entity or Protected Reference Entity, as applicable;

“Repurchased Note Factor” means, with respect to any day, a fraction (expressed as a decimalised fraction) with:

- (i) a numerator equal to (a) the Initial Principal Amount of the Notes minus (b) the sum of the nominal amounts of all Notes that have been surrendered for repurchase pursuant to the Repurchase and Cancellation Agreement at any time on or prior to such day; and
- (ii) a denominator equal to the Initial Principal Amount of the Notes;

“Required Collateral Amount” has the meaning given to such term in paragraph 6(iv) of Schedule 1 to these Issue Terms;

“Resolve” has the meaning given to it in the Rules, and **“Resolved”** and **“Resolves”** shall be construed accordingly;

“Rules” has the meaning given to it in the definition of Credit Derivatives Determinations Committees;

“Short CDS Index” means iTraxx® Europe Crossover Series 21, Version 1;

“Short CDS Reference Entity” means each of the Reference Entities forming the Short CDS Index, as of the Observation Start Date as set out in the Short CDS Relevant Annex, subject to the provisions set out in the Confirmation for the Short CDS Transaction. In the event of any inconsistency between the list of Short CDS Reference Entities shown in Annex 3 to the Confirmation and the Short CDS Relevant Annex published by the Index Sponsor as at the Observation Start Date, the Short CDS Relevant Annex published by the Index Sponsor shall prevail;

“Short CDS Relevant Annex” means the list for the Short CDS Index as published by the Index Publisher and set out as of the Observation Start Date in Annex 3 to the Confirmation or from the Markit website at:

<http://www.markit.com/assets/en/docs/products/data/indices/credit-index-annexes/iTraxx%20Europe%20Series%2021.pdf>

“Short CDS Scheduled Termination Date” means 20 June 2019;

“Short CDS Transaction” means the credit derivative transaction entered into between the Issuer (as **“Buyer”**) and the Swap Counterparty (as **“Seller”**), on the terms set out in the Confirmation, pursuant to which Seller sells credit protection to Buyer in respect of the Short CDS Index, such transaction having the terms set out in the Confirmation forming part of the Swap Agreement;

“Suspension Period” has the meaning given to it in Section 6.1 of the Confirmation;

“Swap Agreement” means the Master Agreement together with the Confirmation;

“Triggered” has the meaning given to it in the Rules (in effect as at the Trade Date);

“Trigger Event” means the Value of the Original Collateral plus the Swap Gain (if any) or minus the Swap Loss (if any) is equal to or less than the Trigger Level;

“Trigger Event Valuation Date” has the meaning given to such term in the Additional Redemption Event specified in paragraph 4 of Schedule 1 to these Issue Terms;

“Trigger Level” means, at any time, the product of (x) 50 per cent., and (y) the value of the Initial Principal Amount less the sum of the initial nominal amount of all Notes that have been surrendered for repurchase pursuant to the Repurchase and Cancellation Agreement;

“Valuation Date” means any of the Trigger Event Valuation Date, the Collateral Event Valuation Date or the Programme Event Valuation Date, as applicable;

“Valuation Obligation” has the meaning given to it in Section 6.5 of the Confirmation;

“Valuation Obligation Valuation Date” has the meaning given to such term in paragraph 5 of Schedule 1 to these Issue Terms; and

“Value of the Valuation Obligations” means, if Cash Settlement applies (pursuant to paragraph 6 of Schedule 1 to these Issue Terms), the value of the Valuation Obligations consequent upon a Credit Event Determination Date, determined in accordance with paragraph 12 of Schedule 1 to these Issue Terms (*Determination of Value*), for which purpose, the Calculation Agent shall request each of five dealers in the relevant market to provide its all-in bid price expressed as a percentage of par (for the purpose of the value of the Valuation Obligations, a **“Quotation”**) in EUR to purchase the Reference Amount (as defined in the Swap Agreement) of the Valuation Obligations, on the Valuation Obligation Valuation Date. Notwithstanding the foregoing, if Cash Settlement applies (pursuant to paragraph 6 of Schedule 1 to these Issue Terms), but on or prior to the Valuation Obligation Valuation Date the Calculation Agent determines that an Auction has taken place in respect of the Reference Entity and an Auction Final Price has been determined pursuant to such Auction, then the Calculation Agent may in its sole discretion determine that the Value of the Valuation Obligations shall be such Auction Final Price.

**SCHEDULE 3 TO THE ISSUE TERMS -
FORM OF CONFIRMATION OF SWAP TRANSACTION**

Demeter Investments B.V.
(having its corporate seat ("*statutaire zetel*") in Amsterdam, the Netherlands)
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

7 May 2014

Dear Sirs

Confirmation of swap transaction relating to Demeter Investments B.V.'s Series 2014-6 EUR 20,000,000 Credit-linked Notes due 2021

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the swap transaction entered into between Party A and Party B (each as defined below) on the Trade Date specified below (the "**Transaction**"). This Confirmation constitutes a "**Confirmation**" as referred to in the Agreement specified below.

- 1** Words and expressions used, but not otherwise defined herein, shall have the same meaning ascribed to them in the Terms and Conditions of Demeter Investments B.V.'s Series 2014-6 EUR 20,000,000 Credit-linked Notes due 2021 (the "**Notes**").

The definitions and provisions contained in the 2006 ISDA Definitions (the "**2006 Definitions**") and the 2003 ISDA Credit Derivatives Definitions as supplemented by the 2009 ISDA Credit Derivatives Determinations Committees, Auction Settlement and Restructuring Supplement to the such Definitions (published on 14 July 2009), each as published by the International Swaps and Derivatives Association, Inc. (as so supplemented, the "**Credit Derivatives Definitions**") are incorporated into this Confirmation. In the event of any inconsistency between those definitions, the 2006 Definitions will govern and in any case in the event of any inconsistency between those definitions and the provisions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to, the 2002 ISDA Master Agreement and Schedule dated as of 7 May 2014 as amended and supplemented from time to time (the "**Agreement**") between Party A and Party B. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

In this Confirmation, "**Party A**" means Credit Suisse International and "**Party B**" means Demeter Investments B.V. To the extent necessary for the purpose of interpreting the Credit Derivatives Definitions as used herein, for the purposes of the Long CDS Transaction Party A shall be the "**Buyer**" and Party B shall be the "**Seller**" and for the purposes of the Short CDS Transaction Party A shall be the "**Seller**" and Party B shall be the "**Buyer**".

References in Part 5(o) of the Schedule to the Agreement to "Confirmation" shall be construed as a reference to this Confirmation only and, for the avoidance of doubt, shall not include the Credit Support Annex.

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

Trade Date	:	28 March 2014. For the avoidance of doubt, the date of execution of the OTC derivative contract evidenced by this Confirmation for the
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purposes of Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR**") is the Effective Date and, consequently, any obligations relating to the timely confirmation of derivatives contracts arising under Article 11 of EMIR will arise from the Effective Date.

Effective Date	:	7 May 2014
Termination Date	:	15 January 2021 (the " Expected Termination Date "), subject to paragraphs 6 and 7 below and provided that where the Transaction is to terminate upon the transfer to the Swap Counterparty of Original Collateral in accordance with paragraphs 3 and 4 below, the Termination Date shall be the date on which such transfer is made.
Original Collateral	:	EUR 20,000,000 in principal amount of the 3.875 per cent. notes due 14 January 2021 of Orange SA (ISIN: XS0563306314).
Party A Payment Amounts	:	Subject to the provisions set out in paragraph 4 below, Party A shall pay to Party B an amount equal to the aggregate of each Interest Amount payable in EUR by Party B in respect of the Notes on the Business Day immediately preceding the relevant Interest Payment Date in respect of the Notes and, unless the Notes have fallen due for redemption in full prior to the Maturity Date, an amount equal to the Final Redemption Amount payable by Party B in respect of the Notes on the Business Day immediately preceding the relevant Maturity Date of the Notes.
Party A Additional Payment Amounts	:	Subject to the provisions set out in paragraph 4 below, Party A shall pay to Party B an amount equal to any Protection Payment Amount determined in respect of a Protected Reference Entity under the terms of the Short CDS Transaction. Party A Additional Payment Amounts shall be paid one Business Day prior to the relevant Protection Payment Date.
Party A Additional Recovery Amounts	:	Subject to the provisions set out in paragraph 4 below, where the Aggregate Loss Amount is negative, Party A shall pay to Party B an amount equal to the absolute value of such Aggregate Loss Amount. Party A Additional Recovery Amounts shall be paid one Business Day prior to the relevant Recovery Payment Date.
Party B Payment Amounts	:	Subject to the provisions set out in paragraph 4 below, Party B shall pay to Party A an amount equal to the Available Amount (as defined in paragraph 6.5 below) payable in respect of the Original Collateral (including any Original Collateral that was transferred by Party B to Party A pursuant to the Credit Support Annex that comprises part of Party B's Credit Support Balance, but excluding any Original Collateral that is the subject of a Recovery Liquidation with effect from the date of Liquidation) on the relevant Original Collateral Payment Date in the currency in which the Available Amount is due to be paid. Party B Payment Amounts shall be paid one Business Day following each Original Collateral Payment Date falling in the period from and including the Effective Date to and including the Termination Date.

Party B Additional Payment Amounts		Subject to the provisions set out in paragraph 4 below, where the Aggregate Loss Amount is positive, Party B shall pay to Party A an amount equal to the lesser of (x) such Aggregate Loss Amount and (y) the remaining realised proceeds from the relevant Liquidation less any Liquidation Expenses that are available to the Disposal Agent in respect of payment of this amount. The Party B Additional Payment Amounts shall be paid one Business Day following the date on which the relevant Liquidation has been completed.
Original Collateral Payment Dates	:	Each day on which a payment in respect of interest and/or principal is due to be made in respect of the Original Collateral.
Business Days	:	London, TARGET and Original Collateral Principal Trading Centre.
Original Collateral Principal Trading Centre	:	A TARGET Settlement Day or, if the Calculation Agent under the Notes determines at any time that one or more different principal trading centre(s) apply to the relevant currency of the Original Collateral, such centre(s) as shall be notified by the Calculation Agent to the Issuer and the Paying Agent (and the definition of Business Day shall be construed accordingly).
Calculation Agent	:	<p>Party A, whose determinations and calculations will be binding in the absence of manifest error.</p> <p>Section 1.14 of the Credit Derivatives Definitions shall apply with respect to the Credit Event Provisions set out in paragraph 4 below, but the Calculation Agent shall have no obligation to consult with the parties, notwithstanding the provisions of such Section 1.14. Section 4.14 of the 2006 Definitions shall apply with respect to the responsibilities of the Calculation Agent other than with respect to the Credit Event Provisions set out in paragraph 4 below but the Calculation Agent shall have no obligation to consult with the parties notwithstanding the provisions of such Section 4.14.</p> <p>In the event of any inconsistency between Section 1.14 of the Credit Derivatives Definitions or Section 4.14 of the 2006 Definitions and the provisions of this Confirmation, the provisions of this Confirmation shall prevail.</p>

3 Early Redemption of the Notes

- 3.1** If the Notes fall due for redemption pursuant to Condition 8(d) (*Redemption for Taxation Reasons*), Condition 8(f) (*Redemption for Termination of Swap Agreement*) (save where the Swap Termination Event has occurred as a result of an Event of Default under the Swap Agreement in respect of either Party A or Party B), Condition 8(h) (*Redemption following an Illegality Event*) or Condition 8(j) (*Redemption following the occurrence of an Events of Default*) then, subject as provided below:
- (a) no further Party A Payment Amounts, Party A Additional Payment Amounts, Party A Additional Recovery Payment Amounts, Party B Payment Amounts or Party B Additional Payment Amounts shall be payable by either Party A or Party B as from the date on which the Issuer became aware of the occurrence of the relevant Programme Event; and
 - (b) settlement shall take place as contemplated under the provisions set out in paragraph 8 of Schedule 1 to the Issue Terms (*Alternative Early Redemption*) and, two Business Days prior to the Cash Settlement Date for such redemption (i) Party B shall deliver to Party A (i) the Original Collateral and any cash relating thereto (including any Original Collateral

Proceeds) in relation to the Notes; (ii) Equivalent Credit Support and Equivalent Distributions under the Credit Support Annex such that the Credit Support Balance of Party A under the Credit Support Annex is reduced to zero (each term as defined in the Credit Support Annex) and (iii) the Issuer CSA Interest Amount (if any) and on the Business Day falling immediately prior to the Cash Settlement Date for such redemption, Party A shall pay the relevant Early Cash Redemption Amount to Party B, following which this Transaction shall terminate and no further amount shall be payable by either party to the other.

- 3.2 The parties agree that upon a termination of this Transaction in accordance with paragraph 3.1, no Return Amount shall thereafter be due from Party A pursuant to the Credit Support Annex and any portion of the Original Collateral or Original Collateral Proceeds, as applicable, that has been previously transferred to Party A under the Credit Support Annex shall be deemed to have been delivered by Party B, but without prejudice to any other amount that may be due to be paid or delivered by one party to the other pursuant to the Credit Support Annex.

4 Credit Event Provisions

- 4.1 On the Effective Date Party A and Party B shall be deemed to have entered into the credit derivative transactions referencing the Short CDS Index and the Long CDS Index evidenced by the forms of confirmation set out in Annex 1 (the “**Short CDS Transaction**”) and in Annex 2 (the “**Long CDS Transaction**”) and, together with the Short CDS Transaction, each a “**CDS Transaction**”), subject to the following:
- 4.1.1 the parties agree that Party A’s obligation to pay the Fixed Amounts in respect of the Long CDS Transaction, and Party B’s obligation to pay the Fixed Amounts in respect of the Short CDS Transaction are included in the calculation of the Party A Payment Amounts and accordingly Party A’s payment of each Party A Payment Amount will discharge *pro tanto* its obligation to pay the relevant Fixed Amount under the Long CDS Transaction (after netting off any obligation of Party B to pay the Fixed Amount due on the same day under the Short CDS Transaction);
- 4.1.2 the parties agree that if an Event Determination Date occurs (i) under the Long CDS Transaction, any Floating Amount payable by Party B to Party A under the Long CDS Transaction (i.e. any Leveraged Loss Amount) is taken into account in calculating the Party A Payment Amounts, Party A Additional Recovery Payment Amounts, Party B Payment Amounts or Party B Additional Payment Amounts (if any) or (ii) under the Short CDS Transaction, any Floating Amount payable by Party A to Party B under the Short CDS Transaction (i.e. any Protection Payment Amount) is taken into account in calculating the Party B Payment Amounts and Party A Additional Payment Amounts (if any), and no additional amounts shall be due from either Party A or Party B under the Long CDS Transaction or the Short CDS Transaction;
- 4.1.3 any Credit Event Notices shall be given by the Calculation Agent for the Notes, but for the purpose of determining the Auction Final Price and any Final Price, the Seller shall be deemed to have delivered each Credit Event Notice under the Long CDS Transaction (and therefore the Long CDS Transaction shall be treated as having been Triggered by Seller) and Buyer shall be deemed to have delivered each Credit Event Notice under the Short CDS Transaction (and therefore the Short CDS Transaction shall be treated as having been Triggered by Buyer); and
- 4.1.4 any Exercise Amount (corresponding to an Exercised Percentage for the Notes) shall be determined by Party A acting in its sole discretion.

- 4.2 If the Calculation Agent under the Notes is required to determine any necessary adjustments to the Conditions of the Notes in accordance with paragraph 6(viii) of Schedule 1 to the Issue Terms as a result of a Credit Event Determination Date being determined not to have occurred, the Calculation Agent under this Transaction shall make corresponding amendments to the terms of this Transaction (which amendments may include additional amounts being payable to Party B or a reduction in future payments payable by Party A).

5 Trigger Event and Collateral Event Provisions

Trigger Event : “**Trigger Event**” means the Value of the Original Collateral plus the Swap Gain (if any) or minus the Swap Loss (if any) is equal to or less than the Trigger Level.

Collateral Events : “**Collateral Event**” means:

- (a) the occurrence of an Original Collateral Default; or
- (b) the occurrence of an Original Collateral Call; or
- (c) in respect of any Original Collateral, a failure to make a scheduled payment.

For the purposes of the foregoing, an event may constitute a Collateral Event even if it occurred prior to the Issue Date of the Notes, provided that it occurred on or after the Observation Start Date.

If (i) the Calculation Agent determines that (i) Trigger Event or (ii) a Collateral Event has occurred (acting in its sole discretion) then, subject as provided below:

- (a) no further Party A Payment Amounts, Party B Payment Amounts or Party B Additional Payment Amounts shall be payable by either Party A or Party B as from (i) the Trigger Event Determination Date or (ii) the Collateral Event Determination Date, as applicable; and
- (b) settlement shall take place as contemplated under (i) the Additional Redemption Event specified in paragraph 4 of Schedule 1 to the Issue Terms (*Redemption following a Trigger Event*) or (ii) the Additional Redemption Event specified in paragraph 5 of Schedule 1 to the Issue Terms (*Redemption following a Collateral Event*) and, on the Cash Settlement Date, Party B shall deliver to Party A (i) the Original Collateral or the Original Collateral Proceeds, as applicable, and any cash arising therefrom in connection with the Notes; and (ii) Equivalent Credit Support and Equivalent Distributions under the Credit Support Annex such that the Credit Support Balance of Party A under the Credit Support Annex is reduced to zero (each term as defined in the Credit Support Annex) and the Issuer CSA Interest Amount (if any) and on the Business Day falling immediately prior to the Cash Settlement Date, Party A shall pay to Party B the Early Cash Redemption Amount, following which this Transaction shall terminate and no further amount shall be payable by either party to the other.

The parties agree that upon termination of this Transaction in accordance with this paragraph 5, no Return Amount shall thereafter be due from Party A pursuant to the Credit Support Annex and any portion of the Original Collateral, or Original Collateral Proceeds, as applicable, that has been previously transferred to Party A under the Credit Support Annex shall be deemed to have been delivered by Party B, but without prejudice to any other amount that may be due to be paid or delivered by one party to the other pursuant to the Credit Support Annex.

6 Other Provisions

6.1 Suspension of Payments

If the Calculation Agent determines that facts exist which may (assuming the expiration of any applicable grace period) amount to a Collateral Event (i) no payment shall be made by Party A under this Transaction for the period (the “**Suspension Period**”) of ten Business Days commencing on the date of such determination; and (ii) if the Termination Date would fall within the Suspension period, it shall be postponed until the second Business Day following the end of the Suspension Period. At any time during the Suspension Period, the Calculation Agent may determine that a Collateral Event has occurred. If, on the final Business Day of the Suspension Period, no such determination has been made, then two Business Days thereafter, (x) Party A shall pay the balance of any scheduled payment that was otherwise due by it under this Transaction and (y) such date shall be the Termination Date where it was postponed in accordance with paragraph (ii) above.

Notwithstanding the foregoing, if the Calculation Agent determines that the circumstances giving rise to such potential Collateral Event have been remedied (if possible) or no longer exist prior to the end of the applicable grace period such that no related Collateral Event has occurred, then Party A shall make any payments that would otherwise have been payable under this Transaction on the second Business Day following the date on which the Calculation Agent makes such determination and the Suspension Period shall be deemed to have ceased. In determining whether a payment failure has (or may have) occurred, Party A may rely on evidence of non-receipt of funds.

6.2 Credit Derivatives Definitions

- (a) Where, pursuant to the terms of a CDS Transaction, one or more Successors have been identified in relation to any Reference Entity, each such Successor will be a Reference Entity (a “**Successor Reference Entity**”) for the purposes of this Transaction in the context of the relevant CDS Transaction (and, for the avoidance of doubt, the original Reference Entity shall cease to be a Reference Entity except where it is a Successor Reference Entity) and the Calculation Agent shall be entitled to make such changes to the terms of the Transaction as it deems necessary (without consulting with the parties) to preserve the economic effects of the original Transaction prior to the Succession Event.
- (b) Section 2.30 of the Credit Derivatives Definitions shall apply to this Confirmation for the purpose of determining Substitute Reference Obligations, provided that the Calculation Agent shall have no obligation to consult with the parties, notwithstanding the provisions of such Section 2.30.
- (c) If any matter to be determined by the Calculation Agent hereunder has also been determined by the relevant Credit Derivatives Determinations Committee then the Calculation Agent may, in its sole discretion, make its determination or change any determination previously made by it so as to be consistent with the relevant determination of such Credit Derivatives Determinations Committee.
- (d) Notwithstanding Section 2.2(k) of the Credit Derivatives Definitions, for the purposes of the Transaction “Succession Event Notice” means a notice from the Calculation Agent to the Issuer and the Swap Counterparty that describes a Succession Event that occurred on or after the Succession Event Backstop Date and contains a description in reasonable detail of the facts relevant to such determination of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s).

- (e) If a Credit Event Determination Date occurs as a result of a Restructuring Credit Event in respect of which either "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" or "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified to be applicable, then Party A may elect to trigger such Credit Event in one or more Exercised Percentages.

Where Party A has notified Party B within the period of three Business Days commencing on the initial Recovery Trigger Date of an Exercised Percentage that is less than 100%, Party A may subsequently specify one or more further Exercised Percentages in respect of such Restructuring (in each case not exceeding the Remaining Exercisable Percentage) by giving notice to Party B (copied to the Issuing and Paying Agent and the Calculation Agent under the Notes) at any time prior to the Termination Date. In such circumstances, Party A's notice shall be deemed to have been a Credit Event Notice delivered by the Seller under the Long CDS Transaction and by the Buyer under the Short CDS Transaction which, in each case, has triggered a Credit Event Determination Date on the date of delivery in accordance with the Notes. The Aggregate Outstanding Principal Amount and the Recovery Amount shall be determined separately in respect of each such Exercised Percentage for the Affected Reference Entity.

6.3 Additional Termination Event

- (a) Item (i) of Part 1(n) of the Schedule shall be deleted in its entirety.
- (b) Item (ii) of Part 1(n) of the Schedule shall be deleted in its entirety and replaced with the following:
 - "(i) The occurrence of an Early Redemption Trigger Date (as defined in the Conditions of the relevant Series of Notes to which this Agreement relates) in respect of Condition 8(g) (*Redemption for a Counterparty Bankruptcy Credit Event*) under the relevant Series of Notes.
 - (ii) An Early Redemption Trigger Date has occurred pursuant to any other Condition but, prior to the delivery by Party B of any Original Collateral to Party A in connection therewith, Party B is directed by an Extraordinary Resolution that a Counterparty Bankruptcy Credit Event has occurred."

6.4 Notice of Trigger Events, Collateral Events and Credit Event Notices

If the Calculation Agent determines that a Trigger Event or a Collateral Event has occurred, it will notify the Issuer, the Swap Counterparty, the Issuing and Paying Agent and Trustee of this in accordance with the provisions of the Issue Terms of the Notes.

If the Calculation Agent delivers a Credit Event Notice in relation to the Reference Entity to the Issuer, it will send copies of such notice to the Swap Counterparty, Issuing and Paying Agent and Trustee.

6.5 Definitions

The following terms are defined below:

"Aggregate Loss Amount" means an amount equal to (x) any Leveraged Loss Amount determined in respect of an Affected Reference Entity plus (y) the Affected Swap Loss (if any), minus (z) the Affected Swap Gain (if any);

"Available Amount" means, in respect of any Original Collateral, the amount in respect of interest and/or principal scheduled to be paid (and in the currency in which it is scheduled to be paid) as at

the Observation Start Date (and, for the avoidance of doubt, any such amount scheduled to be paid shall not be net of any Deductions);

"Deductions" means an amount, determined by the Calculation Agent in its opinion, equal to the aggregate of (a) any amount withheld or deducted or required to be withheld or deducted from any amount in respect of interest and principal otherwise payable to Party B under the Original Collateral in respect of any taxes, fees, levies, duties, charges or assessments to the extent that the Original Collateral Obligor does not pay such additional amounts as would result in the receipt by Party B of such amounts (after it has discharged any such amount imposed, levied or assessed against it) as would have been received by Party B under the Original Collateral had no such withholding or deduction been imposed and (b) fees of any nature, in each case imposed, levied or assessed by or on behalf of any government, territory or taxing authority having jurisdiction over the Original Collateral Obligor or any governmental subdivision thereof on Party B relating to the Original Collateral and (c) any fees, taxes or duties imposed on Party B relating to the transfer of the Original Collateral and (d) any funding costs incurred by Party B in respect of (a), (b) and (c);

"Obligation" shall have the meaning given to it in the Credit Derivatives Definitions, in relation to which the following shall apply:

Obligation Category: In respect of each Reference Entity, Borrowed Money

Obligation Characteristics: In respect of each Reference Entity, None

All Guarantees: Applicable;

"Reference Amount" means the relevant Affected Reference Entity Amount;

"Reference Obligation" means the Reference Obligation(s), if any, set out opposite the relevant Reference Entity in the Relevant Annex, subject to Section 2.2(d) of the Credit Derivatives Definitions and Section 2.30 of the Credit Derivatives Definitions (in each case as modified by paragraph 6.2 of the Confirmation) and provided that if the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a Reference Entity in connection with a Succession Event, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) hereunder for such Reference Entity rather than applying the provisions of Sections 2.2(d) or 2.30 of the Credit Derivatives Definitions;

"Valuation Obligations" means, if Cash Settlement applies, (i) any Reference Obligation; and (ii) any obligation of a Reference Entity which (a) is described by the Valuation Obligation Category specified herein, and (b) has the Valuation Obligation Characteristics specified herein;

"Valuation Obligation Category" means, in respect of each Reference Entity, Bond or Loan; and

"Valuation Obligation Characteristics" are as follows in respect of each Reference Entity:

Assignable Loan;

Consent Required Loan;

Transferable;

Maximum Maturity: 30 years;

Not Bearer;

Specified Currency;

Not Contingent; and

Not Subordinated.

- 6.6** If this Transaction is terminated early pursuant to Section 6(b) of the Agreement, the Notes will become due for redemption pursuant to Condition 8(h) (*Redemption for Termination of Swap Agreement*) and the provisions of paragraph 3 above shall apply. Accordingly, notwithstanding the

designation of any day as the Early Termination Date, this Transaction shall terminate in accordance with such paragraph 3 above and no payments and deliveries shall be due other than those set out in such paragraph 3 above.

- 6.7** Party A hereby agrees to perform all the functions required of it, and Party B hereby agrees that Party A shall be entitled to exercise all rights expressed to be exercisable by Party A, under the terms of the Notes, including (but without limitation) making the calculations and determinations that it is required or entitled to make under the terms of the Notes and delivering the notices that it is required or entitled to deliver under the terms of the Notes. Party B agrees that all such calculations, determinations and deliveries of notices that are effected by Party A shall be conclusive for all purposes.
- 6.8** Party A and Party B hereby acknowledge and agree that the parties will be obliged to perform their obligations under the Transaction and irrespective of the existence or amount of their exposure to any Reference Entity and neither party shall be required to suffer any loss, liability or other detriment or to provide evidence of any loss, liability or detriment at any time in order to receive any amount which is expressed to be payable or deliverable to it under this Confirmation.
- 6.9** The Transaction is not intended to constitute, and neither party is treating it as, a contract of annuity, suretyship, insurance, guarantee or indemnity, and neither Party A nor Party B will assert any defence to payment or performance based on the allegation that the Transaction is a contract of annuity, suretyship, insurance, guarantee or indemnity.

7 Deferral of Termination Date

If on or before the Expected Termination Date, the Calculation Agent determines that after the Expected Termination Date an Event Determination Date may occur (assuming the Notes remained outstanding) in respect of a Credit Event in respect of a Long CDS Reference Entity taking place on or prior to the Expected Termination Date, then the Termination Date will be deferred to the later of:

- (a) the date falling 14 calendar days after the Expected Termination Date;
- (b) the date falling 1 calendar day following the latest date on which an Event Determination Date could be determined to have occurred in respect of the CDS Transaction under the Credit Derivatives Definitions, as determined by the Calculation Agent; and
- (c) where the Expected Termination Date has been postponed in accordance with paragraph 6.1 above, the date that is two Business Days following the final Business Day of the Suspension Period.

8 Account Details

Payments to Party A

The account with: Citibank, London (SWIFT: CITIGB2L)
Account No: 10403229
IBAN: GB40CITI185008104032
For the account of: Credit Suisse International, London (SWIFT: CSFPGB2L)

Payments to Party B

The account with: Deutsche Bank, Frankfurt (SWIFT: DEUTDEFF)
Account No: 9221292 00

For the account of:
Attention of:

The Bank of New York Mellon, Brussels (SWIFT: IRVTBEBB)
Corporate Trust, Demeter Inv. Series 2014-6, ISIN XS1053964810

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

Yours sincerely

CREDIT SUISSE INTERNATIONAL

By: _____

Name:

Title:

By: _____

Name:

Title:

Confirmed as of the date first written above.

DEMETER INVESTMENTS B.V.

By: _____

Name:

Title:

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ANNEX 1

SHORT CDS TRANSACTION

Party A and Party B agree that they have entered into a separate and independent Credit Derivative Transaction in respect of each Reference Entity listed in the Relevant Annex or any Successor to a Reference Entity either (a) in respect of which ISDA publicly announces on or following the earlier of the Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules or (b) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on or following the earlier of the Effective Date and the Trade Date (each, a “**Component Transaction**”). Each Component Transaction shall have the terms specified in this Confirmation and, subject to Paragraph 6.3 of this Confirmation, shall not be affected by any other Credit Derivative Transaction between Party A and Party B and shall operate independently of each other Component Transaction in all respects.

This Confirmation supplements, forms a part of, and is subject to, the 2002 ISDA Master Agreement and Schedule dated as of 7 May 2014, as amended and supplemented from time to time, between Party A and Party B (the Agreement). All provisions contained in, or incorporated by reference in, the Agreement shall govern this Confirmation except as expressly modified below.

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

1 GENERAL TERMS

Index:	iTraxx® Europe Crossover Series 21, Version 1
Index Sponsor:	International Index Company Ltd., or any successor thereto
Trade Date:	28 March 2014
Effective Date:	7 May 2014
Scheduled Termination Date:	20 June 2019
Original Notional Amount:	Initial Principal Amount multiplied by the Short CDS Factor (such Original Notional Amount being EUR 10,000,000 on Trade Date)
Floating Rate Payer:	Party A (the “ Seller ”)
Fixed Rate Payer:	Party B (the “ Buyer ”)
Reference Entity:	Subject to Paragraph 6.2 below, the relevant Reference Entity contained in the relevant Index and listed in the Relevant Annex, and any Successor to a Reference Entity either (a) in respect of which ISDA publicly announces on or following the earlier of the Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules or (b) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on

	or following the earlier of the Effective Date and the Trade Date.
Reference Obligation(s):	The Reference Obligation(s) (if any) set out opposite the relevant Reference Entity in the Relevant Annex, subject to Sections 2.2(d) and 2.30 of the Credit Derivatives Definitions and the following paragraph: If the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a Reference Entity in connection with a Succession Event, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) hereunder for such Reference Entity rather than applying the provisions of Sections 2.2(d) or 2.30 of the Credit Derivatives Definitions.
Calculation Agent:	Party A
Calculation Agent City:	London
Business Days:	London and TARGET Settlement Day
Business Day Convention:	Modified Following (which subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day)
Index Publisher	Markit Group Limited, or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the relevant Index.
Relevant Annex:	The Relevant Annex shall be the list for the relevant Index with the relevant Annex Date, as published by the Index Publisher (which can be accessed currently at http://www.markit.com).
Annex Date:	18 March 2014
All Guarantees:	Applicable
2 INITIAL PAYMENT	
Initial Payment Payer:	None
Initial Payment Amount:	None
3 FIXED PAYMENTS	
Fixed Rate Payer Calculation Amount:	The Floating Rate Payer Calculation Amount
Fixed Rate Payer Payment Dates:	The Initial CDS Period and thereafter each Interest Payment Date for the Notes.
Fixed Rate Payer Calculation Period:	Each Interest Accrual Period for the Notes.

Fixed Rate:	2.95 per cent. per annum.
Fixed Rate Day Count Fraction:	Actual/360.

4 FLOATING PAYMENT

Floating Rate Payer Calculation Amount:	An amount equal to (a) the Reference Entity Weighting multiplied by (b) the Original Notional Amount.
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Reference Entity Weighting:	The percentage set out opposite the relevant Reference Entity in the Relevant Annex, provided that the Reference Entity Weighting in respect of an Excluded Reference Entity shall be deemed to be zero.
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Notice of Publicly Available Information Condition to Settlement:	Applicable
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Excluded Reference Entity:	None
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Credit Events:	The following Credit Event(s) shall apply:
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Bankruptcy

Failure to Pay

Payment Requirement: USD 1,000,000

Restructuring

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable, provided that Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation shall not apply if the Reference Entity is specified as a "Subordinated Insurer" in the Relevant Annex.

Default Requirement: USD 10,000,000

Obligation(s):

(i) Obligation Category:	Borrowed Money
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(ii) Obligation Characteristics:	None
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5 SETTLEMENT TERMS

Settlement Method:	Auction Settlement
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Fallback Settlement Method:	Cash Settlement
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Settlement Currency:	The currency of denomination of the Floating Rate Payer Calculation Amount
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The calculation, quantities and timing of payment of any amount payable upon settlement of this Transaction is taken into account in the calculation of the Party A Payment Amounts and the Party B

Additional Payment Amounts and therefore shall not be payable under this Transaction, to the extent already paid under the Party A Payment Amounts or Party B Additional Payment Amounts. For the avoidance of doubt, for the purposes of determining the CDS Value, any Fixed Payments and Floating Payments payable under this Transaction shall be taken into account.

Any Credit Event Notices shall be given by the Calculation Agent for the Notes, but for the purpose of determining the Auction Final Price and any Final Price, the Seller shall be deemed to have delivered each Credit Event Notice under the Long CDS Transaction (and therefore the Long CDS Transaction shall be treated as having been Triggered by Seller) and Buyer shall be deemed to have delivered each Credit Event Notice under the Short CDS Transaction (and therefore the Short CDS Transaction shall be treated as having been Triggered by Buyer).

6 ADDITIONAL PROVISIONS

6.1 Merger of Reference Entity and Seller

Section 2.31 of the Credit Derivatives Definitions shall not apply.

6.2 Inconsistency between Relevant Annex and Index

In the event of any inconsistency between the Relevant Annex and the Index published by the Index Sponsor, the Relevant Annex shall govern.

6.3 Transfer and termination of Component Transactions

Without prejudice to the generality of Section 7 of the Agreement (as defined in the relevant Confirmation) and subject to Paragraph 6.3(b), the Component Transaction (or any part thereof) (the **"Relevant Component Transaction"**) may only be transferred (by way of assignment, novation or otherwise) or terminated prior to the Scheduled Termination Date together with an equal part of each other Component Transaction forming part of the Transaction of which the Relevant Component Transaction forms a part.

6.4 Amendment to Relevant Annex

The Relevant Annex will be deemed amended from time to time to reflect any modifications required under Section 2.2(d) and 2.30 of the Credit Derivatives Definitions (as amended hereby) and the "Reference Obligation(s)" provisions above.

6.5 STMicroelectronics NV

In the case of any Component Transaction where:

- (a) STMicroelectronics NV is the Reference Entity;
 - (a) the USD1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV is specified as a Valuation Obligation; and
 - (b) such Valuation Obligation is not immediately due and payable as of the date of valuation,
- the outstanding principal balance of such Valuation Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Valuation Obligation.

6.6 Additional representations

Each party shall be deemed, as of the Trade Date:

- (a) to represent to the other party that it is entering into the relevant Transaction (including each related Component Transaction) for investment, financial intermediation, hedging or other commercial purposes; and

- (b) to agree with the other party that, so long as either party has or may have any obligation to the other party under the relevant Transaction (including each related Component Transaction):

(1) Non-reliance

It is acting for its own account, and it has made its own independent decisions to enter into the Transaction (including each related Component Transaction) and as to whether such Transaction (including each related Component Transaction) are appropriate or proper for it based upon its own judgement and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into such Transaction (including each related Component Transaction); it being understood that information and explanations related to the terms and conditions of such Transaction (including each related Component Transaction) shall not be considered investment advice or a recommendation to enter into Transaction (including each related Component Transaction). It has not received from the other party any assurance or guarantee as to the expected results of such related Transaction (including each related Component Transaction).

(2) Evaluation and understanding

It is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction (including each related Component Transaction). It is also capable of assuming, and assumes, the financial and other risks of such Transaction (including each related Component Transaction).

(3) Status of parties

The other party is not acting as a fiduciary or an advisor for it in respect of the Transaction (including each related Component Transaction).

ANNEX 2

LONG CDS TRANSACTION

Party A and Party B agree that they have entered into a separate and independent Credit Derivative Transaction in respect of each Reference Entity listed in the Relevant Annex or any Successor to a Reference Entity either (a) in respect of which ISDA publicly announces on or following the earlier of the Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules or (b) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on or following the earlier of the Effective Date and the Trade Date (each, a “**Component Transaction**”). Each Component Transaction shall have the terms specified in this Confirmation and, subject to Paragraph 6.3 of this Confirmation, shall not be affected by any other Credit Derivative Transaction between Party A and Party B and shall operate independently of each other Component Transaction in all respects.

This Confirmation supplements, forms a part of, and is subject to, the 2002 ISDA Master Agreement and Schedule dated as of 7 May 2014, as amended and supplemented from time to time, between Party A and Party B (the Agreement). All provisions contained in, or incorporated by reference in, the Agreement shall govern this Confirmation except as expressly modified below.

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

1 GENERAL TERMS

Index:	iTraxx® Europe Series 21, Version 1
Index Sponsor:	International Index Company Ltd., or any successor thereto
Trade Date:	28 March 2014
Effective Date:	7 May 2014
Scheduled Termination Date:	20 June 2024
Original Notional Amount:	Initial Principal Amount Multiplied by the Long CDS Factor (such Original Notional Amount being EUR 100,000,000 on Trade Date)
Floating Rate Payer:	Party B (the “ Seller ”)
Fixed Rate Payer:	Party A (the “ Buyer ”)
Reference Entity:	Subject to Paragraph 6.2 below, the relevant Reference Entity contained in the relevant Index and listed in the Relevant Annex, and any Successor to a Reference Entity either (a) in respect of which ISDA publicly announces on or following the earlier of the Effective Date and the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules or (b) in the event that ISDA does not make such an announcement, identified by the Index Sponsor on or following the earlier of the Effective Date and the

Reference Obligation(s):	Trade Date. The Reference Obligation(s) (if any) set out opposite the relevant Reference Entity in the Relevant Annex, subject to Sections 2.2(d) and 2.30 of the Credit Derivatives Definitions and the following paragraph: If the Index Sponsor publishes a replacement Reference Obligation for a Reference Entity or one or more Reference Obligation(s) for a Reference Entity in connection with a Succession Event, the Calculation Agent shall select such Reference Obligation(s) as the Reference Obligation(s) hereunder for such Reference Entity rather than applying the provisions of Sections 2.2(d) or 2.30 of the Credit Derivatives Definitions.
Calculation Agent:	Party A
Calculation Agent City:	London
Business Days:	London and TARGET Settlement Day
Business Day Convention:	Modified Following (which subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day)
Index Publisher	Markit Group Limited, or any replacement therefor appointed by the Index Sponsor for purposes of officially publishing the relevant Index.
Relevant Annex:	The Relevant Annex shall be the list for the relevant Index with the relevant Annex Date, as published by the Index Publisher (which can be accessed currently at http://www.markit.com).
Annex Date:	18 March 2014
All Guarantees:	Applicable
2 INITIAL PAYMENT	
Initial Payment Payer:	None
Initial Payment Amount:	None
3 FIXED PAYMENTS	
Fixed Rate Payer Calculation Amount:	The Floating Rate Payer Calculation Amount
Fixed Rate Payer Payment Dates:	Each Interest Payment Date for the Notes.
Fixed Rate Payer Calculation Period:	The Initial CDS Period and thereafter each Interest Accrual Period for the Notes.
Fixed Rate:	1.15 per cent. per annum

Fixed Rate Day Count Fraction: Actual/360.

4 FLOATING PAYMENT

Floating Rate Payer Calculation Amount: An amount equal to (a) the Reference Entity Weighting multiplied by (b) the Original Notional Amount.

Reference Entity Weighting: The percentage set out opposite the relevant Reference Entity in the Relevant Annex, provided that the Reference Entity Weighting in respect of an Excluded Reference Entity shall be deemed to be zero.

Notice of Publicly Available Information Condition to Settlement: Applicable

Excluded Reference Entity: None

Credit Events: The following Credit Event(s) shall apply:

Bankruptcy

Failure to Pay

Payment Requirement: USD 1,000,000

Restructuring

Modified Restructuring Maturity
Limitation and Conditionally
Transferable Obligation: Applicable,
provided that Modified Restructuring
Maturity Limitation and Conditionally
Transferable Obligation shall not apply
if the Reference Entity is specified as a
"Subordinated Insurer" in the Relevant
Annex.

Default Requirement: USD 10,000,000

Obligation(s):

(i) Obligation Category: Borrowed Money

(ii) Obligation Characteristics: None

5 SETTLEMENT TERMS

Settlement Method: Auction Settlement

Fallback Settlement Method: Cash Settlement

Settlement Currency: The currency of denomination of the Floating Rate Payer Calculation Amount

The calculation, quantities and timing of payment of any amount payable upon settlement of this Transaction is taken into account in the calculation of the Party A Payment Amounts and the Party B Additional Payment Amounts and therefore shall not be payable under this Transaction, to the extent already paid under the Party A Payment Amounts or Party B Additional Payment Amounts. For the

avoidance of doubt, for the purposes of determining the CDS Value, any Fixed Payments and Floating Payments payable under this Transaction shall be taken into account.

Any Credit Event Notices shall be given by the Calculation Agent for the Notes, but for the purpose of determining the Auction Final Price and any Final Price, the Seller shall be deemed to have delivered each Credit Event Notice under the Long CDS Transaction (and therefore the Long CDS Transaction shall be treated as having been Triggered by Seller) and Buyer shall be deemed to have delivered each Credit Event Notice under the Short CDS Transaction (and therefore the Short CDS Transaction shall be treated as having been Triggered by Buyer).

6 ADDITIONAL PROVISIONS

6.1 Merger of Reference Entity and Seller

Section 2.31 of the Credit Derivatives Definitions shall not apply.

6.2 Inconsistency between Relevant Annex and Index

In the event of any inconsistency between the Relevant Annex and the Index published by the Index Sponsor, the Relevant Annex shall govern.

6.3 Transfer and termination of Component Transactions

Without prejudice to the generality of Section 7 of the Agreement (as defined in the relevant Confirmation) and subject to Paragraph 6.3(b), the Component Transaction (or any part thereof) (the "**Relevant Component Transaction**") may only be transferred (by way of assignment, novation or otherwise) or terminated prior to the Scheduled Termination Date together with an equal part of each other Component Transaction forming part of the Transaction of which the Relevant Component Transaction forms a part.

6.4 Amendment to Relevant Annex

The Relevant Annex will be deemed amended from time to time to reflect any modifications required under Section 2.2(d) and 2.30 of the Credit Derivatives Definitions (as amended hereby) and the "Reference Obligation(s)" provisions above.

6.5 STMicroelectronics NV

In the case of any Component Transaction where:

- (a) STMicroelectronics NV is the Reference Entity;
 - (a) the USD1,217,000,000 Zero Coupon Senior Convertible Bond due 2013 issued by STMicroelectronics NV is specified as a Valuation Obligation; and
 - (b) such Valuation Obligation is not immediately due and payable as of the date of valuation,
- the outstanding principal balance of such Valuation Obligation shall be deemed to be the amount payable on the scheduled maturity date of such Valuation Obligation.

6.6 Additional representations

Each party shall be deemed, as of the Trade Date:

- (a) to represent to the other party that it is entering into the relevant Transaction (including each related Component Transaction) for investment, financial intermediation, hedging or other commercial purposes; and

- (b) to agree with the other party that, so long as either party has or may have any obligation to the other party under the relevant Transaction (including each related Component Transaction):

(1) Non-reliance

It is acting for its own account, and it has made its own independent decisions to enter into the Transaction (including each related Component Transaction) and as to whether such Transaction (including each related Component Transaction) are appropriate or proper for it based upon its own judgement and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into such Transaction (including each related Component Transaction); it being understood that information and explanations related to the terms and conditions of such Transaction (including each related Component Transaction) shall not be considered investment advice or a recommendation to enter into Transaction (including each related Component Transaction). It has not received from the other party any assurance or guarantee as to the expected results of such related Transaction (including each related Component Transaction).

(2) Evaluation and understanding

It is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of the Transaction (including each related Component Transaction). It is also capable of assuming, and assumes, the financial and other risks of such Transaction (including each related Component Transaction).

(3) Status of parties

The other party is not acting as a fiduciary or an advisor for it in respect of the Transaction (including each related Component Transaction).

Annex 3 to the Confirmation- Short CDS Reference Entities as at the Observation Start Date

Reference Entity	Weighting	Reference Obligation CLIP
ABENGOA, S.A.	1.667%	EE002XAA8
Alcatel Lucent	1.667%	FF1AAKAD4
ALSTOM	1.667%	0C3368AD3
Altice Finco S.A.	1.667%	LL18G0AA3
ArcelorMittal	1.667%	LL332JAB4
ARDAGH PACKAGING FINANCE PUBLIC LIMITED COMPANY	1.667%	GG49CQAA2
ASTALDI SOCIETA PER AZIONI BENI STABILI SOCIETA PER AZIONI SOCIETA	1.667%	TT58BNA09
DI INVESTIMENTO IMMOBILIARE QUOTATA	1.667%	TUAH8FAA1
BRISA - CONCESSAO RODOVIARIA, S.A.	1.667%	XX891MAA3
BRITISH AIRWAYS plc	1.667%	1C145AAA4
CABLE & WIRELESS LIMITED	1.667%	GJ476RAA5
CERVED GROUP S.P.A.	1.667%	TV9FFRAA1
CIR S.P.A. - COMPAGNIE INDUSTRIALI RIUNITE	1.667%	TVAHH8AB3
CNH Industrial N.V.	1.667%	NP29D8AA5
ConvaTec Healthcare E S.A.	1.667%	LMAFFHAA9
DIXONS RETAIL PLC	1.667%	GI9F8TAB6
EDP - Energias de Portugal, S.A.	1.667%	X3DGB7AB7
FIAT S.P.A.	1.667%	346B83AC8
FINMECCANICA S.P.A.	1.667%	3F9829AB5
GALP ENERGIA, SGPS, S.A.	1.667%	XA37FTAA2
HeidelbergCement AG	1.667%	DG48ABAD6
HELLENIC TELECOMMUNICATIONS ORGANISATION SOCIETE ANONYME	1.667%	4G5657AC6
HOCHTIEF Aktiengesellschaft	1.667%	DG6447AA5
INEOS Group Holdings S.A.	1.667%	LQ57AUAB8
JAGUAR LAND ROVER AUTOMOTIVE PLC	1.667%	GL501UAA2
LADBROKES PLC	1.667%	GL86AKAD2
Lafarge	1.667%	555DE7AD2
Louis Dreyfus Commodities B.V.	1.667%	NS9CH1AA6
MELIA HOTELS INTERNATIONAL, S.A.	1.667%	ELA9CIAA4
Metsa Board Corporation	1.667%	XC859YAB1
NEW LOOK BONDCO I PLC	1.667%	
Nokia Oyj	1.667%	XD79FAAA9
NORSKE SKOGINDUSTRIER ASA	1.667%	RZ8039AB9
NXP B.V.	1.667%	NTBEFLAF4
PEUGEOT SA	1.667%	6FC9LGAE0
Play Finance 1 S.A.	1.667%	LSD98ZAA5
Portugal Telecom International Finance B.V.	1.667%	NU811IAD0
RALLYE	1.667%	FMDCAQAD9
REXEL	1.667%	FMEFALAB6
Schaeffler Finance B.V.	1.667%	
SMURFIT KAPPA ACQUISITIONS	1.666%	
SOCIETE AIR FRANCE	1.666%	FNC9BRAA8
Stena Aktiebolag	1.666%	W4FCDXAA6
Stora Enso Oyj	1.666%	8E831MAF5
Sunrise Communications Holdings S.A.	1.666%	LTH98GAA1
Techem GmbH	1.666%	
TELECOM ITALIA SPA	1.666%	T2B9EFAE5
ThyssenKrupp AG	1.666%	DLBCG0AB0
Trionista HoldCo GmbH	1.666%	
TUI AG	1.666%	DLCCC0AD7
TVN Finance Corporation III AB (publ)	1.666%	W5GA3CAA3
UCB	1.666%	BKC8B8AA2
Unilabs SubHolding AB (publ)	1.666%	
Unitymedia KabelBW GmbH	1.666%	DLD99PAB8
UPC Holding B.V.	1.666%	NW945HAC9
UPM-Kymmene Oyj	1.666%	9A6979AC1
VIRGIN MEDIA FINANCE PLC	1.666%	GPCA8FAH4
VOUGEOT BIDCO P.L.C.	1.666%	
WENDEL	1.666%	FOHB91AB4
Wind Acquisition Finance S.A.	1.666%	LUGB7AAB6

Annex 4 to the Confirmation: Long CDS Reference Entities as at the Observation Start Date

Reference Entity	Sector	Weighting	Reference Obligation CLIP
Aktiebolaget Volvo	Autos & Industrials Autos &	0.80%	9BAGDBAC6
Akzo Nobel N.V.	Industrials Autos & Industrials	0.80%	0B11AIAD4
Anglo American plc	Autos & Industrials Autos &	0.80%	037CDUAD2
ASTRAZENECA PLC	Industrials Autos & Industrials	0.80%	04A988AC0
ATLANTIA S.P.A.	Autos & Industrials Autos &	0.80%	TT594FAB0
BAE SYSTEMS PLC	Industrials Autos & Industrials	0.80%	05A75UAC5
BASF SE	Autos & Industrials Autos &	0.80%	DD6837AC0
Bayer Aktiengesellschaft	Industrials Autos & Industrials	0.80%	0H99A3AD9
Bayerische Motoren Werke Aktiengesellschaft	Autos & Industrials Autos &	0.80%	0H99B7AC1
BOUYGUES	Industrials Autos & Industrials	0.80%	FG25BNAB9
COMPAGNIE DE SAINT-GOBAIN	Autos & Industrials Autos &	0.80%	FG872CAF4
COMPAGNIE FINANCIERE DU GROUPE MICHELIN, "Senard et Cie"	Industrials Autos & Industrials	0.80%	HK7D9FAA8
Continental Aktiengesellschaft	Autos & Industrials Autos &	0.80%	2D17E8AD3
Daimler AG	Industrials Autos & Industrials	0.80%	DE7C9QAE6
European Aeronautic Defence and Space Company EADS N.V.	Autos & Industrials Autos &	0.80%	FG8825AB6
GECCINA	Industrials Autos & Industrials	0.80%	FJ68E2AC4
Glencore International AG	Autos & Industrials Autos &	0.80%	HK5754AD6
Holcim Ltd	Industrials Autos & Industrials	0.80%	477BB5AD8
Koninklijke DSM N.V.	Autos & Industrials Autos &	0.80%	NS517VAB7
LANXESS Aktiengesellschaft	Industrials Autos & Industrials	0.80%	DI535DAC6
Linde Aktiengesellschaft	Consumers Consumers	0.80%	DI537CAB8
RENTOKIL INITIAL PLC	Consumers Consumers	0.80%	GNCS90AA5
ROLLS-ROYCE PLC	Consumers Consumers	0.80%	7ECCF9AD0
SANOFI	Consumers Consumers	0.80%	F8128FAB6
Siemens Aktiengesellschaft	Consumers Consumers	0.80%	8A87AGAC4
Solvay	Consumers Consumers	0.80%	8B787AA2
UNIBAIL-RODAMCO SE	Consumers Consumers	0.80%	FF3BELAB8
VALEO	Consumers Consumers	0.80%	9AA447AD8
VINCI	Consumers Consumers	0.80%	FKDFG6AC6
VOLKSWAGEN AKTIENGESELLSCHAFT	Consumers Consumers	0.80%	9BAEC8AD7
ACCOR	Consumers Consumers	0.80%	0A477BAE7
Aktiebolaget Electrolux	Consumers Consumers	0.80%	0B11AHAD6
Anheuser-Busch InBev	Consumers Consumers	0.80%	BB347QAA6
BRITISH AMERICAN TOBACCO p.l.c.	Consumers Consumers	0.80%	1C148CAD1
Carrefour	Consumers Consumers	0.80%	FG4CAMAAC3
CASINO GUICHARD-PERRACHON	Energy Energy Energy	0.80%	FG554OAD8
COMPASS GROUP PLC	Energy Energy Energy	0.80%	2C48D6AB9
DANONE	Energy Energy Energy	0.80%	2F999ZAC4
DIAGEO PLC	Energy Energy Energy	0.80%	2H767TAC4
EXPERIAN FINANCE PLC	Energy Energy Energy	0.80%	GJ57CTAD7
GROUPE AUCHAN	Energy Energy Energy	0.80%	FF4D97AC8
Henkel AG & Co. KGaA	Energy Energy	0.80%	467A5UAB8
IMPERIAL TOBACCO GROUP PLC	Financials Financials	0.80%	4J8456AC4
Kering	Financials Financials	0.80%	FK976OAB3
KINGFISHER PLC	Financials Financials	0.80%	4DEC96AC8
Koninklijke Ahold N.V.	Financials Financials	0.80%	5F04ADAF1
Koninklijke Philips N.V.	Financials Financials	0.80%	NTFGGOAA9
LVMH MOET HENNESSY LOUIS VUITTON	Financials Financials	0.80%	5F2685AG2
MARKS AND SPENCER p.l.c.	Financials Financials	0.80%	GLDABFAF2
METRO AG	Financials Financials	0.80%	DI8CFEAE6
Nestle S.A.	Financials Financials	0.80%	6A516FAC9
NEXT PLC	Financials Financials	0.80%	GMB517AB1
PERNOD RICARD		0.80%	7I568AAD7
SABMILLER PLC		0.80%	7FDC90AA6
SAFeway LIMITED		0.80%	GNEDUAC2
SODEXO		0.80%	FND50FAC9
Suedzucker Aktiengesellschaft Mannheim/Ochsenfurt		0.80%	DLA9F9AB0
TATE & LYLE PUBLIC LIMITED COMPANY		0.80%	8FDBC7AD4
TESCO PLC		0.80%	8G96CCAC9
Unilever N.V.		0.80%	994BFCAB7
BP P.L.C.		0.80%	05AB84AD9
Centrica plc		0.80%	16B9CTAB4
E.ON SE		0.80%	DF6DAHAA8
Electricite de France		0.80%	FHBD4HAC9
EnBW Energie Baden-Wuerttemberg AG		0.80%	DF796PAC9
ENEL S.P.A.		0.80%	2BB8B1AE0
ENI S.P.A.		0.80%	28EFBVAF9
Fortum Oyj		0.80%	XZBGF7AC2
GAS NATURAL SDG, S.A.		0.80%	EJ9DCNAD5
GDF SUEZ		0.80%	FJ69DEAA1
Iberdrola, S.A.		0.80%	EK77AVAD1
NATIONAL GRID PLC		0.80%	GM9ACPAB1
REPSOL, S.A.		0.80%	EMCDATAD3
ROYAL DUTCH SHELL PLC		0.80%	GNDF9AAC8
RWE Aktiengesellschaft		0.80%	7BDGJCAC9
STATOIL ASA		0.80%	RZC53WAB2
TOTAL SA		0.80%	FK9A9IAD2
UNITED UTILITIES PLC		0.80%	9A442RAC9
Vattenfall Aktiebolag		0.80%	W5GGHNAG8
VEOLIA ENVIRONNEMENT		0.80%	9BAD68AE4
Aegon N.V.		0.80%	007GB6AD4
Allianz SE		0.80%	DD359MAF3
ASSICURAZIONI GENERALI - SOCIETA PER AZIONI		0.80%	0E996BAD3
AVIVA PLC		0.80%	GG6EBTAD8
AXA		0.80%	FF667MAD8
BANCO BILBAO VIZCAYA ARGENTARIA, SOCIEDAD ANONIMA		0.80%	EF2985AK7
BANCO SANTANDER, S.A.		0.80%	EFAGG9AF6
BARCLAYS BANK PLC		0.80%	06DABKAM6
BNP PARIBAS		0.80%	05ABBFAL2
COMMERZBANK Aktiengesellschaft		0.80%	2C27EGAG9
CREDIT AGRICOLE SA		0.80%	FH49GGAG6
Credit Suisse Group Ltd		0.80%	HK9FHLAD3
DEUTSCHE BANK AKTIENGESELLSCHAFT		0.80%	2H6677AL3
Hannover Rueck SE		0.80%	
HSBC BANK PLC		0.80%	4I75AUAG6
INTESA SANPAOLO SPA		0.80%	TYA56DAG3
LLOYDS BANK PLC		0.80%	GLA88BAA4
Muenchener Rueckversicherungs-Gesellschaft Aktiengesellschaft in Muenchen		0.80%	

Reference Entity	Sector	Weighting	Reference Obligation CLIP
SOCIETE GENERALE STANDARD	Financials Financials	0.80%	8B69APAG1
CHARTERED BANK Swiss	Financials Financials	0.80%	8D8575AE6
Reinsurance Company Ltd	Financials Financials	0.80%	HOB65NAA7
The Royal Bank of Scotland public limited company	Financials TMT	0.80%	GNDEGIAC6
UBS AG	TMT TMT TMT	0.80%	HPHB2JAG6
UNICREDIT, SOCIETA PER AZIONI	TMT TMT TMT	0.80%	T2F69ZAH2
Zurich Insurance Company Ltd	TMT TMT TMT	0.80%	HQHEFUAD6
Bertelsmann SE & Co. KGaA	TMT TMT TMT	0.80%	DE111QAB0
BRITISH SKY BROADCASTING GROUP PLC	TMT TMT TMT	0.80%	1C2114AD1
BRITISH TELECOMMUNICATIONS public limited company	TMT TMT TMT	0.80%	GH6DA2AD8
Deutsche Telekom AG	TMT	0.80%	2H66BCAB9
ITV PLC		0.80%	GKDHCEAD6
Koninklijke KPN N.V.		0.80%	NR6BGAD1
Orange		0.80%	FLEECZAA0
PEARSON plc PUBLICIS		0.80%	7H5516AD7
GROUPE SA REED		0.80%	FMD67CAD7
ELSEVIER PLC SES		0.80%	7CDA25AC1
Telefonaktiebolaget L M Ericsson		0.80%	LTB30HAC2
TELEFONICA, S.A.		0.80%	WY7EBJAD2
Telekom Austria Aktiengesellschaft		0.80%	8FGCBAA05
TELENOR ASA		0.80%	8FGD7TAB9
TeliaSonera Aktiebolag		0.80%	8FGD80AD7
Vivendi		0.80%	W5EDH9AC7
VODAFONE GROUP PUBLIC LIMITED COMPANY		0.80%	FOGGHNAD3
Wolters Kluwer N.V.		0.80%	9BAD3AD0
WPP 2005 LIMITED		0.80%	9GEFFBAC1
		0.80%	GPGFQAC8

TAXATION

Prospective purchasers of Notes should, in addition to the below, read the corresponding section of the Base Prospectus set out in pages 103 to 105 of the Base Prospectus.

IRELAND TAXATION

Ireland

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments of interest on the Securities except where the interest has an Irish source. The interest could be considered to have an Irish source, where, for example, interest is paid out of funds maintained in Ireland or where the securities are secured on Irish situate assets. The mere listing of the Securities on the Irish Stock Exchange and offering of the Securities to Irish investors will not cause the interest to have an Irish source.

In certain circumstances collection agents and other persons receiving interest on the Securities in Ireland on behalf of any person in Ireland, will be obliged to operate a withholding tax.

The tax consequences for any Irish resident or ordinarily resident investors receiving interest, premium on redemption and/or any capital gains in particular may depend, amongst other things, upon the status of the prospective purchaser (i.e. legal entities or individuals) and on the specific terms and conditions of the relevant Securities. Prospective purchasers of Securities should consult their own advisers about the tax implications of holding Securities and of any transactions involving Securities.

EU Savings Directive

Ireland has implemented the EU Directive regarding the taxation of savings income into national law. Any Irish paying agent making an interest payment on behalf of the Issuer to an individual, and certain residual entities resident in another EU Member State and certain associated dependant territories of member state, will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the State or territory residence of the individual or residual entity concerned.

DESCRIPTION OF THE ORIGINAL COLLATERAL OBLIGOR

To the extent that the information contained in this section has been reproduced from information published by the Original Collateral Obligor, it has been accurately reproduced from such information. So far as the Issuer is aware and is able to ascertain from information published by the Original Collateral Obligor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Original Collateral Obligor:	Orange SA (" Orange ")
Registered address:	78 rue Olivier de Serres Paris, 75015 France
Country of incorporation:	France
Description of business/principal activities:	Orange, formerly France Telecom SA, is a France-based company that is engaged, principally, in the provision of integrated telecommunications services. Orange is also a European mobile operator, Internet access provider in Europe, and telecommunications services provider for multinational businesses under the Orange brand. Orange offers individual customers, residential clients, corporate businesses and other telecommunications operators a range of services covering fixed and mobile communications, data transmission, wireless telecommunication services, broadcasting services, Internet and multimedia and advertising services, among others.
Listing:	The Original Collateral Obligor has issued securities which are listed on various stock exchanges, including Berlin Stock Exchange, Dusseldorf Stock Exchange, Euronext Paris SA, EuroTLX SIM S.p.A, Boerse Frankfurt Zertifikate AG and Munich Stock Exchange.

SUBSCRIPTION AND SALE

Prospective purchasers of Notes should read the corresponding section of the Base Prospectus set out in pages 106 to 108 of the Base Prospectus.

GENERAL INFORMATION

- 1 The issue of the Notes was authorised pursuant to a resolution passed by the Board of Directors of the Issuer on 6 May 2014.
- 2 The Base Prospectus will be published on the website of the Central Bank of Ireland (<http://www.centralbank.ie/Pages/home.aspx>).
- 3 The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg under Common Code 099297298. The International Securities Identification Number for the Notes is XS1053964810.
- 4 The Issuer does not intend to provide post-issuance information regarding, where applicable, performance of the Original Collateral.
- 5 Any websites included in the Base Prospectus are for information purposes only and do not form part of the Base Prospectus.
- 6 The appointed Irish listing agent in respect of the Notes is Maples and Calder.
- 7 Websites referred to in this document do not form part of the Series Prospectus.
- 8 The Issuer is not involved in any governmental, legal or arbitration proceedings that may have, or have since its incorporation, a significant effect on its financial position or profitability nor is the Issuer aware that any such proceedings are pending or threatened.
- 9 Information (including information as to their past and future performance and volatility) on the iTraxx® Europe Crossover Series 21, Version 1 and the iTraxx® Europe Series 21, Version 1 may be obtained on the English language website of Markit on <http://www.markit.com/Product/ITraxx>.

REGISTERED OFFICE OF THE ISSUER

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