

PROSPECTUS
SECURED MULTI ASSET REPACKAGING TRUST P.L.C.
(a public limited company under the laws of Ireland with registered number 465727)
issued under
EUR 20,000,000,000 Structured Note Programme
of
Series 10-2011-04
Up to GBP 20,000,000 Preference Share-Linked Notes linked to Class 012 Preference
Shares of Sienna Finance UK Limited (the "Notes")
Issue Price: 100.00 per cent.

The Issuer will issue up to GBP 20,000,000 Preference Share-Linked Notes linked to Class 012 Preference Shares of Sienna Finance UK Limited (the "Notes") under its EUR 20,000,000,000 Structured Note Programme (the "**Programme**").

The Prospectus (the "**Prospectus**") has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU (the "**2010 PD Amending Directive**"), to the extent implemented in Ireland) (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area. 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. No assurance can be given that such application will be successful. This document constitutes a prospectus for the purposes of the Prospectus Directive as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005.

The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or any state securities laws and may not be offered or sold within the United States or to, or for the benefit of, U.S. persons as defined in Regulation S under the Securities Act. In addition, the Issuer has not been and will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Notes are in bearer form and are subject to U.S. tax law requirements.

MORGAN STANLEY

2 June 2011

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

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

The information relating to the Underlying Assets (as defined herein) has been accurately reproduced from publicly available information. The information relating to the Preference Share Issuer and the Preference Shares (each as defined herein) has been accurately reproduced from the constitutional documents of the Preference Share Issuer. So far as the Issuer is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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

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

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

Before making an investment decision, prospective purchasers should inform themselves about, and make a detailed evaluation of, the nature and performance of the Preference Share Issuer and the Preference Shares, the nature and financial position of the Counterparty and the issuer of the Underlying Assets, the economic, social and political condition of the jurisdiction in which any such entity is located and of the terms and conditions of the Charged Assets (including the Underlying Assets) and of the Related

Agreements (each as defined below). None of the Issuer, the Trustee or the Dealer has had any access to any such entity for the purposes of conducting any such investigation or makes any representations as to the financial condition or creditworthiness of any such entity. In addition, prospective purchasers should consider the nature and financial position of the Issuer of the Notes as well as the terms and conditions of the Notes and the other related transaction documents described below.

Investors should satisfy themselves as to the merits of an investment linked to the Swap Agreement, the Underlying Assets and the Preference Shares.

This Prospectus contains summaries of certain provisions of other documents to be executed in relation to the Notes, such as the Supplemental Trust Deed (as defined below). Such summaries are subject to, and will be qualified by, the actual provisions of each of such documents, copies of which will be available for inspection at the specified offices of the Principal Paying Agent following the Issue Date. Holders of the Notes to which this Prospectus relates, and any other person into whose possession this Prospectus comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of any of the Notes.

There can be no assurance that the amount payable on any redemption of the Notes or any early redemption of the Notes or enforcement of the security therefor will be equal to or greater than the Principal Amount of the Notes as of the Issue Date.

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

This Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) other than offers (the Permitted Public Offers) which are made prior to the end of the Offer Period and for which the Issuer has consented in writing to its use for the purpose of such Permitted Public Offers, and which are contemplated in this Prospectus in the United Kingdom once the Prospectus has been approved by the competent authority in Ireland and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in the United Kingdom will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Dealer have authorised, nor do they authorise, the making of

any offer (other than Permitted Public Offers) of Notes in circumstances in which an obligation arises for the Issuer or the Dealer to publish or supplement a prospectus for such offer.

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

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

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

Morgan Stanley is not qualified to give legal, tax or accounting advice to investors and does not purport to do so in this document.

US Treasury Circular 230 Notice - Morgan Stanley does not render advice on tax and tax accounting matters to investors. This material was not intended or written to be used, and it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws.

POTENTIAL INVESTORS ARE URGED TO CONSULT WITH THEIR LEGAL, REGULATORY, INVESTMENT, ACCOUNTING, TAX AND OTHER ADVISORS WITH REGARD TO ANY PROPOSED OR ACTUAL INVESTMENT IN THESE SECURITIES.

TABLE OF CONTENTS

	Page
Summary	6
Risk Factors.....	13
Applicable Supplement	21
Annex 1 – Special Conditions	32
Description of the Underlying Assets	37
Description of the Transaction Documents	38
Form of the Notes	42
Irish Taxation	44
United Kingdom Taxation.....	48
EU Savings Directive.....	53
Business of the Counterparty	54
Business of the Issue Agent, the Calculation Agent and the Principal Paying Agent	55
Description of the Preference Share Issuer and the Preference Shares	56
Subscription and Sale.....	58
General Information.....	61
Documents Incorporated by Reference.....	63

SUMMARY

This summary must be read as an introduction to the Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each relevant Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State in respect of this summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus. Where a claim relating to information contained in the Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the cost of translating the Prospectus before the legal proceedings are initiated. Words and expressions used in this summary but not otherwise defined shall have the meaning given them in elsewhere in this document.

OVERVIEW OF THE TRANSACTION

The Issuer	Secured Multi Asset Repackaging Trust p.l.c.
Risk Factors	Investing in the Notes involves considerable risks. The Notes are only suitable for sophisticated investors who are able to absorb a partial or complete loss of their investment.
The Notes	<p>Up to GBP 20,000,000 Preference Share-Linked Notes linked to Class 012 Preference Shares of Sienna Finance UK Limited.</p> <p>The Notes are secured, limited recourse debt obligations of the Issuer ranking <i>pari passu</i> and without any preference amongst themselves.</p>
Issue Date	12 August 2011
Maturity Date	The second Business Day following the Note Valuation Date (as defined below).
Issue Price	100.00 per cent.
Principal Amount	Up to GBP 20,000,000.
Use of Proceeds	The proceeds from the issuance of the Notes will be applied by the Issuer to purchase the Underlying Assets.
Underlying Assets	The Underlying Assets will consist of UK Gilts, including all amounts paid to the Issuer by way of principal or redemption proceeds in respect of each Underlying Asset on its stated maturity date, details of which are set out under the section entitled " <i>Description of the Underlying Assets</i> " of this document.
Interest	The Notes do not bear interest.

Business Days

London and TARGET Settlement Day

Redemption

The Notes are linked to the performance of the Preference Shares. On the Maturity Date (or on any earlier occasion of redemption), the Issuer will redeem the Notes at the Redemption Amount.

Redemption Amount

- (a) If the Notes are redeemed on the Maturity Date, the Redemption Amount in respect of each Note shall be an amount in GBP determined by the Determination Agent equal to:

$$\text{GBP } 1.00 \times \frac{\text{Share Value}_{\text{final}}}{\text{Share Value}_{\text{initial}}}$$

subject to a minimum of GBP 0.10.

Where:

"Initial Valuation Date" means the Issue Date or, if such day is not a Business Day, the immediately succeeding Business Day;

"Note Valuation Date" means the third Business Day following the Preference Share Valuation Date;

"Preference Share Valuation Date" means 14 August 2017, or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent;

"Preference Share Value" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Determination Agent;

"Share Value_{final}" means the Preference Share Value on the Note Valuation Date;

"Share Value_{initial}" means the Preference Share Value on the Initial Valuation Date; and

"Valuation Time" means 4.30 p.m. (London time); or

- (b) if the Notes are redeemed early in accordance with the

Conditions, an amount in GBP as determined by the Determination Agent on the same basis as in (a) above, except that the definition of Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date.

Where:

"Early Preference Share Redemption Valuation Date" means:

- (a) if the Notes become subject to early redemption on (i) a Mandatory Redemption Event or on a Preference Share Early Redemption Event (each an **"Early Redemption Event"**) or (ii) at the option of the Issuer, in the case of (i) above, the Business Day immediately following such Early Redemption Event or in the case of (ii) above, the date that the notice of early redemption given by the Determination Agent (on behalf of the Issuer) is deemed given to Noteholders in accordance with Condition 15; or
- (b) if the Notes become subject to early redemption under Condition 10, the fifth Business Day following the date on which the Enforcement Notice referred to therein is given,

or, in each case, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the relevant Early Preference Share Redemption Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

"Early Redemption Valuation Date" means the third Business Day following the Early Preference Share Redemption Valuation Date.

The Redemption Amount may be less than the Principal Amount of the Notes upon issue and may in certain circumstances be zero.

Preference Shares

The Preference Shares are the Class 012 index linked redeemable preference shares (the **"Preference Shares"**) issued by Sienna Finance UK Limited (the **"Preference Share Issuer"**).

Information about the past and future performance of the Preference Shares will be published on each Business Day on the Bloomberg service.

Swap Agreement

Pursuant to the terms of the Swap Agreement, (A) the Issuer will be obliged to pay or deliver (as applicable) to the Counterparty (i) amounts equal to all amounts due to be paid to the Issuer (whether or not actually paid) by way of distributions, interest or any other amount (other than as set out in (ii) below) in respect of each Underlying Asset one Business Day after the date on which each such amount is due to be paid to the Issuer and (ii) amounts equal to all amounts due to be paid to the Issuer (whether or not actually paid) by way of principal or redemption proceeds in respect of each Underlying Asset one Business Day prior to the Maturity Date and (iii) if the Underlying Assets are not redeemed when originally due, each Underlying Asset (unless and to the extent the Issuer has paid in full to the Counterparty all amounts at (ii) above) and (B) the Counterparty will be obliged to pay to the Issuer, one Business Day prior to the Maturity Date or, on the occurrence of a Preference Share Early Redemption Event, two Business Days following the Early Redemption Valuation Date, an amount equal to the Redemption Amount of the Notes.

The Swap Agreement may be terminated early by either party in a number of circumstances, as set out under "*Description of the Transaction Documents*" below.

Credit Support Deed

Pursuant to the terms of the Credit Support Deed, the Counterparty will calculate the collateral requirements of the Issuer and the Counterparty based upon each party's exposure to the other party under the Swap Agreement on a daily basis. To the extent that any collateral is due to be posted by the Counterparty, the Counterparty will post collateral (either in the form of cash or securities issued by a G7 nation or Eurozone Government Securities) to the Issuer in accordance with the Credit Support Deed. To the extent that collateral is due to be posted by the Issuer to the Counterparty, the security over such collateral will be deemed to be released in accordance with the provisions of the Trust Deed and the Issuer will post such collateral to the Counterparty in accordance with the provisions of the Credit Support Deed. The Counterparty will have the right to use such posted collateral as if it were the owner of such collateral under the Financial Collateral Arrangements (No. 2) Regulations 2003.

Any collateral transferred by the Counterparty to the Issuer will be deposited in a cash or securities collateral account (as applicable) opened in the name of the Issuer with the Custodian.

The Issuer will only be able to enforce its security over the collateral accounts in limited circumstances, as further detailed under "*Description of the Transaction Documents*".

Early Redemption of the Notes

The Notes may be redeemed early (a) on an Event of Default (as set out in Condition 10 (*Events of Default*)) (b) in certain limited circumstances at the option of the Issuer (as set out in Special Condition 3 (*Redemption at the Option of the Issuer*)), (c) following the occurrence of any Mandatory Redemption Event, including (i) the occurrence of an Underlying Asset Default or an Underlying Asset Early Redemption, (ii) termination of the Swap Agreement in whole without replacement (except in circumstances of optional termination by either party in accordance with the provisions of the Swap Agreement), and (ii) the occurrence of certain tax events in respect of the Notes, the Underlying Assets or any Related Agreement (as set out in Special Condition 1 (*Mandatory Redemption Events*) or (d) following the occurrence of a Preference Share Early Redemption Event. On early redemption of the Notes, the amount due on the Early Redemption Date will be the Redemption Amount).

If any of the events set out in (a), (b) or (c) above occur, the Underlying Assets will be liquidated (or realised, as applicable) by the Determination Agent in accordance with the Underlying Assets Sale or Realisation Procedure (as set out in Special Condition 2 (*Underlying Assets Sale or Realisation Procedure*)) and the proceeds of such liquidation (together with any swap termination costs payable by the Counterparty to the Issuer) will be applied in accordance with the Order of Priority set out in section 56 (*Application of Proceeds*) of the Applicable Supplement (as set out in this Prospectus). Upon an early redemption of the Notes, the Issuer may not have sufficient funds to pay the Redemption Amount due on the Notes. Accordingly, the amount paid upon early redemption of the Notes may be less than the Redemption Amount and may in certain circumstances be zero.

Security for the Notes

The Issuer's obligations under the Notes will be secured under the Supplemental Trust Deed relating to the Notes in favour of the Trustee for the benefit of the Noteholders and the other Secured Creditors. The Notes will be secured primarily on the Underlying Assets, the Swap Agreement and the Credit Support Deed.

Any monies received by the Trustee upon enforcement of the Security shall be applied in accordance with the Order of Priority as set out in section 56 (*Application of Proceeds*) of the Applicable Supplement (as set out in this Prospectus).

Form and Denomination	The Notes will on issue be represented by a Temporary Global Note in bearer form, without coupons or talons attached, deposited with a common depositary for Euroclear and Clearstream, Luxembourg. The Temporary Global Note will be exchangeable, not earlier than 40 days after the issue day of the Notes and upon certification of non-U.S. beneficial ownership, for interests in a Permanent Global Note (together with the Temporary Global Note, the " Global Notes ") in bearer form, without coupons or talons attached, which will also be deposited with such common depositary for Euroclear and Clearstream, Luxembourg. The Permanent Global Note will be exchangeable in whole but not in part for definitive Notes in bearer form in limited circumstances.
Denomination of Notes	The Notes are issued in the denomination of GBP 1.00 per Note.
Governing Law	The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and construed in accordance with, English law.
Taxation	The Issuer will not be obliged to pay any additional amounts for, or on account of, any payments under the Notes that may be the subject of a deduction or a withholding for or on account of any tax.
Listing	<p>The Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves the Prospectus as meeting the requirements imposed by 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. No assurance can be given that such application will be successful.</p> <p>The Central Bank has provided the competent authority of the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the provisions of Directive 2003/71/EC and Commission Regulation (EC) No 809/2004.</p>
ISIN	XS0634831258
Common Code	063483125
Trustee	Deutsche Trustee Company Limited
Principal Paying Agent, Issue Agent, Custodian and	Deutsche Bank AG, London Branch

Calculation Agent

**Arranger, Dealer,
Determination Agent,
Counterparty and
Swap Calculation
Agent**

Morgan Stanley & Co. International plc

Distributor:

Morgan Stanley & Co. International plc

Distribution:

The Notes are intended to be distributed as the underlying investment of the "Morgan Stanley FTSE Gilt-Backed Growth Plan 9" (the "**Plan**") in the United Kingdom by the Distributor, who is also the Plan Manager. Further details relating to the offer (including fees payable to the Distributor) are set out under the section entitled "*Terms And Conditions Of The Offer*" of the Applicable Supplement (as set out in this Prospectus).

Investors are expected to purchase the Notes through the Plan and the purchase of the Notes will be subject to the terms and conditions of the Plan.

The Offering

In order to make an application in respect of the Notes, prospective investors should contact the Distributor during the period from and including 6 June 2011 to and including 22 July 2011 (the "**Offer Period**"). The Distributor has the right to close the Offer Period early.

Selling Restrictions

The Notes may not be offered, sold or delivered at any time, directly or indirectly, within the United States or to or for the account of U.S. Persons (as defined in any of Regulation S under the Securities Act, the Code or the United States Commodity Exchange Act).

Further selling restrictions apply in respect of other jurisdictions, including Ireland, the United Kingdom and the European Economic Area. Please refer to the section entitled "*Subscription and Sale*" for further details.

RISK FACTORS

Prospective investors should determine whether an investment in the Notes is appropriate in their particular circumstances and should consult with their legal, business and tax advisers to determine the consequences of an investment in the Notes and to arrive at their own evaluation of the investment.

The following is a description of certain additional aspects of the Notes of which any prospective Noteholder should be aware. It is not intended to be exhaustive and any prospective Noteholder should also read the detailed information set out elsewhere in this document and under the section entitled "Risk Factors" of the Registration Document incorporated by reference herein and should take its own tax, legal and other relevant advice as to the structure and viability of investment in the Notes.

1. **Credit Considerations**

Suitability

The Notes are only suitable for sophisticated investors who are willing to take considerable risks, who are able to determine for themselves the merits of an investment linked to the Preference Shares and who can absorb a partial or complete loss of principal. No interest is payable on the Notes.

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

The value of your investment may fluctuate. Results achieved in the past are no guarantee of future results.

Issuer's Ability to Pay the Redemption Amount on the Notes

The ability of the Issuer to meet its obligation to pay the Redemption Amount on the Notes (after payment in full has been made by the Issuer of all amounts due and owing which rank senior in priority thereto) depends on the timely performance by the Counterparty of its obligations under the Swap Agreement and the Credit Support Deed and upon timely receipt by the Issuer of all amounts payable to it in respect of the Underlying Assets.

Obligations of the Issuer

The Notes are solely the obligations of the Issuer. In particular, the Notes are not the obligations or responsibility of, or guaranteed by, the Trustee, the Custodian, the Arranger, the shareholders of the Issuer, the Dealer, the Distributor, the Paying Agents, the Determination Agent, the Calculation Agent, the Counterparty, the issuer of any of the Underlying Assets or

the Preference Share Issuer. Apart from the Issuer, none of these persons will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

Subordination of the Notes

Payments of principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Issuer, as set out in the relevant Order of Priority specified in section 56 (*Application of Proceeds*) of the Applicable Supplement. There can be no assurance that the Noteholders will receive the full Redemption Amount payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. In certain circumstances, returns to the Noteholders could be reduced to zero.

Returns on the Notes linked to payment of the Redemption Amount

Investors will receive no interest on the Notes. Any investment return on the Notes is dependent upon the Redemption Amount being greater than the Issue Price.

Preference Share Risk

The Redemption Amount of the Notes is dependent upon the value of the Preference Shares, the value of which may fluctuate up or down depending on the performance of the FTSE Index (the "**Preference Share Underlying**") as set out in the terms and conditions of the Preference Shares. Noteholders and prospective purchasers of Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Preference Shares based upon such investigations and not in reliance on any information given in this document.

As set out below Notes may be subject to early redemption if a Preference Share Early Redemption Event occurs.

Morgan Stanley & Co. International plc in its capacity as the Calculation Agent, Dealer and Determination Agent in respect of the Preference Shares (the "**Preference Share Calculation Agent**") is a member of Morgan Stanley. As a result, potential conflicts of interest may arise in acting in its respective capacities. Subject to any relevant regulatory obligations, the Preference Share Calculation Agent owes no duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder. The Preference Share Issuer may also rely on members of Morgan Stanley (including the Preference Share Calculation Agent) or other service providers to perform its operational requirements. In the event any relevant Morgan Stanley entities or other service providers fail to perform any obligations, this may adversely affect the value of the Preference Shares and potentially the amounts payable under the Notes.

In addition to providing calculation agency services to the Preference Share Issuer, Morgan Stanley or any of its affiliates may perform further or alternative roles relating to the Preference Share Issuer and any series of Preference Shares including, but not limited to, for example, being involved in arrangements relating to any of the underlying reference assets (for example as a calculation agent). Further, Morgan Stanley or any of its affiliates may contract with the Preference Share Issuer and/or enter into transactions, including hedging transactions, which relate to the Preference Share Issuer, the Preference Shares or any of the underlying reference

assets and as a result Morgan Stanley may face a conflict between its obligations as Preference Share Calculation Agent and its and/or its affiliates' interests in other capacities.

Exposure to the Preference Share Underlying

The Terms of the Preference Shares provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with the Terms of the Preference Shares). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying.

However, the Preference Shares also incorporate an "underlying determination event" mechanism, which may be triggered by certain annual changes in the value of the Preference Share Underlying. On the occurrence of such underlying determination event, the Preference Shares will cease to be exposed to the Preference Share Underlying and the amount due on redemption would equal (i) the issue price multiplied by the relevant percentage specified in the Terms of the Preference Shares for the year in which the underlying determination event has occurred, plus (ii) an amount equal to the interest which would accrue on the amount referred to in (i) above, at a rate determined in accordance with the Terms of the Preference Shares, in the period between the date on which the underlying determination event occurred and the final valuation of the Preference Shares.

Investors should review the Terms of the Preference Shares and consult with their own professional advisers if they consider it necessary.

Underlying Assets

The value of the Underlying Assets may fluctuate up or down and none of the Issuer, the Trustee, the Arranger, the Dealer, the Custodian, the Determination Agent, the Calculation Agent or the Counterparty (or any of their affiliates) has any obligation to maintain the value of the Underlying Assets at any particular level. Neither the Issuer nor any of the aforementioned parties has any liability to the Noteholders as to the amount or value of, or any decrease in the value of, the Underlying Assets from time to time.

The proceeds of any sale or liquidation of Underlying Assets by or on behalf of the Issuer may be less than their face value and/or the price at which such Underlying Assets were acquired by the Issuer. Such proceeds of sale or liquidation may not be sufficient for the Issuer to be able to satisfy its obligation to pay any Redemption Amount payable on the Notes (after satisfaction of all prior ranking claims).

Other than as expressly stated herein in relation to the Issuer, neither the Issuer nor any of the aforementioned parties has verified or accepts any liability whatsoever for the accuracy of the information relating to any of the Underlying Assets contained in this document. Neither the Issuer nor any of the aforementioned parties has made or is required to make any investigation into the issuer of the Underlying Assets, and prospective purchasers should make their own investigations and determinations with regard to the financial condition and creditworthiness of such issuer and the full terms of the Underlying Assets.

Limited Liquidity

The Notes should be viewed as a longer term investment, not as a trading investment. Any Redemption Amount payable in respect of the Notes will be payable only at maturity. There is no guarantee that any secondary market in the Notes will exist at any point in time.

Exit Risk

The secondary market price of the Note will depend on numerous factors, including perceptions of the Issuer's credit quality and the credit quality of the Underlying Assets, the value, volatility and performance of the Preference Shares and time remaining to maturity.

No Shareholder Rights

A holder of Notes will have no beneficial interest in the Preference Shares nor any voting rights and will not have the right to receive dividends or other distributions, if any, with respect to the Preference Shares.

Early Redemption in Certain Circumstances

The Notes are subject to early redemption upon the occurrence of a Mandatory Redemption Event, an Event of Default, on a Preference Share Early Redemption Event or in certain limited circumstances at the option of the Issuer (in each case, as specified in this document). In any such case, the Underlying Assets will be liquidated or realised, as applicable, by the Determination Agent and the proceeds of such liquidation or realisation, as applicable, of the Underlying Assets will be applied in accordance with the Order of Priority set out in section 56 (*Application of Proceeds*) of the Applicable Supplement. Upon an early redemption of the Notes, the Issuer may not have sufficient funds to pay the Redemption Amount due on the Notes.

Early termination of the Swap Agreement

The Swap Agreement may be terminated early by either party in certain circumstances specified therein, including upon (i) a failure to pay by either party thereto, (ii) certain insolvency-related events in respect of either party thereto, (iii) illegality, (iv) certain circumstances of hedging disruption or changes in laws affecting the costs to the Counterparty associated with the Swap Agreement and (v) the exercise by either party of an option to terminate the Swap Agreement upon giving notice to the other party in accordance with the terms specified therein. Early termination of the Swap Agreement may lead to early redemption of the Notes.

Swap termination costs

If the Swap Agreement is terminated (in whole or in part) prior to its scheduled termination date for any reason, a swap termination payment may become payable either by the Issuer or by the Counterparty. If a swap termination payment is payable by the Issuer to the Counterparty, this may result in the Issuer having insufficient funds to pay the Redemption Amount due on the Notes.

Dealings related to the Underlying Assets

Neither Morgan Stanley nor any of its affiliates will be (nor be deemed to be acting as) the agent, fiduciary or trustee of the Issuer or the Noteholders in connection with the exercise of, or the failure to exercise, any of its rights or powers arising under or in connection with its holding (if any) of any obligation of or interest in any Underlying Asset.

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

Capacity of Morgan Stanley and its affiliates

Morgan Stanley and its affiliates are acting in a number of capacities, including as Counterparty, Determination Agent and Dealer. When acting in a particular capacity, Morgan Stanley or the relevant affiliate (as the case may be) shall have only the duties and responsibilities expressly agreed to by such entity in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Morgan Stanley & Co. International plc in its capacity as "Determination Agent" does not have any fiduciary duty to the Noteholders and its interests may be adverse to those of the Noteholders.

Morgan Stanley and its affiliates may have positions in, and may effect transactions in, securities and instruments of issuers mentioned herein and may also perform or seek to perform investments banking services for the issuers of such securities and instruments. In addition, from time to time, Morgan Stanley and its affiliates may own significant amounts of the Notes. Morgan Stanley and its affiliates have no fiduciary obligation whatsoever to the Issuer or the Noteholders in relation to the exercise (or non exercise) of their rights as a holder of Notes.

Limited Recourse

The Notes are limited recourse obligations of the Issuer. The payment of the Redemption Amount on the Notes will be made solely from amounts received from the Counterparty or realised in respect of the Charged Assets. The fees and claims of, amongst others, the Trustee and any agent or receiver shall have priority over the claims of the Noteholders in respect of the Charged Assets and the net proceeds (if any) of any realisation of the security for the Notes may be insufficient to pay amounts due to the holders of the Notes either in full or at all. In such event, the Issuer will not be obliged to pay, and the other assets of the Issuer will not be available for payment of, any such shortfall and the rights of the Noteholders, the Trustee and other creditors to receive any further amount in respect of such obligations shall be extinguished and none of the Noteholders, the Trustee or other creditors may take any further action to recover such amounts.

Non-Petition

None of the Noteholders, the Trustee or other creditors (nor any other person acting on behalf of any of them) shall be entitled to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations relating to the Notes, the Trust Deed or the other documents relating to the issue of the Notes, so long as any Notes are outstanding or for two years plus one day after the latest date on which any note of any series issued under the Programme is due to mature save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer.

Subordination of the Notes

Payments of principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Issuer, as set out in the relevant Order of Priority specified in section 56 (*Application of Proceeds*) of the Applicable Supplement. There can be no assurance that the Noteholders will receive the full Redemption Amount payable by the Issuer under the Notes or that they will receive any return on their investment in the Notes. In certain circumstances, returns to the Noteholders could be reduced to zero.

Notes in Global Form

As the Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Except in the limited circumstances described in the Permanent Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by the Global Notes, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Notes are represented by the Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of an interest in a Global Note must rely on the procedures of Euroclear or Clearstream, Luxembourg, as the case may be, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

Modification and waiver

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, including the modification by Extraordinary Resolution of the Conditions or the provisions of the Trust Deed. These provisions permit

defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Conflicts of interest

Under the Trust Deed, the Trustee will hold a security interest in the property charged and assigned thereunder for the benefit of, among others, the Noteholders, whose rights in an enforcement of the security interest will be subordinate to the prior rights of certain other Secured Creditors.

2. Tax Considerations

The Issuer will not be obliged to pay any additional amounts for, or on account of, any payments under the Notes or under the Swap Agreement, as the case may be, that are the subject of a deduction or a withholding for or on account of any tax. The imposition of such withholding or deductions may lead to a mandatory redemption of the Notes and may lead to a shortfall of amounts available to pay the Redemption Amount due on the Notes.

Pursuant to the terms of the Swap Agreement, the Counterparty will not be obliged to pay any additional amount for, or on account of, any payments under the Swap Agreement that are the subject of a deduction or withholding for or on account of any tax. The imposition of such withholding or deductions may lead to a mandatory redemption of the Notes.

3. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

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

4. **Expenses**

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

TERMS AND CONDITIONS OF THE NOTES

APPLICABLE SUPPLEMENT

SECURED MULTI ASSET REPACKAGING TRUST P.L.C.

*(a public limited company under the laws of Ireland with
registered number 465727)*

issue of

Series 10-2011-04

**Up to GBP 20,000,000 Preference Share-Linked Notes linked to Class 012 Preference
Shares of Sienna Finance UK Limited (the "Notes")**

The issue of the Notes of Secured Multi Asset Repackaging Trust p.l.c. (the "**Issuer**") shall have the terms and conditions (the "**Conditions**") set out in the Second Schedule of the Principal Trust Deed dated 5 June 2009 as amended and restated on 20 July 2010 as completed, modified and supplemented by this Applicable Supplement.

In relation to the Notes, any reference to "Terms and Conditions" means the Conditions as supplemented and modified in relation to the Notes by the terms of this Applicable Supplement. Any reference to "this Applicable Supplement" or "the Applicable Supplement" includes, for the avoidance of doubt, the Annexes to this Applicable Supplement.

Special Conditions

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

- | | |
|--|--|
| 1. Issuer: | Secured Multi Asset Repackaging Trust p.l.c. |
| 2. Series Number: | 10-2011-04 |
| 3. Specified Currency or Currencies: | Pounds Sterling (" GBP ") |
| 4. Aggregate Nominal/Principal Amount: | Up to GBP 20,000,000. |
| 5. Issue Date: | 12 August 2011 |
| 6. Maturity Date: | The second Business Day following the Note Valuation Date. |
| 7. Interest Basis: | Not applicable |

8. Redemption/Payment Basis: The Notes will be redeemed on the Maturity Date at the Redemption Amount, unless redeemed earlier pursuant to the Conditions, in which case, the Notes will be redeemed at the Redemption Amount on the Early Redemption Date (as defined in Special Condition 5).
9. Change of Interest or Redemption Basis: Not applicable
10. Issue Price: 100.00 per cent. of the Principal Amount
11. Status of the Notes: Secured, limited recourse obligations of the Issuer. The Notes are secured primarily on the Underlying Assets and the Swap Agreement.
12. Instructing Creditor: The Counterparty
(See Conditions 3(c), 7(b)(v), 10 and 11)
13. Listing: The Prospectus has been approved by the Central Bank, as competent authority under the Prospectus Directive. The Central Bank only approves the Prospectus as meeting the requirements imposed by 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. No assurance can be given that such application will be successful.
- The Central Bank has provided the competent authority of the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the provisions of Directive 2003/71/EC and Commission Regulation (EC) No 809/2004.
14. Method of Distribution: Non-syndicated

RATINGS

15. Rating(s): Not applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions: Not applicable
17. Floating Rate Note Provisions: Not applicable

- | | | |
|-----|--------------------------------------|----------------|
| 18. | Variable Coupon Note Provisions: | Not applicable |
| 19. | Zero Coupon Note Provisions | Not applicable |
| 20. | Index/Formula-Linked Note Provisions | Not applicable |
| 21. | Dual Currency Note Provisions | Not applicable |

PROVISIONS RELATING TO REDEMPTION, PURCHASE AND EXCHANGE

22. Redemption at or prior to Maturity:

(i) Maturity Date: The second Business Day following the Note Valuation Date.

(ii) Redemption Amount: (a) If the Notes are redeemed on the Maturity Date, the Redemption Amount in respect of each Note shall be an amount in GBP determined by the Determination Agent equal to:

$$\text{GBP } 1.00 \times \frac{\text{Share Value}_{\text{final}}}{\text{Share Value}_{\text{initial}}}$$

subject to a minimum of GBP 0.10.

Where:

"Initial Valuation Date" means the Issue Date or, if such day is not a Business Day, the immediately succeeding Business Day;

"Note Valuation Date" means the third Business Day following the Preference Share Valuation Date;

"Preference Share Valuation Date" means 14 August 2017, or, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the Preference Share Valuation Date shall be such delayed valuation or determination date(s), all as determined

by the Determination Agent;

"Preference Share Value" means, in respect of any day, the fair market value of a Preference Share at the Valuation Time on such day as determined by the Determination Agent;

"Share Value_{final}" means the Preference Share Value on the Note Valuation Date;

"Share Value_{initial}" means the Preference Share Value on the Initial Valuation Date; and

"Valuation Time" means 4.30 p.m. (London time); or

- (b) if the Notes are redeemed prior to the Maturity Date in accordance with the Conditions, an amount in GBP determined by the Determination Agent on the same basis as in (a) above, except that the definition of Share Value_{final} shall be the Preference Share Value on the Early Redemption Valuation Date.

Where:

"Early Preference Share Redemption Valuation Date" means:

- (a) if the Notes become subject to early redemption on (i) a Mandatory Redemption Event or on a Preference Share Early Redemption Event (each, an **"Early Redemption Event"**) or (ii) at the option of the Issuer, in the case of (i) above, the Business Day immediately following such Early Redemption Event or in the case of (ii) above, the date that the notice of early redemption given by the Determination Agent (on behalf of the Issuer) is deemed given to Noteholders in accordance with Condition 15;

or

- (b) if the Notes become subject to early redemption under Condition 10, the fifth Business Day following the date on which the Enforcement Notice referred to therein is given,

or, in each case, if any date(s) for valuation of or any determination of the underlying asset or reference basis (or any part thereof) for the Preference Shares falling on or about such day is to be delayed in accordance with the terms and conditions of the Preference Shares by reason of a disruption or adjustment event, the relevant Early Preference Share Redemption Valuation Date shall be such delayed valuation or determination date(s), all as determined by the Determination Agent.

"Early Redemption Valuation Date" means the third Business Day following the Early Preference Share Redemption Valuation Date.

The Issuer (or the Determination Agent on its behalf) will specify the Early Preference Share Redemption Valuation Date in any notice of early redemption of the Notes.

23. Mandatory Redemption Events:

- (i) Underlying Disposal Event: Not Applicable. The Notes will be mandatorily redeemed upon the occurrence of any event as set out in Condition 7(b)(i) (as amended by Special Condition 1 (*Mandatory Redemption Events*)).
- (ii) Early Redemption of Underlying Assets: Condition 7(b)(ii) will not apply. See Special Condition 1 (*Mandatory Redemption Events*).
- (iii) Credit Event: Condition 7(b)(iii) will not apply.
- (iv) Definition: Condition 7(b)(iv) will not apply. The definition of "Mandatory Redemption Event" shall be amended as set out in Special Condition 1

(Mandatory Redemption Events).

- | | | |
|-----|---|---|
| 24. | Purchase at Issuer's Option
(Condition 7(c)): | Not applicable |
| 25. | Early Redemption of Zero Coupon
Notes (Condition 7(d)): | Not applicable |
| 26. | Redemption at the Option of the
Issuer (Condition 7(f)): | Applicable (as amended by Special Condition 3
<i>(Redemption at the Option of the Issuer)</i>). |
| 27. | Redemption at the Option of the
Noteholders (Condition 7(g)(A)): | Not applicable |
| 28. | Morgan Stanley Noteholder Option
(Condition 7(g)(B)): | Not applicable |
| 29. | Termination of Swap Agreement at
the Option of either party: | Applicable at the option of either party thereto
upon giving 5 Business Days' notice to the other
party |
| 30. | Redemption by Instalments
(Condition 7(h)): | Not applicable |
| 31. | Exchange of Notes for Underlying
Assets (Condition 7(j)): | Not applicable |
| 32. | Exchange of Series (Condition 7(k)): | Not applicable |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | | |
|-----|--|--|
| 33. | Form of Notes: | Temporary Global Note exchangeable for a
Permanent Global Note. The Permanent Global
Note will be exchangeable for Definitive Notes
in the limited circumstances specified in the
Permanent Global Note. |
| 34. | Specified Denominations: | GBP 1.00 |
| 35. | Additional Business Days or other
special provisions relating to
Payment Dates: | Not applicable |
| 36. | Registrar/Alternative Registrar (if
other than as specified in the Agency
Agreement): | Not applicable |
| 37. | Talons for future Coupons or
Receipts to be attached to Definitive
Notes (and dates on which such
Talons mature): | Not applicable |

38. Details relating to Partly Paid Notes: Not applicable
amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:
39. Details relating to Instalment Notes: Not applicable
amount of each instalment, date on which each payment is to be made:
40. Variation to provisions of Condition 10 (*Events of Default*): Not applicable
41. Use of Proceeds (if other than as set out in the Registration Document (as defined below)):
The proceeds from the issuance of the Notes will be an amount equal to 100 per cent. of the Principal Amount of the Notes issued on the Issue Date. The Issuer will apply the proceeds of the issuance of the Notes to purchase the Underlying Assets.

No expense related to the admission of the Notes to trading on the Irish Stock Exchange will be deducted from the proceeds of the issue of the Notes. All such expenses will be paid for by Morgan Stanley & Co. International plc.
42. Other terms or special conditions: As set out in the Annexes hereto

DISTRIBUTION

43. (i) If syndicated, names of Managers: Not applicable
- (ii) Stabilising Manager (if any): Not applicable
44. If non-syndicated, name of Dealer: Morgan Stanley & Co. International plc

Investors are expected to purchase the Notes through the "Morgan Stanley FTSE Gilt-Backed Growth Plan 9" (the "**Plan**") and the purchase of the Notes will be subject to the terms and conditions of the Plan.
45. Additional selling restrictions:

United States: Reg S2/TEFRA D/Not Rule 144A eligible

- | | | |
|-----|---------------------|----------------|
| 46. | Commission payable: | Not applicable |
| 47. | Selling Concession: | Not applicable |
| 48. | Expenses: | Not applicable |

OPERATIONAL INFORMATION

- | | | |
|-----|--|--------------------------|
| 49. | ISIN: | XS0634831258 |
| 50. | Common Code: | 063483125 |
| 51. | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not applicable |
| 52. | Delivery: | Delivery versus payment. |

RELATED AGREEMENTS AND SECURITY

- | | | |
|-----|--|--|
| 53. | Related Agreements: | The Swap Agreement and the Credit Support Deed |
| 54. | Counterparty: | Morgan Stanley & Co. International plc |
| 55. | Date of termination of the Swap Agreement: | The day falling one Business Day prior to the Maturity Date or, if the Notes are redeemed early, one Business Day prior to the Early Redemption Date |
| 56. | Application of Proceeds: | Other Priority. |

All monies received (i) by the Trustee in respect of the Security and any interest (or other income) earned shall, subject as provided below, be held by the Trustee upon trust to apply the same or, as the case may be, (ii) by the Issuer or its agent in respect the Underlying Assets Sale or Realisation Procedure shall be applied:

FIRST, (in no order of priority *inter se*, but *pro rata* to the respective amounts then due) in payment or satisfaction of all amounts payable to the Trustee and/or any attorney, manager, receiver, agent, delegate or other person appointed by it under the Trust Deed in respect of the Notes (including any taxes required to be paid by the Trustee or such appointee, the cost of realising any security and the Trustee's remuneration);

SECOND, (in no order of priority *inter se*, but *pro rata* to the respective amounts then due) in meeting the claims (if any) of the Paying Agents for reimbursement of any amounts paid to any party in respect of the Notes, to the extent that such sums have not been repaid to the Paying Agents, as the case may be, under any other agreements;

THIRD, (in no order of priority *inter se*, but *pro rata* to the respective amounts then due) in payment or satisfaction of any Irish taxes payable by the Issuer, and the fees, costs, charges, expenses and Liabilities of the Paying Agents, the Custodian, the Determination Agent and the Calculation Agent in respect of the Notes;

FOURTH, in meeting the claims (if any) of the Counterparty under or in respect of the Swap Agreement and the Credit Support Deed;

FIFTH, (in no order of priority *inter se* but *pro rata* to the respective amounts then due), in meeting the claims (if any), of the Noteholders on a *pro rata* basis in the proportion which the principal amount of each Note bears to the aggregate principal amount of all the Notes; and

SIXTH, in release of the balance (if any) to the Issuer.

57. Substitution of Underlying Assets: Applicable

ADDITIONAL INFORMATION

58. Issue Agent / Custodian / Principal Paying Agent: Deutsche Bank AG, London Branch

59. Description of the Underlying Assets: UK Gilts

60. Redenomination: Not applicable

TERMS AND CONDITIONS OF THE OFFER

61. Offer Price: 100 per cent. of the Issue Price

62. Conditions to which the offer is subject: Not applicable

63. Description of the application process: A prospective investor should contact the Distributor during the period from and including 6 June 2011 to and including 22 July 2011 (the "**Offer Period**"). The Distributor has the right to close the Offer Period early. A prospective investor will acquire the Notes in accordance with the arrangements existing between the Distributor and its customers relating to the subscription of securities generally and not directly with the Issuer or the Dealer.
- Persons interested in purchasing Notes should contact their financial adviser. If an investor in any jurisdiction other than the United Kingdom wishes to purchase Notes, such investor should (a) be aware that sales in the relevant jurisdiction may not be permitted; and (b) contact its financial adviser, bank or financial intermediary for more information.
64. Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not applicable
65. Details of the minimum and/or maximum amount of application: Not applicable
66. Details of the method and time limits for paying up and delivering the Notes: Prospective Noteholders will be notified by the Distributor of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date on a delivery against payment basis.
67. Manner in and date on which results of the offer are to be made public: Not applicable
68. Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not applicable
69. Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: The Notes are to be offered to retail investors in the United Kingdom.
70. Process for notification to applicants of the amount allotted and the
- At the end of the Offer Period, the Distributor will proceed to notify the prospective

indication whether dealing may begin before notification is made: Noteholders as to the amount of their allotment of the Notes.

Off-market dealings may not commence prior to such notification of allotment being made.

71. Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Not applicable

72. Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. Not applicable

RESPONSIBILITY

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

Signed by a duly authorised attorney of the Issuer:

By:

Date:

ANNEX 1
SPECIAL CONDITIONS

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

1. MANDATORY REDEMPTION EVENTS

Condition 7(b) shall be deleted and replaced by the following and the reference to Condition 7(b)(i)(C) in Condition 9 shall be deemed to be a reference to Condition 7(b)(i)(B):

"(b) *Mandatory Redemption*

(i) *Mandatory Redemption Events*

Each of the following events shall constitute a "**Mandatory Redemption Event**":

- (A) the Swap Agreement is terminated in whole (except in circumstances of optional termination by either party upon giving 5 Business Days' notice to the other in accordance with the provisions of the Swap Agreement) and is not replaced on or prior to such termination to the satisfaction, and with the prior written approval, of the Trustee;
- (B) subject to Condition 14(c) (*Substitution*),
 - (x) the Issuer or any Paying Agent, on the occasion of the next payment due in respect of the Notes, would be required by law to withhold or account for tax, or
 - (y) the Issuer would suffer tax in respect of its income in respect of the Underlying Assets or payments made to it under a Related Agreement, or would receive net of any tax any payments in respect of the Underlying Assets or payments made to it under a Related Agreement (in each case, where there is no obligation to pay an additional amount to the Issuer in respect of the Underlying Assets or the relevant Related Agreement), or
 - (z) any exchange controls or other currency exchange or transfer restrictions or tax are imposed on the Issuer or on any payments to be made to or by the Issuer, or for any reason the cost to the Issuer of complying with its obligations under or in connection with the Trust Deed or meeting its operating or administrative expenses would (in the sole opinion of the directors of the Issuer) be materially increased, the Trustee having required the Issuer to use its best endeavours to procure the substitution of a company incorporated in another jurisdiction approved in writing by the Trustee as the principal obligor in respect of the Notes, or the establishment of a branch office in another jurisdiction approved in writing by the Trustee (in each case subject to the satisfaction of

certain conditions as more fully specified in the Trust Deed) from which it may continue to carry out its functions under the Notes and the Related Agreement(s), and the Issuer, having used its best endeavours, is unable to arrange such substitution before the next payment is due in respect of the Notes of the relevant Series; or

- (C) the occurrence of:
 - (x) (i) a payment default or deferral (without regard to any cure period) or acceleration of payment in relation to any Underlying Asset; or (ii) any amendment to the terms and conditions of any Underlying Asset the effect of which is that the issuer of such Underlying Asset is no longer obliged to pay the same amounts on the same days as contemplated on the Issue Date in each case, as determined by the Determination Agent acting in good faith and a commercially reasonable manner (each, an "**Underlying Asset Default**"); or
 - (y) the redemption of any Underlying Asset prior to its stated maturity date (whether or not such redemption occurs at par), as determined by the Determination Agent acting in good faith and a commercially reasonable manner (an "**Underlying Asset Early Redemption**").

The occurrence of a Mandatory Redemption Event will be determined by the Determination Agent acting in good faith and a commercially reasonable manner.

Upon any determination by the Determination Agent that a Mandatory Redemption Event has occurred, the Determination Agent shall promptly give notice thereof (the "**Mandatory Redemption Event Notice**") to the Issuer, the Trustee, the Counterparty, the Preference Share Issuer and the other Agents of such determination and the Issuer shall notify the Noteholders in accordance with Condition 15 and the Notes shall become repayable at the Redemption Amount on the Early Redemption Date. Unless already terminated, each Related Agreement shall be terminated forthwith upon delivery of a Mandatory Redemption Event Notice becoming effective.

Prior to giving any notice of redemption in respect of the circumstance set out in Condition 7(b)(i)(B) above, the Issuer shall deliver to the Trustee: (1) a certificate signed by a director of the Issuer demonstrating that the conditions precedent to the obligations of the Issuer so to redeem have occurred, and (2) in the case of a redemption of Notes under Condition 7(b)(i)(B)(x) or (y) an opinion (in form and substance satisfactory to the Trustee) of legal advisers of recognised standing to the Issuer (previously approved by the Trustee) in the relevant jurisdiction to the effect that the Issuer has or will become obliged to withhold, account for or suffer such tax. The Trustee may rely on the aforementioned certificate and/or opinion without further enquiry.

Notwithstanding the foregoing, if any of the taxes referred to in Condition 7(b)(i)(B)(x) arises:

- (A) owing to the connection of any holder, or any third party having a beneficial interest in the Notes, Coupons or Receipts, with the place of incorporation or tax jurisdiction of the Issuer otherwise than by reason only of the holding of any Note or receiving principal or Redemption Amount in respect thereof; or
- (B) by reason of the failure by the relevant holder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax; or
- (C) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (D) where a holder would have been able to amend such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the EU,

then, to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such holder and shall not redeem the relevant Notes of the relevant Series. Any such deduction shall not affect the rights of the other holders hereunder and shall not constitute an Event of Default under Condition 10."

2. **UNDERLYING ASSETS SALE OR REALISATION PROCEDURE**

Following the occurrence of an Event of Default (as set out in Condition 10 (*Events of Default*)), a redemption at the option of the Issuer (as set out in Special Condition 3 (*Redemption at the Option of the Issuer*)) or a Mandatory Redemption Event (other than an Underlying Asset Early Redemption), as the case may be, the Determination Agent, acting in good faith as agent of the Issuer, shall arrange for the sale or realisation of the Underlying Assets in accordance with the following procedure (the "**Underlying Assets Sale or Realisation Procedure**"):

- (a) On or prior to the Business Day immediately following the Early Preference Share Redemption Valuation Date, the Determination Agent (on behalf of the Issuer) will use reasonable endeavours to request firm bid quotations from five dealers or market participants (which may also include Morgan Stanley and/or any of its Affiliates) indicating their firm bid price for the purchase of the Underlying Assets for settlement in accordance with market practice. The Determination Agent may acting in good faith and in a commercially reasonable manner hold a second auction within the time limits specified above to solicit firm bid quotations if it cannot obtain at least one firm bid quotation in the first auction.

- (b) The Underlying Assets will be sold to the highest bidder. If no firm bid quotations are obtained, the price will be determined by the Determination Agent acting in good faith and in a commercially reasonable manner and could be equal to zero.
- (c) If the Underlying Assets consist of cash, such cash will be realised.

The net proceeds of the sale or realisation of the Underlying Assets (or, in the case of an Underlying Asset Early Redemption, any redemption proceeds received in respect of the Underlying Assets) together with any termination payment due to the Issuer under the Swap Agreement shall be applied in accordance with the Order of Priority on the Early Redemption Date.

The Issuer shall give notice to the Secured Creditors (which notice shall be irrevocable) of the Early Redemption Date as soon as reasonably practicable after receipt of the sale proceeds or redemption proceeds or realisation proceeds of the Underlying Assets.

Neither the Issuer nor the Determination Agent shall be liable (i) to account for anything except actual proceeds of the Underlying Assets received by it or (ii) for any costs, charges, losses, damages, liabilities or expenses arising from or connected with the Underlying Assets Sale or Realisation Procedure or from any act or omission in relation to the Underlying Assets or otherwise unless such costs, charges, losses, damages, liabilities or expenses are caused by its negligence or wilful misconduct. In addition, neither the Issuer nor the Determination Agent will be obliged to pay to the Issuer or the Noteholders interest on any proceeds from the Underlying Assets Sale or Realisation Procedure.

3. REDEMPTION AT THE OPTION OF THE ISSUER

Following any termination in whole of the Swap Agreement at the option of either party thereto upon giving 5 Business Days' notice to the other party, the Issuer may redeem the Notes in whole at any time upon giving written notice to the Trustee, the Preference Share Issuer and the Agents, as well as to the Noteholders of its intention to do so in accordance with Condition 15, each Note being redeemed on the Early Redemption Date at the Redemption Amount.

The Issuer, acting through the Determination Agent, shall arrange for the sale or realisation of the Underlying Assets in accordance with the Underlying Assets Sale or Realisation Procedure. Upon receipt of the sale proceeds thereof, the Issuer shall give not more than 10 Business Days' notice to the Secured Creditors (which notice shall be irrevocable) of the date on which the net proceeds of such sale shall be applied in accordance with the Order of Priority.

4. PREFERENCE SHARE EARLY REDEMPTION

Following a Preference Share Early Redemption Event, the Issuer shall redeem the Notes in whole upon giving written notice to the Trustee, the Counterparty and the Agents, as well as to the Noteholders of its intention to do so in accordance with Condition 15, each Note being redeemed on the Early Redemption Date at the Redemption Amount.

5. **DEFINITIONS**

"Early Preference Share Redemption Valuation Date" means the date specified as such in the Applicable Supplement.

"Early Redemption Date" means the third Business Day following the Early Redemption Valuation Date.

"Early Redemption Valuation Date" means the date specified as such in the Applicable Supplement.

"Preference Share Early Redemption Event" means that the Issuer and the Counterparty have received notice from the Preference Share Issuer that the Preference Shares are to be redeemed early.

"Preference Share Issuer" means Sienna Finance UK Limited.

DESCRIPTION OF THE UNDERLYING ASSETS

The Underlying Assets are expected to be delivered to the Issuer on the Issue Date. The aggregate nominal amount of all Underlying Assets on the Issue Date will be such amount as the Issuer is able to purchase using 100 per cent. of the issue proceeds of the Notes on the Issue Date.

Brief particulars of the Underlying Assets:

The UK Gilts specified below, including all amounts paid to the Issuer by way of principal or redemption proceeds in respect of each Underlying Asset on its stated maturity date.

Issuer: UK Government

Maturity Date: 7 September 2016

ISIN: GB00B0V3WX43

Governing Law: English

Admission to trading: The Underlying Assets are admitted to trading on the regulated market of the London Stock Exchange.

All amounts paid to the Issuer by way of principal or redemption proceeds in respect of each Underlying Asset on its stated maturity date will be held by Deutsche Bank AG, London Branch acting as Custodian. Deutsche Bank AG, London Branch is a global financial services firm incorporated in the United Kingdom whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Deutsche Bank AG, London Branch has securities admitted to trading on various stock exchanges including the Luxembourg Stock Exchange.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

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

1. Supplemental Trust Deed

The Issuer will enter into a supplemental trust deed in respect of the Notes on or about the Issue Date (the "**Supplemental Trust Deed**"), which will be supplemental to the Principal Trust Deed dated 5 June 2009 as amended and restated on 20 July 2010 between the Issuer and the Trustee. Pursuant to the terms of the Supplemental Trust Deed, the Issuer will constitute the Notes and grant security over the Charged Assets relating to the Notes. The Supplemental Trust Deed will provide that the obligations of the Issuer are secured by, *inter alia*, the following security interests (the "**Security**"):

- (i) a first fixed charge and a mortgage over all of the Issuer's Rights, title, interest and benefits (present and future) in and to the Underlying Assets held in the Custody Account and all sums derived therefrom;
- (ii) a first fixed charge over the Custody Account and all of the Issuer's title and interest in and to the Custody Account and an assignment by way of security all of the Issuer's Rights in respect of the Custody Account;
- (iii) an assignment by way of security of all of the Issuer's Rights, title, interest and benefits (present and future) in and to the Related Agreements to the extent they relate to the Notes and all sums derived therefrom to the extent they relate to the Notes (but subject to any rights of set-off or netting provided for in the relevant Related Agreement);
- (iv) an assignment by way of security of all of the Issuer's Rights, title, interest and benefits (present and future) in and to the Custody Agreement (including the Issuer's Rights in respect of and all sums standing to the credit of the Custody Account and other Retained Monies and including any interest accrued or accruing thereon to the extent they relate to the Notes);
- (v) an assignment by way of security of all of the Issuer's Rights, title, interest and benefits (present and future) in and to the Agency Agreement to the extent they relate to the Notes (including the Issuer's Rights in respect of all sums held from time to time by the Principal Paying Agent for payments of principal or any other amounts payable in respect of the Notes); and
- (vi) a first fixed charge over all sums held from time to time by the Principal Paying Agent for payments of principal or any other amounts payable in respect of the Notes,

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

The Supplemental Trust Deed and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law.

2. **Swap Agreement**

The Issuer will enter into a swap transaction (the "**Swap Transaction**") with the Counterparty pursuant to a 2002 ISDA Master Agreement and Schedule thereto (the confirmation documenting the Swap Transaction, together with such ISDA Master Agreement and Schedule insofar as their provisions are incorporated into the confirmation, the "**Swap Agreement**"), pursuant to which (A) the Issuer will be obliged to pay or deliver (as applicable) to the Counterparty (i) amounts equal to all amounts due to be paid to the Issuer (whether or not actually paid) by way of distributions, interest or any other amount (other than as set out in (ii) below) in respect of each Underlying Asset one Business Day after the date on which each such amount is due to be paid to the Issuer and (ii) amounts equal to all amounts due to be paid to the Issuer (whether or not actually paid) by way of principal or redemption proceeds in respect of each Underlying Asset one Business Day prior to the Maturity Date and (iii) if the Underlying Assets are not redeemed when originally due, each Underlying Asset (unless and to the extent the Issuer has paid in full to the Counterparty all amounts at (ii) above) and (B) the Counterparty will be obliged to pay to the Issuer, one Business Day prior to the Maturity Date or, on the occurrence of a Preference Share Early Redemption Event two Business Days following the Early Redemption Valuation Date, an amount equal to the Redemption Amount of the Notes.

The Swap Agreement may be terminated early by either party in certain circumstances specified therein, including upon (i) a failure to pay by either party thereto, (ii) certain insolvency-related events in respect of either party thereto, (iii) illegality, (iv) certain circumstances of hedging disruption or changes in laws affecting the costs to the Counterparty associated with the Swap Agreement and (v) the exercise by either party of an option to terminate the Swap Agreement upon giving notice to the other party in accordance with the terms thereof.

If the Swap Agreement is terminated early (in whole or in part) for any reason, a swap termination payment may become payable either by the Issuer or by the Counterparty. If a swap termination payment is payable by the Issuer to the Counterparty, this may result in the Issuer having insufficient funds to pay any Redemption Amount due on the Notes.

Early termination of the Swap Agreement may lead to early redemption of the Notes. The amount payable upon any early redemption of the Notes (after satisfaction of all prior ranking claims in accordance with the Order of Priority) may be less than the Redemption Amount due on the Notes and in certain circumstances may be zero.

The Swap Agreement and any non-contractual obligations arising out of or in connection with it will be governed by, and will be construed in accordance with, English law. The Swap Agreement will terminate on the day falling one Business Day prior to the Maturity Date or, if the Notes are redeemed early, one Business Day prior to the Early Redemption Date.

3. **Credit Support Deed**

The Issuer will enter into a credit support deed with the Counterparty on or about the Issue Date (the "**Credit Support Deed**"), pursuant to which the Counterparty will

calculate the collateral requirements of the Issuer and the Counterparty based upon each party's exposure to the other party under the Swap Agreement on a daily basis. To the extent that any collateral is due to be posted by the Counterparty, the Counterparty will post collateral (either in the form of cash or securities issued by a G7 nation or Eurozone Government Securities) to the Issuer in accordance with the Credit Support Deed. To the extent that collateral is due to be posted by the Issuer to the Counterparty, the security over such collateral will be deemed to be released in accordance with the provisions of the Trust Deed and the Issuer will post such collateral to the Counterparty in accordance with the provisions of the Credit Support Deed. The Counterparty will have the right to use the Collateral as if it were the owner of such collateral under the Financial Collateral Arrangements (No. 2) Regulations 2003.

Any collateral transferred by the Counterparty to the Issuer in accordance with the provisions of the Credit Support Deed will be deposited in a cash or securities collateral account (as applicable) opened in the name of the Issuer with the Custodian. The Issuer will be able to enforce its security over the collateral accounts (and any funds standing to the credit thereof) only upon the occurrence of an event of a default or failure by the Counterparty to comply with its obligations under the Credit Support Deed. Prior to such enforcement action being taken, funds standing to the credit of the collateral accounts will not be available for use by the Issuer for any purpose.

The Credit Support Deed and any non-contractual obligations arising out of or in connection with it shall be governed by, and shall be construed in accordance with, English law. The Credit Support Deed will terminate on the day falling one Business Day prior to the Maturity Date.

4. **Agency Agreement**

Pursuant to the agency agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time) between, amongst others, the Issuer, the Principal Paying Agent, the Determination Agent, the Issue Agent, the Calculation Agent and the Trustee (the "**Agency Agreement**"), the Issuer has certain Rights owed to it by the Principal Paying Agent who has agreed to hold funds from time to time on behalf of the Issuer, subject to the security created by the Supplemental Trust Deed, and to make all payments in respect of the Notes to the Noteholders. The Determination Agent and the Calculation Agent will each owe certain contractual obligations to the Issuer, subject to the security created pursuant to the Supplemental Trust Deed.

Any Agent may resign upon giving not less than 30 days' written notice to the Issuer and the Trustee, such resignation not to take effect until a successor has been appointed. The appointment of an Agent shall terminate forthwith upon the occurrence of a number of events specified in the Agency Agreement, including such Agent becoming incapable of performing its duties in accordance with the Agency Agreement and certain insolvency-related events in respect of such Agent. If the appointment of an Agent is so terminated, the Issuer will have to appoint a suitable replacement with the prior written approval of the Trustee.

The Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

5. **Custody Agreement**

Pursuant to the custody agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time) between, amongst others, the Issuer, the Custodian and the Trustee (the "**Custody Agreement**"), the Custodian will hold the Underlying Assets (either directly or through one or more sub-custodians), together with any Retained Monies and interest accrued or accruing thereon on behalf of the Issuer, subject to the security created pursuant to the Supplemental Trust Deed.

The Custodian may resign upon giving not less than 30 days' written notice to the Issuer and the Trustee, such resignation not to take effect until a successor has been appointed.

The Custody Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

6. **Dealer Agreement**

For a summary of certain provisions of the Dealer Agreement, please refer to the section entitled "*Subscription and Sale*" of this Prospectus.

The Dealer Agreement and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

7. **Corporate Services Agreement**

Ogier Fiduciary Services (Ireland) Limited (the "**Corporate Services Provider**"), whose registered office is at 2nd Floor, 11/12 Warrington Place, Dublin 2, Ireland, will provide corporate services to the Issuer pursuant to a corporate services agreement dated 5 June 2009 between the Issuer and the Corporate Services Provider (the "**Corporate Services Agreement**").

The Corporate Services Agreement may be terminated by either party upon not less than ninety (90) days' written notice to the other party. In addition, the Corporate Services Agreement provides for immediate termination of the Corporate Services Agreement by a party in certain circumstances of insolvency of the other party and/or in the event of a material breach of the Corporate Services Agreement by the other party. In the event of a termination of the existing Corporate Services Agreement for whatever reason, appropriate alternative corporate services arrangements will need to be put into place at the relevant time.

The Corporate Services Agreement is governed by, and shall be construed in accordance with, Irish law.

FORM OF THE NOTES

The Notes will initially be in the form of the Temporary Global Note which will be deposited on or around the Issue Date with a common depository for Euroclear and Clearstream, Luxembourg.

The Temporary Global Note will be exchangeable in whole or in part for interests in the Permanent Global Note not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

The Permanent Global Note will become exchangeable in whole, but not in part, for Notes in definitive form ("**Definitive Notes**") in the denomination of GBP 1.00, each at the request of the bearer of the Permanent Global Note against presentation and surrender of the Permanent Global Note to the Principal Paying Agent, if either of the following events (each, an "**Exchange Event**") occurs: (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention to cease business permanently or in fact does so; or (b) if so specified in the Applicable Supplement, at the option of the Noteholder, and upon the Noteholder's request.

So long as the Notes are represented by a Temporary Global Note or a Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in the minimum authorised denomination of GBP 1.00.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery of such Definitive Notes, duly authenticated, in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the occurrence of the relevant Exchange Event.

In addition, the Temporary Global Note and the Permanent Global Note will contain provisions which modify the Conditions as they apply to the Temporary Global Note and the Permanent Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Temporary Global Note and the Permanent Global Note will be made against presentation and, in the case of payment of principal in full, surrender of the Temporary Global Note or (as the case may be) the Permanent Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal is made in respect of the Temporary Global Note or (as the case may be) the Permanent Global Note, the Issuer shall procure that the payment is noted in a schedule thereto.

Notices: Notwithstanding Condition 15 (*Notices*), while all the Notes are represented by the Permanent Global Note and/or the Temporary Global Note and the Permanent Global Note and/or the Temporary Global Note are deposited with a common depository for Euroclear and

Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 15 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg, *provided that* if the Notes are listed on the Irish Stock Exchange, notices will at all times be given in accordance with the rules of the Irish Stock Exchange.

IRISH TAXATION

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

Taxation of Noteholders

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest which should include premium payable on the Notes. The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of premium on a Note where:

- (a) the Notes are Quoted Eurobonds (i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as the Irish Stock Exchange) and which carry a right to interest); and
- (b) the person by or through whom the payment is made is not in Ireland, or if such person is in Ireland, either:
 - (i) the Notes are held in a clearing system recognised by the Irish Revenue Commissioners; (Euroclear and Clearstream, Luxembourg are, amongst others, so recognised); or
 - (ii) the Noteholder is not resident in Ireland and has made a declaration to a relevant person (such as a paying agent located in Ireland) in the prescribed form; and
- (c) one of the following conditions is satisfied:
 - (i) the Noteholder is resident for tax purposes in Ireland; or
 - (ii) the Noteholder is a pension fund, government body or other person (other than a person described in paragraph (c)(iv) below), who is resident in a relevant territory and who, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or
 - (iii) the Noteholder is subject, without any reduction computed by reference to the amount of such interest or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or

(iv) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:

(A) from whom the Issuer has acquired assets;

(B) to whom the Issuer has made loans or advances; or

(C) with whom the Issuer has entered into a swap agreement,

where the aggregate value of such assets, loans, advances or swap agreements represents not less than 75 per cent. of the assets of the Issuer,

where for these purposes, the term:

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

“swap agreement” means any agreement, arrangement or understanding that:

(I) provides for the exchange, on a fixed or contingent basis, of one or more payments based on the value, rate or amount of one or more interest or other rates, currencies, commodities, securities, instruments of indebtedness, indices, quantitative measures, or other financial or economic interests or property of any kind, or any interest therein or based on the value thereof, and

(II) transfers to a person who is a party to the agreement, arrangement or understanding or to a person connected with that person, in whole or in part, the financial risk associated with a future change in any such value, rate or amount without also conveying a current or future direct or indirect ownership interest in an asset (including any enterprise or investment pool) or liability that incorporates the financial risk so transferred.

Thus, so long as the Notes continue to be quoted on the Irish Stock Exchange, are held in Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph (c) above is met, interest or premium on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest or premium on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph (c) above is met.

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest or premium on any Note, where such interest or premium is collected or realised by a bank or encashment agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner of the

interest or premium is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Income Tax, PRSI and Universal Social Charge

Notwithstanding that a Noteholder may receive interest or premium on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest or premium. Noteholders resident or ordinarily resident in Ireland who are individuals may be liable to pay Irish income tax, social insurance (PRSI) contributions and the universal social charge in respect of interest or premium they receive on the Notes.

Interest or premium paid on the Notes may have an Irish source and therefore may be within the charge to Irish income tax notwithstanding that the Noteholder is not resident in Ireland. In the case of Noteholders who are non-resident individuals such Noteholders may also be liable to pay the universal social charge in respect of interest or premium they receive on the Notes.

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

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments and premium payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a relevant territory and the interest or premium is paid out of the assets of the Issuer. Secondly, interest or premium payments made by the Issuer in the ordinary course of its business are exempt from income tax provided the recipient is a company (a) not resident in Ireland and resident in a relevant territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory, or (b) which is, in respect of the interest or premium, exempted from the charge to income tax under a double taxation treaty in force between Ireland and another territory, or which would be exempted from the charge to income tax if a double taxation treaty made between Ireland and another territory on or before the date of payment, but not yet in force, had the force of law when the interest or premium was paid. Thirdly, interest or premium paid by the Issuer free of withholding tax under the quoted Eurobond exemption is exempt from income tax, where the recipient is a person not resident in Ireland and resident in a relevant territory. For these purposes, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest or premium falling within the above exemptions is also exempt from the universal social charge.

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

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

Interest or premium on the Notes which does not fall within the above exemptions is within the charge to income tax, and, in the case of Noteholders who are individuals, is subject to the

universal social charge. In the past the Irish Revenue Commissioners have not pursued liability to tax in respect of persons who are not regarded as being resident in Ireland except where such persons have a taxable presence of some sort in Ireland or seek to claim any relief or repayment in respect of Irish tax. However, there can be no assurance that the Irish Revenue Commissioners will apply this treatment in the case of any Noteholder.

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade or business in Ireland through a branch or agency in respect of which the Notes were used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax (which subject to available exemptions and reliefs, will be levied at 25 per cent) if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) on the relevant date or (ii) if the Notes are regarded as property situate in Ireland (i.e. if the Notes are physically located in Ireland or if the register of the Notes is maintained in Ireland).

EU Savings Directive

Ireland has implemented the EC Council Directive 2003/48/EC on the taxation of savings income into national law. Accordingly, any Irish paying agent making an interest or premium payment on behalf of the Issuer to an individual or certain residual entities resident in another Member State of the European Union or certain associated and dependent territories of a Member State will have to provide details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address) to the Irish Revenue Commissioners who in turn is obliged to provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

The Issuer, or any person or agent acting on behalf of the Issuer, shall be entitled to require Noteholders to provide any information regarding their tax status, identity or residency in order to satisfy the disclosure requirements in Directive 2003/48/EC and Noteholders will be deemed by their subscription for Notes to have authorised the automatic disclosure of such information by the Issuer or any person or agent acting on behalf of the Issuer to the relevant tax authorities.

Stamp Duty

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

UNITED KINGDOM TAXATION

The following statements are by way of a general guide only to Noteholders. They are not exhaustive and do not constitute tax advice. Noteholders are therefore advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Notes under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

The information below relates only to United Kingdom taxation and is applicable to United Kingdom residents who are the beneficial owners of Notes and hold the Notes as an investment, and does not apply to other categories of taxpayers such as dealers in shares and securities. It is based on United Kingdom tax law and HM Revenue and Customs (HMRC) published practice at the date of this Prospectus. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Anyone who is unsure of their tax treatment in relation to Notes should seek independent professional advice.

Withholding taxes

Payments on the Notes may be made without deduction of or withholding on account of United Kingdom income tax.

United Kingdom Corporation Tax Payers

The United Kingdom taxation treatment of a Noteholder that is within the charge to United Kingdom corporation tax will depend on, among other things, the accounting treatment of the Notes in the Noteholder's hands, including, in particular, whether or not the Notes are bifurcated into a host contract and an "embedded derivative" as an accounting matter. The accounting treatment will also affect the tax treatment of a disposal of the Notes (including a disposal occurring on redemption).

Noteholders within the charge to United Kingdom corporation tax should consult their own accounting and tax advisers concerning their tax liabilities that may arise as a result of holding the Notes, or as a result of the disposal or redemption of the Notes.

Other United Kingdom Tax Payers

Taxation of Chargeable Gains

The Notes should fall within the definition of "excluded indexed securities" in section 433 of the Income Tax (Trading and Other Income) Act 2005 (**ITTOIA 2005**). As such, the Notes should not constitute "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 (**TCGA 1992**) and an individual United Kingdom tax resident Noteholder who holds Notes as an investment should be subject to capital gains tax (**CGT**) on any capital gains arising from the disposal of the Notes. Following the occurrence of an "underlying determination event" in respect of the Preference Shares, a proportion of the amount received by a Noteholder on a redemption of the Notes (or, in the case of a Noteholder who did not hold the Notes before the occurrence of the "underlying determination event", a proportion of the amount received by the Noteholder on a disposal of the Notes) may be subject to income tax.

The principal factors which will determine the extent to which a capital gain arising from the disposal of Notes will be subject to CGT are the level of the annual allowance of tax-free capital gains in the tax year in which the disposal takes place (the **annual exemption**), the extent to which the Noteholder realises any other capital gains in that year and the extent to which the Noteholder has incurred capital losses in that or any earlier tax year.

The annual exemption is (if the Finance (No.3) Bill 2011 is enacted in its current form) £10,600 for the 2011/2012 tax year and, under current legislation, this exemption is, unless Parliament decides otherwise, increased annually in line with the rate of increase (if any) in the retail prices index. The Government has proposed that for the 2012/2013 tax year and later years, increases in the annual exemption will be in line with the consumer prices index instead of the retail prices index. Noteholders should be aware that the United Kingdom Parliament is entitled to withdraw this link between the level of the annual exemption and the retail prices (or other relevant) index or even to reduce the level of the annual exemption for future tax years below its current level.

For the purposes of illustration only, the various reliefs and allowances mentioned above could interact in respect of a Noteholder who realises a capital gain (the **relevant capital gain**) on a disposal of Notes in a particular tax year (the **year of disposal**) as follows:

1. If the Noteholder has incurred no capital losses in the year of disposal and has no unrelieved capital losses from any previous tax year, he or she will be subject to CGT if and to the extent that the relevant capital gain plus any other capital gains realised by him in the year of disposal exceed the annual exemption for that year.
2. If the Noteholder has incurred capital losses in the year of disposal but has no unrelieved capital losses from any previous tax year, those losses can be set off against the relevant capital gain and against any other capital gains realised by him in the year of disposal. To the extent that those losses are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Noteholder in the year of disposal CGT will be payable by the Noteholder if and to the extent that the net capital gains exceed the annual exemption for that year.
3. Where either the Noteholder has incurred no capital losses in the year of disposal or any capital losses so incurred are insufficient to relieve the whole of the relevant capital gain and any other capital gains realised by the Noteholder in the year of disposal, but the Noteholder has incurred unrelieved capital losses in some previous tax year(s), those losses can be set off against the net capital gains realised by the Noteholder in the year of disposal to the extent that it is necessary to reduce those net capital gains to the level of the annual exemption for that year (and therefore to the level where no CGT will be payable by the Noteholder for that tax year). If the unrelieved capital losses from the previous tax year(s) are insufficient to reduce the Noteholder's net capital gains for the year of disposal to the level of the annual exemption for that year, CGT will be payable by the Noteholder if and to the extent that the capital gains exceed the annual exemption for the year of disposal.

The Finance (No.2) Act 2010 introduced a new capital gains tax rate of 28 per cent. for individuals who are higher rate or additional rate taxpayers, which applies to all gains arising on or after 23 June 2010. Where an individual's total taxable income and gains (after allowable

deductions) are less than the upper limit of the basic rate income tax band (which is set at £37,400 for the tax year 2010/2011 and, if the Finance (No.3) Bill 2011 is enacted in its current form, will decrease to £35,000 for the 2011/2012 tax year), CGT will be charged at 18 per cent. Any gains or part gains in excess of that upper limit will be taxed at 28 per cent.

A prospective Noteholder should only expect to be treated as holding the Notes as an investment (subject to CGT and with the benefit of the annual exemption) if he or she intends to hold them for the medium to longer term and not to dispose of them in the short term for profit.

Individual Savings Accounts

The Notes should qualify for inclusion within a stocks and shares ISA provided that they are and remain (i) listed on the official list of a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007 (**ITA 2007**) (a **Recognised Stock Exchange**); (ii) the terms of the Notes do not require the underlying loan to be repaid or the Notes to be redeemed or repurchased within the period of 5 years from the date on which the Notes are first held in the stocks and shares ISA; (iii) the terms of the Notes do not allow the Noteholder to require the underlying loan to be repaid or the Notes to be redeemed or repurchased within the period of 5 years from the date on which the Notes are first held in the stocks and shares ISA except in circumstances which are neither likely nor certain to occur; and (iv) the Issuer is not an "open-ended investment company". The Notes would not qualify for inclusion within a cash ISA.

United Kingdom tax resident Noteholders who acquire their investment in the Notes through an ISA and who satisfy the requirements for tax exemption in the Individual Savings Account Regulations 1998 will not be subject to either United Kingdom income tax or United Kingdom capital gains tax on income and gains realised from their Notes and any losses on their investment will be disregarded for the purposes of United Kingdom capital gains tax.

Individual investors who are considering investing in Notes which may provide capital growth and who are considering holding such Notes within an ISA may wish to consider whether it may be more beneficial for them to hold such Notes as a direct investment outside an ISA (leaving them free to invest in an income producing asset for inclusion in an ISA). This will depend on an investor's individual circumstances, including the availability of the capital gains tax annual exemption which may significantly reduce the amount of tax payable on capital gains. It may be more appropriate for some investors to hold an income generating investment within their ISA and assets generating capital gains as a direct investment so that, overall, less tax is paid on income and capital gains.

Where the Notes are unlisted or are not listed on a Recognised Stock Exchange, such Notes will not qualify for inclusion within a stocks and shares ISA. The tax treatment of United Kingdom tax resident or ordinarily resident individual Noteholders in respect of such Notes is set out above.

United Kingdom Self-Invested Personal Pensions (SIPP) and Small Self-Administered Schemes (SSAS)

The Notes should be capable of being held within a SIPP or SSAS that is a registered pension scheme subject to the individual circumstances of the Noteholders. Noteholders should obtain independent advice in relation to the tax treatment of Notes held within a SIPP or SSAS.

Other United Kingdom tax considerations

Transfer of Assets Abroad

The attention of individual Noteholders who are ordinarily resident in the United Kingdom is drawn to the provisions of sections 714 to 751 of ITA 2007 contained in Chapter 2 of Part 13 of ITA 2007 (the **Transfer of Assets Abroad Legislation**). Under sections 714 to 751 of ITA 2007, the income accruing to the Issuer may be attributed to such a Noteholder and may (in certain circumstances) be subject to United Kingdom income tax in the hands of the Noteholder. However, under section 737 of ITA 2007, sections 714 to 751 ITA of 2007 will not apply if the Noteholder can satisfy HMRC that either:

- (1) it would not be reasonable to draw the conclusion, from all the circumstances of the case, that the purpose of avoiding a liability to United Kingdom taxation was the purpose or one of the purposes for which an investment in the Notes or any "associated operations" within the meaning of section 719 of ITA 2007 (together, the **Note Transactions**) was effected; or
- (2) the Note Transactions were "genuine commercial transactions" and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the Note Transactions was designed, more than incidentally, for the purpose of avoiding United Kingdom taxation.

Sections 737 and 738 of ITA 2007 provide that, in interpreting these provisions:

- (A) the intentions and purposes of any person who, whether or not for consideration, designs or effects any of the Note Transactions or provides advice in relation to any of the Note Transactions would have to be taken into account in determining the purposes for which the Note Transactions were effected;
- (B) for the purposes of (2) above, a Note Transaction would only be a "commercial transaction" if, broadly, it was on arm's length terms and, in addition, if it was effected in the course of a trade or business, or with a view to setting up and commencing a trade or business and, in either case, for the purposes of that trade or business; and
- (C) the making and managing of investments, or the making or managing of investments, can only constitute a trade or business for the purposes of the preceding paragraph to the extent that the person carrying out the activity and the person for whom it is done are independent persons dealing at arm's length.

Transactions in securities

The attention of Noteholders who are corporation tax payers is drawn to the provisions of sections 731 to 751 of the Corporation Tax Act 2010 (**CTA 2010**). Noteholders who are income tax payers should have regard to sections 682 to 713 of ITA 2007. These provisions could potentially apply to counteract United Kingdom tax advantages arising to a Noteholder but the provisions will not apply provided the Noteholder can demonstrate that:

- (1) in the case of a Noteholder who is a corporation tax payer:

- (i) its investment in the Notes was made for bona fide commercial reasons or in the ordinary course of making or managing investments, and
 - (ii) the main object or one of the main objects of the investment in the Notes was not to obtain a corporation tax advantage within the meaning of section 732 of CTA 2010;
- (2) in the case of a Noteholder who is an income tax payer, it is not the case that the main purpose or one of the main purposes of the investment in the Notes was to obtain an income tax advantage within the meaning of sections 687 of ITA 2007.

Restrictions on allowable losses

The attention of Noteholders is drawn to section 16A of TCGA 1992. This provision could potentially prevent Noteholders from claiming an allowable loss in respect of a disposal of their Notes if the main purpose or one of the main purposes connected with their investment and/or disposal of the Notes was to secure a tax advantage within the meaning of section 16A(2) of TCGA 1992.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

No United Kingdom stamp duty or SDRT is payable on the issue of the Notes or on a transfer by delivery of the Notes.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

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

BUSINESS OF THE COUNTERPARTY

The Counterparty

Pursuant to the terms of the Swap Agreement, Morgan Stanley & Co. International plc has agreed to act as the Counterparty (in such capacity, the "**Counterparty**"). Morgan Stanley & Co. International plc is a public company incorporated with limited liability under the laws of England and Wales whose registered office is at 25 Cabot Square, Canary Wharf, London E14 4QA.

Morgan Stanley & Co. International plc is an indirect wholly owned subsidiary of Morgan Stanley. The principal activity of Morgan Stanley & Co. International plc is the provision of financial services to corporations, governments, financial institutions and individual investors. It is authorised and regulated by the U.K. Financial Services Authority.

Morgan Stanley

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides a wide variety of products and services to a large and diversified group of clients and customers, including corporations, governments, financial institutions and individuals. It maintains significant market positions in each of its business segments - Institutional Securities, Global Wealth Management Group and Asset Management.

On 21 September 2008, Morgan Stanley announced that its application to the U.S. Federal Reserve Board of Governors to become a bank holding company was approved and that Morgan Stanley has elected to be deemed a financial holding company under the Bank Holding Company Act.

Morgan Stanley's objects and purposes are set out in Article III of its Certificate of Incorporation and enable it to engage in any lawful act or activity for which corporations may be organised and incorporated under the General Corporation Law of the State of Delaware.

Morgan Stanley's common stock is listed on the New York Stock Exchange, Inc. and its principal executive offices are at 1585 Broadway, New York, New York 10036, U.S.A.

BUSINESS OF THE ISSUE AGENT, THE CALCULATION AGENT AND THE PRINCIPAL PAYING AGENT

Pursuant to the terms of the Agency Agreement, Deutsche Bank AG, acting through its branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB ("**Deutsche Bank AG London**") has agreed to act as principal paying agent, issue agent and calculation agent in respect of the Notes.

Deutsche Bank AG London is the London Branch of Deutsche Bank AG.

Deutsche Bank AG has its registered office at Taunusanlage 12, D-60325 Frankfurt am Main, Germany. Deutsche Bank AG is the parent company of a group consisting of banks, capital market companies, fund management companies, mortgage banks and a property finance company, instalment financing and leasing companies, insurance companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**"). The London Branch of Deutsche Bank AG is located at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.

The objectives of Deutsche Bank AG, as laid down in its Articles of Association, are the transaction of banking business of every kind, the provision of financial and other services and the promotion of international economic relations. Deutsche Bank AG may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, Deutsche Bank AG is entitled to transact all business and to take all steps which appear likely to promote its objectives, in particular to acquire and dispose of real estate, to establish branches at home or abroad, to acquire, administer and dispose of interests in other enterprises, and to conclude enterprise agreements.

DESCRIPTION OF THE PREFERENCE SHARE ISSUER AND THE PREFERENCE SHARES

The Preference Share Issuer

Sienna Finance UK Limited (the "**Preference Share Issuer**" or "**Sienna Finance**") is a private company limited by shares and was incorporated under the Companies Act 2006 on 18 February 2010 (with registered number 07162508). Sienna Finance is governed by the laws of England and Wales and has its registered office at 35 Great St. Helen's, London, EC3A 6AP, United Kingdom.

The sole business activity of Sienna Finance is to issue redeemable preference shares. Accordingly, Sienna Finance does not have any trading assets and does not generate any significant net income.

A copy of Sienna Finance's constitutional documents and the Preference Share terms and conditions are available (free of charge) from the registered office of Sienna Finance.

The Preference Shares

The Preference Share Issuer will from time to time issue tranches of 100 redeemable preferred shares (the **Preference Shares**) with a par value of £0.01 each. The Preference Shares will be issued fully paid to SFM Corporate Services Limited and at a premium of £0.99, for total consideration of £1.00 each. In respect of the Series 10-2011-04 Notes, the Preference Share Issuer has issued Class 012 Preference Shares.

The Preference Share Issuer may issue redeemable preference shares of any kind, including but not limited to preference shares linked to a specified index or basket of indices, share or basket of shares, currency or basket of currencies, debt instrument or basket of debt instruments, commodity or basket of commodities, fund unit or share or basket of fund units or shares or to such other underlying instruments, bases of reference or factors (each a **Preference Share Underlying**) and on such terms as may be determined by the Preference Share Issuer and specified in the applicable terms and conditions of the relevant series of preference shares (the "**Terms of the Preference Shares**"). The Terms of the Preference Shares, and any non-contractual obligations arising out of or in connection with the Terms of the Preference Shares and any non-contractual obligations arising out of or in connection with them, are governed by and construed in accordance with English law.

The Terms of the Preference Shares provide that the Preference Shares will be redeemable on their final redemption date (or otherwise in accordance with their Terms). On redemption, the Preference Shares will carry preferred rights to receive an amount calculated by reference to the Preference Share Underlying. The Preference Shares also incorporate an "underlying determination event" mechanism, which may be triggered by certain annual changes in the value of the Preference Share Underlying. On the occurrence of such underlying determination event, the Preference Shares will cease to be exposed to the Preference Share Underlying and the amount due on redemption would equal (i) the issue price multiplied by the relevant percentage specified in the Terms of the Preference Shares for the year in which the underlying determination event has occurred, plus (ii) an amount equal to the interest which would accrue on the amount referred to in (i) above, at a rate determined in accordance with the Terms of the

Preference Shares, in the period between the date on which the underlying determination event occurred and the final valuation of the Preference Shares. In the event that an underlying determination event occurs, the Issuer will notify Noteholders of such occurrence in accordance with Condition 15 (*Notices*).

The Terms of the Preference Shares also provide that the Preference Share Issuer may redeem or cancel the Preference Shares early if:

- (a) the calculation agent in respect of the Preference Shares determines that for reasons beyond the Preference Share Issuer's control, the performance of the Preference Share Issuer's obligations under the Preference Shares has become illegal or impractical in whole or in part for any reason; or
- (b) any event occurs in respect of which the provisions of the Terms of the Preference Shares relating to any adjustment, delay, modification, cancellation or determination in relation to the Preference Share Underlying, the valuation procedure for the Preference Share Underlying or the Preference Shares provide that the Preference Shares may be cancelled or redeemed; or
- (c) a change in applicable law or regulation occurs that in the determination of the Preference Share Calculation Agent results, or will result, by reason of the Preference Shares being outstanding, in the Preference Share Issuer being required to be regulated by any additional regulatory authority, or being subject to any additional legal requirement or regulation or tax considered by the Preference Share Issuer to be onerous to it; or
- (d) the Preference Share Issuer is notified that the Notes have become subject to early redemption.

If the Issuer receives a notice from the Preference Share Issuer of early redemption of the Preference Shares, the Issuer will notify Noteholders in accordance with Condition 15 and each Note shall be redeemed at its Redemption Amount.

The value of the Preference Shares will be published on each Business Day on the Bloomberg service.

The Preference Share Underlying

The performance of the Class 012 Preference Shares depends on the performance of the Preference Share Underlying to which the relevant Preference Shares are linked. The Preference Share Underlying in respect of the Class 012 Preference Shares is the FTSE 100 Index.

Information on the FTSE 100 Index (including past and future performance and volatility) is published on http://www.ftse.com/Indices/UK_Indices/Index_Rules/index.jsp.

Investors should review the Terms of the Preference Shares and consult with their own professional advisers if they consider it necessary.

SUBSCRIPTION AND SALE

The Dealer has, under a dealer agreement dated 5 June 2009 as amended and restated on 20 July 2010 (the "**Dealer Agreement**") between the Dealer and the Issuer, agreed with the Issuer to subscribe, or to procure subscriptions at the issue price of 100 per cent. of the initial principal amount, subject to certain conditions contained therein.

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

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

The United States of America

The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, "**U.S. Persons**" (as defined in Regulation S under the Securities Act ("**Regulation S**")).

The Dealer has acknowledged and agrees that it will offer and sell the Notes, only in accordance with Rule 903 of Regulation S or another exemption from the registration requirements under the Securities Act.

The Dealer has acknowledged and agreed that it will not offer, sell or deliver any Notes to, or for the account or benefit of, any U.S. Person as part of their distribution at any time and that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes a confirmation or other notice setting forth the prohibition on offers and sales of the Notes within the United States or to, or for the account or benefit of, any U.S. Person.

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

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Applicable Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Applicable Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Applicable Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Dealer nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or the Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Ireland

The Dealer has represented to and agreed with the Issuer that:

- (i) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3), including, without limitation, Regulations 7 and 152 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998;

- (ii) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Central Bank Acts 1942-2010 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989; and
- (iii) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank pursuant thereto.

United Kingdom

The Dealer has represented and agreed that:

- (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "FSMA") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer.

General

Except for listing the Notes on the Official List of the Irish Stock Exchange and requesting the Central Bank to provide the UK Listing Authority (the competent authority in the United Kingdom) with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive, no action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes (other than in the United Kingdom), or the possession, circulation or distribution of this Prospectus or any other material relating to the Issuer or the Notes in any jurisdiction (other than in the United Kingdom) where action for that purpose is required. This Prospectus does not constitute, and may not be used for the purpose of, an offer or solicitation in or from any jurisdiction where such an offer or solicitation is not authorised. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Notes may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

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

GENERAL INFORMATION

1. The issue of the Notes was authorised by resolutions of the Board of Directors of the Issuer passed on 1 June 2011.
2. The Issuer is not and has not been involved in any governmental, legal or arbitration proceedings which may have or have had during the 12 months preceding the date of this Prospectus a significant effect on the financial position of the Issuer nor so far as the Issuer is aware is any such litigation or arbitration pending or threatened.
3. There has been no material adverse change in the financial position of the Issuer since 31 March 2010.
4. Save as disclosed herein, there has been no significant change and no significant new matter has arisen since 20 July 2010, the date of publication of the Registration Document.
5. Copies of the following documents in physical form will be available for inspection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer and the London office of the Principal Paying Agent for so long as the Notes are outstanding:
 - (i) this Prospectus;
 - (ii) the Supplemental Trust Deed;
 - (iii) the memorandum and articles of association of the Issuer;
 - (iv) the unaudited interim statements of the Issuer for the period ended 30 September 2009;
 - (v) the Principal Trust Deed dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time) (which includes the form of the Global Notes, the Definitive Notes, the Coupons, Receipts and Talons and Registered Notes);
 - (vi) the Agency Agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time);
 - (vii) the Programme Dealer Agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time);
 - (viii) the Custody Agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time);
 - (ix) the Master Schedule of Definitions, Interpretation and Construction Clauses dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time);
 - (x) the Proposals and Advice Agreement dated 5 June 2009 as amended and restated on 20 July 2010 (and as further amended and/or restated from time to time);

- (xi) the published annual audited financial statements of the Issuer in respect of the financial year ended 31 March 2010 together with the audit reports prepared in connection therewith;
 - (xii) the Swap Agreement and Credit Support Deed; and
 - (xiii) the constitutional documents of Sienna Finance UK Limited and the Terms of the Preference Shares.
6. The Notes will initially be represented by a Temporary Global Note which will be deposited with a common depositary on the Issue Date on behalf of Euroclear and Clearstream, Luxembourg and interests therein will be credited to the accounts of the Holders with Euroclear and/or Clearstream, Luxembourg. Interests in the Temporary Global Note will be exchangeable for interests in a Permanent Global Note not earlier than 40 days after the completion of distribution of the Notes and upon certification as to non-U.S. beneficial ownership. Interests in a Permanent Global Note may be exchanged for definitive Notes in the limited circumstances specified in the Permanent Global Note.
7. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The Common Code and the International Securities Identification Number ("ISIN") for the Notes are:
- ISIN: XS0634831258
- Common Code: 063483125
8. The Notes and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law.
9. The Issuer has irrevocably agreed for the benefit of the Noteholders that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes, and, for such purposes has irrevocably submitted to the jurisdiction of such courts.
10. The Issuer does not intend to provide post issuance transaction information regarding the Notes and/or the performance of any of the Underlying Assets or Preference Shares, other than information which it is required to provide to Noteholders in accordance with the Conditions and this Prospectus.
11. The language of this Prospectus is English.
12. Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.
13. Any websites referred to herein do not form part of this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or filed with the Irish Stock Exchange shall be deemed to be incorporated in, and to form part of this Prospectus:

1. The published annual audited financial statements of the Issuer in respect of the financial year ended 31 March 2010 together with the audit reports prepared in connection therewith shall be deemed to be incorporated in, and to form part of, this Prospectus; and
2. the Registration Document of the Issuer dated 20 July 2010 in relation to the Issuer's EUR 20,000,000,000 Structured Note Programme (the "**Registration Document**") (including the Risk Factors, the Description of the Issuer, Overview of Parties to the Programme and the Terms and Conditions of the Notes.

REGISTERED OFFICE OF THE ISSUER

Secured Multi Asset Repackaging Trust p.l.c.
2nd Floor
11/12 Warrington Place
Dublin 2
Ireland

**ARRANGER, DEALER, COUNTERPARTY, SWAP CALCULATION AGENT
AND DETERMINATION AGENT**

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

**ISSUE AGENT, CUSTODIAN,
PRINCIPAL PAYING AGENT AND
CALCULATION AGENT**

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

LEGAL ADVISERS

to the Dealer as to English law

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

to the Issuer as to Irish law

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland

IRISH LISTING AGENT

Arthur Cox Listing Services Limited
Earlsfort Centre
Earlsfort Terrace
Dublin 2
Ireland