

REGISTRATION DOCUMENT

SECURED MULTI ASSET REPACKAGING TRUST P.L.C.

(Incorporated with limited liability in Ireland)

*On or around 5 June 2009, Secured Multi Asset Repackaging Trust p.l.c. (the "Issuer") established its €20,000,000,000 Structured Note Programme (the "**Programme**") for the issuance of series (each a "Series") of notes (the "**Notes**").*

This registration document has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this registration document as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This document constitutes a registration document (the "**Registration Document**") for the purposes of the Prospectus Directive. Application will be made to the Irish Stock Exchange for the Notes issued under the Programme within 12 months of this Registration Document to be admitted to the official list (the "**Official List**") and trading on its regulated market (the "**Main Securities Market**"). The Main Securities Market is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"). No assurance can be given that any such application will be successful. 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.

In respect of each Series to be admitted to the Official List of the Irish Stock Exchange Limited (the "**Irish Stock Exchange**") and to be admitted to trading on the regulated market (within the meaning of The Markets in Financial Instruments Directive) of the Irish Stock Exchange, this Registration Document shall be read in conjunction with the securities note (the "**Securities Note**") for that Series (which shall append, where Notes of that Series have a denomination of less than EUR 100,000 (or equivalent), the summary note for that Series), prepared for the purposes of Articles 5.2 and 5.3 of the Prospectus Directive. Together, this Registration Document and the related Securities Note (appending the related summary note, if any) shall comprise the prospectus (the "**Prospectus**") for a Series, prepared for the purposes of Article 5.1 of the Prospectus Directive.

The Registration Document constitutes Base Listing Particulars ("**Base Listing Particulars**") for the purpose of any Series of Notes that will be admitted to trading on the Global Exchange Market of the Irish Stock Exchange (the "**Global Exchange Market**"). The Securities Notes shall constitute Listing Particulars ("**Listing Particulars**") for a Series of Notes that will be admitted to trading on the Global Exchange Market.

The Notes have not been and will not be registered under the United States Securities Act of 1933 as amended (the "**Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the benefit of, any any "**U.S. Person**". For the purpose of transactions in the Notes, "**U.S. Person**" means a person that (i) is a "**U.S. Person**" as defined in Regulation S under the Securities Act ("**Regulation S**"); or (ii) is not a "**Non-United States person**" as defined in Rule 4.7(a)(1)(iv) of the Rules of the U.S. Commodity Futures Trading Commission (the "**CFTC**").

MORGAN STANLEY

1 August 2013

Important Notices

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

The Issuer has only made very limited queries with regards to the accuracy and completeness of the the Third Party Information under and as defined in the section entitled "Overview of Parties to the Programme" in this Registration Document. This information has been accurately reproduced from publicly available information identified therein and, so far as the Issuer is aware, no facts have been omitted which would render the reproduced information inaccurate or misleading. Prospective investors in the Notes should not rely upon, and should make their own independent investigations and enquires in respect of, the accuracy and completeness of the Third Party Information.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE NOTES AND ANY BENEFICIAL INTERESTS THEREIN MAY NOT BE REOFFERED, RESOLD, PLEDGED, EXCHANGED OR OTHERWISE TRANSFERRED EXCEPT TO PERSONS WHO (A) ARE "NON-UNITED STATES PERSONS" AS DEFINED IN RULE 4.7(a)1(iv) OF THE RULES OF THE U.S. COMMODITY FUTURES TRADING COMMISSION; AND (B) ARE NOT "U.S. PERSONS" AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

UNLESS SPECIFIED IN THE RELEVANT PROSPECTUS, BY ITS ACQUISITION AND HOLDING OF A NOTE, EACH HOLDER OF A NOTE WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) IT IS NOT AND IS NOT DEEMED FOR PURPOSES OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR SECTION 4975 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") TO BE (A) AN "EMPLOYEE BENEFIT PLAN" AS DEFINED IN ERISA AND SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, (B) A "PLAN" AS DEFINED IN AND SUBJECT TO SECTION 4975 OF THE CODE, OR (C) ANY ENTITY WHOSE UNDERLYING ASSETS ARE DEEMED FOR PURPOSES OF ERISA OR THE CODE TO INCLUDE "PLAN ASSETS" BY REASON OF SUCH PLAN INVESTMENT IN THE ENTITY (ANY OF THE FOREGOING, A "BENEFIT PLAN INVESTOR"), OR (II) IT IS AN "EMPLOYEE BENEFIT PLAN" THAT IS NOT A BENEFIT PLAN INVESTOR AND IT IS SUBJECT TO A FEDERAL, STATE OR LOCAL LAW THAT IS SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE ("SIMILAR LAW"), AND THE PURCHASE AND HOLDING OF THE NOTES DO NOT AND WILL NOT VIOLATE ANY SUCH SUBSTANTIALLY SIMILAR LAW.

ANY PURPORTED TRANSFER OF A NOTE THAT DOES NOT COMPLY WITH THESE REQUIREMENTS SHALL BE NULL AND VOID *AB INITIO*.

The Dealer, the Arranger and the Trustee have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealer, the Arranger or the Trustee as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the Programme or any of the Notes or their distribution. The statements made in this paragraph are without prejudice to the respective responsibilities of the Issuer under the Programme.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document or any other financial statements or further information supplied pursuant to the terms of the Programme or any of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either the Issuer or any of the Dealer, the Arranger or the Trustee.

Neither this Registration Document nor any further information supplied pursuant to the terms of the Programme or the Notes are intended to provide the basis of any credit or other evaluation and should not

be considered as a recommendation or constituting an invitation or offer by or on behalf of either the Issuer or any of the Dealer, the Arranger or the Trustee that any recipient of this Registration Document or any further information supplied pursuant to the terms of the Programme or any of the Notes should subscribe for or purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The delivery of the Registration Document does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealer, the Arranger and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the tenure of the Programme.

The Issuer, the Dealer, the Arranger and the Trustee do not represent that this Registration Document may be lawfully distributed, or that any of the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. Accordingly, persons into whose possession this Registration Document or any of the Notes come must inform themselves about, and observe, any such restrictions. In particular, no action has been taken by the Issuer, the Dealer, the Arranger or the Trustee (save for the approval of the Registration Document by the Central Bank) which would permit a public offering of any of the Notes or distribution of this Registration Document in any jurisdiction where action for that purpose is required. Accordingly, none of the Notes may be offered or sold, directly or indirectly, and neither this Registration Document nor any Securities Note, 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 and the Dealer has represented that all offers and sales by it will be made on the same terms.

Notwithstanding anything herein to the contrary, each prospective investor in the Notes (and its respective employees, representatives and other agents) may disclose to any and all persons, without limitations of any kind, the U.S. federal tax treatment and U.S. tax structure of the transactions contemplated by the relevant Prospectus and all materials of any kind (including tax opinions or other tax analyses) relating to such U.S. tax treatment and U.S. tax structure.

It is not intended that the Issuer will issue notes with a maturity of less than one year. Where the Issuer wishes to issue notes with a maturity of less than one year, it shall ensure that it is in full compliance with the notice of the Central Bank of exemptions granted under Section 8(2) of the Central Bank Act, 1971 (as amended).

By virtue of the issue of the Notes the Issuer is not and will not be regulated by the Central Bank. Any investment in the Notes will not have the status of a bank deposit and will not fall within the deposit protection scheme operated by the Central Bank.

This Registration Document has been filed with and approved by the Central Bank as required by the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "**Prospectus Regulations**"). Upon approval of this Registration Document by the Central Bank, this Registration Document will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

This Registration Document constitutes Base Listing Particulars (the "**Base Listing Particulars**") where Notes are to be listed or admitted to trading on the Global Exchange Market. Application has been made to the Irish Stock Exchange for the approval of this document as Base Listing Particulars. Application will be made for the Notes issued under the Programme during the period of 12 months from the date hereof to be admitted to trading on the Global Exchange Market.

*All references in this document to "£", "pounds", "Pounds Sterling" and "Sterling" are to the lawful currency of the United Kingdom, all references to "\$", "dollars", "US\$", "USD" and "US dollars" are to the lawful currency of the United States of America and all references to "€", "euro" and "EUR" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended (the "**Treaty**").*

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RISK FACTORS

Prospective investors in any Notes of the Issuer should read the entire Registration Document and the relevant Securities Note (including, where applicable, the summary note). Investing in the Notes of the Issuer involves certain risks. Prospective investors should consider, among other things, the following:

Risks relating to the Issuer

The Issuer is a Special Purpose Vehicle

The Issuer's sole business is the raising of money by issuing Series of Notes or other obligations for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of each Series of Notes or entry into other obligations from time to time (and any related profits and the proceeds of any deposits and investments made from such fees) and any assets on which Series of Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

No Regulation of the Issuer by any Regulatory Authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of a Series of Notes.

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

The Issuer is subject to risks, including the location of its COMI, the appointment of examiners, claims of preferred creditors and floating charges.

Centre of Main Interests

The Issuer has its registered office in Ireland. As a result, there is a rebuttable presumption that its centre of main interests ("**COMI**") is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the European Court of Justice ("**ECJ**") in relation to *Eurofood IFSC Limited*, the ECJ restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer's COMI is held not to be located in Ireland and is held to be in a different jurisdiction within the European Union, Irish Insolvency proceedings will not be applicable to the Issuer.

Examinership

Examinership is a court procedure available under the Irish Companies (Amendment) Act 1990, as amended (the "**1990 Act**") to facilitate the survival of Irish companies in financial difficulties. An examiner may be appointed to a company whose COMI (as defined above) is in Ireland in circumstances where it is unable, or likely to be unable, to pay its debts.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the

voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to halt, prevent or rectify acts or omissions, by or on behalf of the company after his appointment and, in certain circumstances, negative pledges given by the company prior to his appointment will not be binding on the company. Furthermore, where proposals for a scheme of arrangement are to be formulated, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than the payment remains to be rendered both by the company and the other contracting party or parties.

During the period of protection, the examiner will compile proposals for a compromise or scheme of arrangement to assist in the survival of the company and the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when a minimum of one class of creditors, whose interests are impaired under the proposals, has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement and the proposals are not unfairly prejudicial to any interested party.

The fact that the Issuer is a special purpose entity and that all its liabilities are of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

If however, for any reason, an examiner were appointed while any amounts due by the Issuer under the Notes were unpaid, the primary risks to the holders of Notes would be as follows:

- (i) the Trustee, acting on behalf of Noteholders, would not be able to enforce rights against the Issuer during the period of examinership; and
- (ii) a scheme of arrangement may be approved involving the writing down of the debt due by the Issuer to the Noteholders irrespective of the Noteholders' views.

Preferred Creditors

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular:

- (i) under the terms of the Trust Deed, each Series of Notes will be secured in favour of the Trustee for the benefit of itself and the other Secured Creditors by security over such Series of Notes and assignments of various of the Issuer's rights under the Transaction Documents relating to such Series of Notes. Under Irish law, the claims of creditors holding fixed charges may rank behind other creditors (namely fees, costs and expenses of any examiner appointed and certain capital gains tax liabilities) and, in the case of fixed charges over book debts, may rank behind claims of the Irish Revenue Commissioners for PAYE and VAT;
- (ii) under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid. There is a risk therefore that even a charge which purports to be taken as a fixed charge may take effect as a floating charge if a court deems that the requisite level of control was not exercised; and
- (iii) in an insolvency of the Issuer, the claims of certain other creditors (including the Irish Revenue Commissioners for certain unpaid taxes), as well as those of creditors mentioned above, will rank in priority to claims of unsecured creditors and claims of creditors holding floating charges.

Risk relating to the Notes

Possibility of U.S. withholding tax on payments

On 18 March 2010, the Hiring Incentives to Restore Employment Act (the "**HIRE Act**") was enacted, containing Sections 1471 through 1474 (inclusive) of the Internal Revenue Code of 1986, as amended, (the "**FATCA Rules**") that could require a 30 per cent. withholding tax to be imposed (a) on payments to holders of Notes with respect to certain U.S. assets held by the Issuer or (b) on payments to the Issuer with respect to interest, dividends and sales proceeds from certain U.S. assets held by the Issuer or on

certain payments received from "participating Foreign Financial Institutions". The future application of the FATCA Rules to the Issuer and the holders of Notes is uncertain and may be subject to significant modifications. The United States and Ireland have entered into an intergovernmental agreement to implement the FATCA Rules (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on Noteholders. Information on US holders will be automatically exchanged with the US Internal Revenue Service. Although the implementing Irish legislation has not yet been finalised, the Issuer expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to withholding pursuant to the FATCA Rules on any payments it receives and will not be required to make withholdings pursuant to the FATCA Rules on payments which it makes.

The FATCA Rules are particularly complex and their application is uncertain at this time. The above description is based in part on proposed regulations and official guidance, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

DOCUMENTS INCORPORATED BY REFERENCE

The audited financial statements for the financial years ended 31 March 2012 and 31 March 2013, and the unaudited interim statements for the period ended 30 September 2012 have been filed with the Central Bank and the Irish Stock Exchange and are incorporated by reference herein.

This Registration Document should be read and construed in conjunction with the audited financial statements of the Issuer for the financial years ended 31 March 2012 and 31 March 2013, together with the audit report thereon and the unaudited interim financial statements for the period ended 30 September 2012.

Such documents shall be incorporated in, and form part of, this Registration Document provided, however, that any statement contained in this Registration Document or in any document incorporated by reference in, and forming part of, this Registration Document shall be deemed to be modified or superseded for the purpose of this Registration Document to the extent that a statement contained in any document subsequently incorporated by reference in any Securities Note modifies or supersedes such statement.

The Issuer will at its registered office and at the specified office of the Principal Paying Agent, make available for inspection during normal business hours and free of charge, upon oral or written request, a copy of this Registration Document and any document incorporated by reference in this Registration Document. Any request for inspection of such documents should be directed to the specified office of the Principal Paying Agent.

A copy of this Registration Document and the other documents incorporated by reference above can be accessed at the following locations:

Document	Location
Registration Document	http://www.centralbank.ie/regulation/securities-markets/prospectus/Pages/approvedprospectus.aspx
Audited financial statements for the financial year ended 31 March 2013	http://www.ise.ie/app/announcementDetails.aspx?ID=11663639
Audited financial statements for the financial year ended 31 March 2012	http://ise.ie/app/announcementDetails.aspx?ID=11283741
Unaudited financial statements for the period ended 30 September 2012	http://ise.ie/app/announcementDetails.aspx?ID=11415135

DESCRIPTION OF THE ISSUER

Incorporation and Registered Office

The Issuer was registered and incorporated as a public company with limited liability (registration number 465727) with the name Secured Multi Asset Repackaging Trust p.l.c. under the Irish Companies Acts 1963 - 2005 (as amended) on 18 December 2008. The Issuer has been incorporated for an indefinite period and was established as a special purpose vehicle for the purpose of issuing asset backed securities.

The registered office of the Issuer is at 2nd Floor, 11/12 Warrington Place, Dublin 2, Ireland. The telephone number of the registered office is + 353 1 775 2600.

Share Capital

The authorised share capital of the Issuer is Euro 40,000 divided into 40,000 ordinary shares of Euro 1 each, all of which have been issued and fully paid up. 39,994 of the issued ordinary shares are held by Ogier Trustee (Ireland) Limited as share trustee (the "**Share Trustee**") and the remaining six by six nominee shareholders which hold such shares on trust for the Share Trustee.

Under the terms of a declaration of trust (the "**Declaration of Trust**") dated 4 June 2009 the Share Trustee holds all the issued shares held directly or indirectly by it on trust for one or more charities (as defined in the Declaration of Trust). The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer. There are restrictions in the Declaration of Trust with regards to the disposal of the shares whilst any Notes are outstanding.

Management

The directors of the Issuer, their respective business addresses and other principal activities at the date hereof are:

Name	Address	Occupation
Roddy Stafford	6 Winton Road, Ranelagh, Dublin 6, Ireland	Company Director
Brian Buckley	17 Carriglea Rise, Firhouse, Dublin 24, Ireland	Company Director

Administration

Ogier Fiduciary Services (Ireland) Limited of 2nd Floor, 11/12 Warrington Place, Dublin 2 is the corporate services provider (the "**Corporate Services Provider**") of the Issuer pursuant to a corporate services agreement entered into between the Issuer and the Corporate Services Provider dated 5 June 2009 (the "**Corporate Services Agreement**"). Its duties include the provision of certain administrative and related services including acting as company secretary. The Issuer has no employees.

The Corporate Services Agreement provides for termination of the Corporate Services Agreement by either party in certain circumstances of insolvency of the other party and/or in the event of a material breach of the Corporate Services Agreement which is either incapable of remedy or which is not cured within 30 days from the date on which it was notified of such breach. In addition, either party may terminate the Corporate Services Agreement at any time by giving at least 90 days' written notice to the other party. In the event of a termination of the existing Corporate Services Agreement (for whatever reason) appropriate alternative management arrangements will need to be put into place at the relevant time.

Financial Statements and Auditors' Report

Since the date of its incorporation, the Issuer has not carried on any business apart from the establishment of the Programme and the issue of Notes thereunder. The Issuer will prepare and publish audited financial statements on an annual basis. The financial period of the Issuer will end on 31 March in each year and interim unaudited financial statements will be prepared on a semi-annual basis. The auditors

appointed in respect of the Issuer are Deloitte & Touche, whose address is Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland. Deloitte & Touche are chartered accountants qualified to practise in Ireland and are members of the Institute of Chartered Accountants of Ireland. The audited annual financial statements to 31 March 2013 and the interim unaudited financial statements to 30 September 2012 of the Issuer will be available free of charge at the offices of the Issuer.

Business of the Issuer

The principal objects of the Issuer are set forth in clause 3 of its memorandum of association and include, *inter alia*, the power to issue securities and to raise or borrow money, to grant security over its assets for such purposes, to lend with or without security and to enter into derivative transactions. Cash flow derived from the Charged Assets securing the Notes will be the Issuer's only source of funds to fund payments in respect of such Notes.

The Issuer has undertaken not to carry out any business other than the establishment and update of the Programme and the issue of Notes and the entry into of agreements related thereto and does not and will not have any substantial assets other than the Charged Assets for the Notes and does not and will not have any substantial liabilities other than in connection with the Notes.

So long as any of the Notes remain outstanding, the Issuer will be subject to the restrictions set out in Condition 5 and the Trust Deed.

The Issuer has, and will have, no material assets other than the remaining proceeds of its issued share capital, such fees (as agreed) per Series payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Charged Assets and any other assets on which the Notes are secured. Save in respect of the fees generated in connection with each issue of Notes, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the proceeds of the Issuer's issued share capital, the Issuer will not accumulate any surpluses.

The Notes are obligations of the Issuer alone and not of, or guaranteed in any way by, the Corporate Services Provider or the Share Trustee. Furthermore, they are not obligations of, or guaranteed in any way by Morgan Stanley & Co. International plc or any other party.

OVERVIEW OF PARTIES TO THE PROGRAMME

Overview of Parties to the Programme

The Trustee

Pursuant to the terms of the Principal Trust Deed, Deutsche Trustee Company Limited has agreed to act as trustee in respect of each Series of Notes in relation to which the Issuer appoints it to act as set out in the relevant supplemental trust deed applicable to such Series of Notes. Deutsche Trustee Company Limited is a private company incorporated with limited liability under the laws of England and Wales whose registered office is at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

The Custodian, the Principal Paying Agent and the Calculation Agent

Pursuant to the terms of the Custody Agreement and 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 custodian, as principal paying agent and as calculation agent in respect of each Series of Notes in relation to which the Issuer appoints it so to act as set out in the relevant supplemental trust deed applicable to such Series of Notes.

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. Deutsche Trustee Company Limited is an indirect wholly owned subsidiary of Deutsche Bank AG.

The information set out in the two preceding paragraphs (the "**DBAG Information**") has been accurately reproduced from information published by and documents made available by Deutsche Bank AG on its website (www.db.com).

The Registrar

Pursuant to the terms of the Agency Agreement, Deutsche Bank Luxembourg S.A. has agreed to act as registrar in respect of each Series of Notes in relation to which the Issuer appoints it so to act as set out in the relevant supplemental trust deed applicable to such Series of Notes.

Deutsche Bank Luxembourg S.A. is a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg whose registered office is at 2 Boulevard Konrad Adenauer L-1115 Luxembourg. Deutsche Bank Luxembourg S.A. is an indirect wholly owned subsidiary of Deutsche Bank AG.

The information set out in the preceding paragraph (the "**DB Luxembourg Information**") has been accurately reproduced from information published by and documents made available by Deutsche Bank AG on its website (www.db.com).

The Arranger and Dealer

Pursuant to the terms of the Programme Dealer Agreement, Morgan Stanley & Co. International plc has agreed to act as arranger and dealer in respect of each Series of Notes. 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 and financial institutions. It is authorised and regulated by the U.K. Financial Conduct Authority.

Morgan Stanley is a global financial services firm that, through its subsidiaries and affiliates, provides its 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.

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.

The information set out in the four preceding paragraphs (the "**MS Information**", and together with the DBAG Information and the DB Luxembourg Information, the "**Third Party Information**") has been accurately reproduced from information published by and documents made available by Morgan Stanley on its website (www.morganstanley.com).

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 thereon under the laws of their country of residence, citizenship or domicile.

Taxation of Noteholders

Withholding Tax

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

The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note so long as the interest paid on the relevant Note falls within one of the following categories:

1. *Interest paid on a quoted Eurobond:* The Issuer will not be obliged to make a withholding or deduction for or on account of Irish income tax from a payment of interest on a Note where:
 - (a) the Notes are Quoted Eurobonds i.e. securities which are issued by a company (such as the Issuer), which are listed on a recognised stock exchange (such as 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; (DTC, 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 subject, without any reduction computed by reference to the amount of such interest, premium or other distribution, to a tax in a relevant territory which generally applies to profits, income or gains received in that territory, by persons, from sources outside that territory; or
 - (iii) the Noteholder is not a company which, directly or indirectly, controls the Issuer, is controlled by the Issuer, or is controlled by a third company which also directly or indirectly controls the Issuer, and neither the Noteholder, nor any person connected with the Noteholder, is a person or persons:
 - (A) from whom the Issuer has acquired assets;
 - (B) to whom the Issuer has made loans or advances; or
 - (C) with whom the Issuer has entered into a swap agreement,

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

- (iv) at the time of issue of the Notes, the Issuer was not in possession, or aware, of any information which could reasonably be taken to indicate whether or not the beneficial owner of the Notes would be subject to tax on any interest payments.

where the term:

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

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

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

Thus, so long as the Notes continue to be quoted on the Irish Stock Exchange, are held in DTC, Euroclear and/or Clearstream, Luxembourg, and one of the conditions set out in paragraph 1(c) above is met, interest on the Notes can be paid by any paying agent acting on behalf of the Issuer free of any withholding or deduction for or on account of Irish income tax. If the Notes continue to be quoted but cease to be held in a recognised clearing system, interest on the Notes may be paid without any withholding or deduction for or on account of Irish income tax provided such payment is made through a paying agent outside Ireland and one of the conditions set out in paragraph 1(c) above is met.

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

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

3. *Interest paid by a qualifying company to certain non-residents:*

If, for any reason, the exemptions referred to above cease to apply, interest payments may still be made free of withholding tax provided that:

- (a) the Issuer remains a "qualifying company" as defined in Section 110 of the TCA and the Noteholder is a person which is resident in a Relevant Territory, and, where the recipient is a company, the interest is not paid to it in connection with a trade or business carried on by it in Ireland through a branch or agency. The test of residence is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. The Issuer must be satisfied that the terms of the exemption are satisfied; and
- (b) one of the following conditions is satisfied:
 - (i) the Noteholder is a pension fund, government body or other person (which satisfies paragraph 1(c)(iii) above), which is resident in a Relevant Territory and which, under the laws of that territory, is exempted from tax that generally applies to profits, income or gains in that territory; or
 - (ii) 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.

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 on any Note, where such interest 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 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 on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish tax with respect to such interest. 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 they receive on the Notes.

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

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

There are a number of exemptions from Irish income tax available to certain non-residents. Firstly, interest payments made by the Issuer are exempt from income tax so long as the Issuer is a qualifying company for the purposes of Section 110 of the TCA, the recipient is not resident in Ireland and is resident in a Relevant Territory and, the interest is paid out of the assets of the Issuer. Secondly, interest payments made by the Issuer in the ordinary course of its trade or business to a company are exempt from income tax provided the recipient company is not resident in Ireland and is either resident for tax purposes in a Relevant Territory which imposes a tax that generally applies to interest receivable in that territory by companies from sources outside that territory or the interest is exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come in to force once all ratification procedures have been completed. Thirdly, interest paid by the Issuer free of withholding tax under the quoted Eurobond exemption or under the wholesale debt instrument exemption is exempt from income tax where the recipient is a person not resident in Ireland and

resident in a Relevant Territory. Finance Act 2012 extended the quoted Eurobond and wholesale debt instrument exemptions to companies which are under the control, whether directly or indirectly, of person(s) who by virtue of the law of a Relevant Territory are resident for the purposes of tax in a Relevant Territory and are not under the control of person(s) who are not so resident, and to 75% subsidiary companies of a company or companies the principal class of shares in which is substantially and regularly traded on a recognised stock exchange. For the purposes of these exemptions and where not specified otherwise, residence is determined under the terms of the relevant double taxation agreement or in any other case, the law of the country in which the recipient claims to be resident. Interest falling within the above exemptions is also exempt from the universal social charge.

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

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

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

Capital Gains Tax

A holder of Notes will not be subject to Irish tax on capital gains on a disposal of Notes unless such holder is either resident or ordinarily resident in Ireland or carries on a trade 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 33 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 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.

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of any Series or Notes. The updating of the Programme and the issue of this Registration Document was authorised by resolutions of the Board of Directors of the Issuer passed on 30 July 2013.
2. There are no governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) involving the Issuer which may have, or have had during the 12 months prior to the date of this Registration Document, a significant effect on the financial position of the Issuer.
3. Save for the issuance of the number of Series of Notes under its Programme or as set out above, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since 31 March 2013.
4. Deloitte & Touche of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, Ireland has audited without qualification the financial statements of the Issuer for the financial years ended 31 March 2012 and 31 March 2013.
5. For so long as the Issuer may issue Notes with respect to which this Registration Document forms part of the Prospectus prepared by the Issuer relating to such Notes, physical and electronic copies of the following documents will be available from the date hereof, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection by Noteholders at the London office of the Principal Paying Agent and at the registered office of the Issuer:
 - (a) the memorandum and articles of association of the Issuer;
 - (b) the Declaration of Trust;
 - (c) the audited financial statements for the financial years ended 31 March 2012 and 31 March 2013 and the unaudited interim financial statements for the period ended 30 September 2012;
 - (d) the Principal Trust Deed dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (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);
 - (e) the Agency Agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time);
 - (f) the Programme Dealer Agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time);
 - (g) the Custody Agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time);
 - (h) the Master Schedule of Definitions, Interpretation and Construction Clauses dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time);
 - (i) the Proposals and Advice Agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time);
 - (j) in relation to any Uncertificated Registered Notes, the Computershare Agency Agreement dated 18 July 2012 as amended and restated on or about 1 August 2013 (as further amended and restated from time to time); and

- (k) in relation to any Nordic Notes, any NCSD Issuing and Paying Agency Agreement.
- 6. Arthur Cox Listing Services Limited ("**ACLSL**") is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the official list of the Irish Stock Exchange or to trading on the regulated market of the Irish Stock Exchange for the purposes of the Prospectus Directive.

ANNEX 1

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which (subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Applicable Supplement and, save for the italicised text (other than sub-headings)) will be endorsed on each Note (whether bearer or registered) in definitive form. The terms and conditions applicable to any Note which is represented by a Global Note (whether bearer or registered) will differ in some respects from those which would apply to the Note were it in definitive form, as set out in the Global Note. Further information with respect to Notes of each Series will be given in the Applicable Supplement which will provide for those aspects of these terms and conditions which are applicable to those Notes. References in the terms and conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme. Terms used in the Applicable Supplement and not otherwise defined herein shall have the same meanings where used herein. References to a matter being "specified" means as the same may be specified in the Applicable Supplement:

The Notes (as defined in Condition 1(a) below) are constituted and secured by a principal trust deed dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time), (the "**Principal Trust Deed**") to which the issuer and the trustee of the Notes (respectively, the "**Issuer**" and the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees in respect of the Notes under the Trust Deed referred to below and shall mean, in relation to any Series of Notes, the persons identified in the relevant Supplemental Trust Deed as the trustee for that Series) are party as supplemented in relation to the Notes by a supplemental trust deed (as amended or supplemented from time to time, the "**Supplemental Trust Deed**") dated the Issue Date (as defined in Condition 6(m) below), between the Issuer, the Trustee and the other parties named therein (the Principal Trust Deed and such Supplemental Trust Deed being referred to herein as the "**Trust Deed**").

The Notes will have the benefit (to the extent applicable) of (i) in the case of Bearer and Registered Notes other than Uncertificated Registered Notes (each as defined below), an agency agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time) to which the Issuer, the Trustee, Deutsche Bank AG, London Branch in its capacity as issue agent (the "**Issue Agent**", which expression shall include any successor to Deutsche Bank AG, London Branch in its capacity as such), the Calculation Agent, the Determination Agent, the Principal Paying Agent and any other Paying Agents (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) are party (the "**Agency Agreement**"), (ii) in the case of Uncertificated Registered Notes (as defined below), to an agency agreement dated 18 July 2012 as amended and restated on or about 1 August 2013 (as amended and/or restated from time to time) to which the Issuer and Computershare Investor Services (Guernsey) Limited in its capacity as CREST registrar (the "**CREST Registrar**", which expression shall include any successor to Computershare Investor Services (Guernsey) Limited in its capacity as such) shall be party (the "**Computershare Agency Agreement**"), (iii) in the case of Finnish Notes (as defined below), to a Finnish issuing and paying agency agreement (as amended or restated from time to time) to which the Issuer, the Trustee and the issuing and paying agent named therein (the "**Finnish Issuing and Paying Agent**") shall be party (the "**Finnish Issuing and Paying Agency Agreement**"), and (iv) in the case of Swedish Notes (as defined below), to a Swedish issuing and paying agency agreement (as amended or restated from time to time) to which the Issuer, the Trustee and the issuing and paying agent named therein (the "**Swedish Issuing and Paying Agent**", and each of the Finnish Issuing and Paying Agent and the Swedish Issuing and Paying Agent, a "**NCSD Issuing and Paying Agent**") shall be party (the "**Swedish Issuing and Paying Agency Agreement**" and together with the Finnish Issuing and Paying Agency Agreement, the "**NCSD Issuing and Paying Agency Agreements**" and each a "**NCSD Issuing and Paying Agency Agreement**").

As used herein, "**Calculation Agent**", "**Principal Paying Agent**", "**Paying Agent**", "**Registrar**", "**CREST Registrar**" and "**NCSD Issuing and Paying Agent**" means, in relation to the Notes, the person specified in the Applicable Supplement relating to the Notes as the Calculation Agent, Principal Paying Agent, Paying Agent, Registrar, CREST Registrar and NCSD Issuing and Paying Agent respectively and, in each case, any successor to such person in such capacity. The Applicable Supplement may also specify that a person is to act as determination agent (the "**Determination Agent**") in relation to a particular Series of Notes. The terms of appointment and the functions of the Determination Agent will be as set out in the Agency Agreement and/or the Supplemental Trust Deed.

The Issuer has also entered into a custody agreement dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (and as further amended and/or restated from time to time), (the "**Custody Agreement**") to which the Trustee and the custodian specified in the Applicable Supplement relating to the Notes (the "**Custodian**", which expression includes any successor and any other custodian appointed in connection with any Notes) are party. In respect of any Series the Issuer may appoint any financial institution to act as Custodian in relation to that Series, as more fully set out in the Custody Agreement. Under the Custody Agreement, the Custodian may appoint one or more sub-custodians in respect of one or more Series of Notes.

The Notes of a Series may comprise one or more Tranches (as defined in Condition 1(c) below). Each Tranche will be subject to a final terms document (the "**Applicable Supplement**") which will supplement these terms and conditions (the "**Conditions**") and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purpose of that Tranche.

Certain statements in the Conditions are summaries of the detailed provisions of the Trust Deed and other documents. Copies of the Principal Trust Deed, each Supplemental Trust Deed, any Supplementary Security Document, the Applicable Supplement, the Agency Agreement, the Computershare Agency Agreement, each NCSD Issuing and Paying Agency Agreement and the Custody Agreement are available for inspection at the specified offices of the Principal Paying Agent and the registered office of the Issuer as specified in the Applicable Supplement (save that, if the Notes are not admitted to trading on the regulated market of the Irish Stock Exchange and to listing on the Official List of the Irish Stock Exchange, the Applicable Supplement shall be available for inspection only by a Noteholder holding one or more Notes of the relevant Series upon production by such Noteholder of evidence satisfactory to the Principal Paying Agent as to its identity).

The Noteholders (as defined in Condition 1(b), 1(c) and 1(d) below, as applicable) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, any Supplementary Security Document and the Applicable Supplement and to have notice of those provisions of the Agency Agreement, the Computershare Agency Agreement (if they hold Uncertificated Registered Notes), the applicable NCSD Issuing and Paying Agency Agreement (if they hold Nordic Notes), the Custody Agreement and any other Transaction Document applicable to them.

In relation to the Notes, the Programme Dealer Agreement, the Principal Trust Deed, the Agency Agreement, the Corporate Services Agreement, the Proposals and Advice Agreement, the Computershare Agency Agreement (in respect of the Uncertificated Registered Notes), the applicable NCSD Issuing and Paying Agency Agreement (in respect of the Nordic Notes), any Custody Agreement, the Conditions, the Applicable Supplement, the Supplemental Trust Deed, any Supplementary Security Document, any Securities Transfer Agreement, any Sub-Custodian Agreement, any Syndication Agreement, any Related Agreement, the Notes of such Series and any other document(s) entered into in connection with such Series shall together be referred to as the "**Transaction Documents**".

Any reference in these Conditions to a matter being "specified" means as the same may specified in the Applicable Supplement.

Words and expressions defined in the Trust Deed, the Agency Agreement, the Custody Agreement or the Master Schedule of Definitions, Interpretation and Construction Clauses dated 5 June 2009 as amended and restated on 20 July 2010, 19 July 2011, 18 July 2012 and on or about 1 August 2013 (as further amended and/or restated from time to time, the "**Master Schedule**") and signed for the purposes of identification by, among others, the Issuer, Deutsche Trustee Company Limited, Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A. and Morgan Stanley & Co. International plc or used in the Applicable Supplement shall have the same meaning where used in these Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between documents, the following order shall determine which shall prevail: (a) *first*, the relevant Applicable Supplement, (b) *second*, the relevant Supplemental Trust Deed, (c) *third*, these Conditions, (d) *fourth*, the Principal Trust Deed, (e) *fifth*, the Agency Agreement, (f) *sixth*, the Custody Agreement and (g) *seventh*, the Master Schedule.

1. **Form, Denomination and Title**

(a) *Form and Denomination*

The Notes of the Series of which this Note forms a part (in these Conditions, the "**Notes**") will be issued either (i) in bearer form ("**Bearer Notes**"), serially numbered in an Authorised Denomination (as defined below) to the extent it has been determined that such Bearer Notes should be classified as being in registered form, or are not registration required obligations, for U.S. Federal Income tax purposes, (ii) in certificated registered form ("**Registered Notes**"), (iii) in uncertificated registered form ("**Uncertificated Registered Notes**"), or (iv) in dematerialised and uncertificated book-entry form with either (A) Euroclear Finland Oy, Urho Kekkonen katu 5 C Box 1110, FI-00101 Helsinki Finland or any other duly authorised Finnish central securities depository (*Arvopaperikeskus*) under the Finnish Act on Book Entry Securities System (*laki arvo-osuujärjestelmästä 17.5.1991/826*) (the "**Finnish CSD**" or a "**NCSD**", and such notes, the "**Finnish Notes**") or (B) Euroclear Sweden AB, Klarabergsviadukten 63, Box 191, SE10123, Stockholm, Sweden or any other duly authorised Swedish central securities depository (*central vardepappersförvarare*) under the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om kontoföring av finansiella instrument*) (the "**Swedish CSD**" or a "**NCSD**" and such notes, the "**Swedish Notes**" and together with the Finnish Notes, the "**Nordic Notes**") in an Authorised Denomination or an integral multiple thereof. "**Authorised Denomination**" means the currency and denomination or denominations specified in the Applicable Supplement. References herein to "**Notes**" shall include Bearer Notes, Registered Notes, Uncertificated Registered Notes and Nordic Notes. Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination.

Interest bearing Bearer Notes are issued with Coupons (and, where appropriate, a Talon) attached. In the case of Zero Coupon Notes, references to interest (other than in relation to interest due after the Maturity Date or other date for redemption), Coupons and Talons in these Conditions are not applicable. After all the Coupons attached to, or issued in respect of, any Bearer Note which was issued with a Talon have matured, if applicable, a coupon sheet comprising further Coupons (other than Coupons which would be void) and one further Talon, will be issued against presentation of the relevant Talon at the specified office of the Principal Paying Agent or any other Paying Agent specified in the Applicable Supplement. Any Bearer Note the principal amount of which is redeemable in instalments may be issued with one or more Receipts attached thereto. "**Maturity Date**" means the date specified in the Applicable Supplement as the final date on which the principal amount of the Note is due and payable.

In respect of Registered Notes other than Uncertificated Registered Notes, a certificate (each a "**Registered Note Certificate**") will be issued to each Noteholder in respect of its registered holding.

Each Series of Uncertificated Registered Notes shall be issued in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001, including any modification or re-enactment thereof for the time being in force (the "**CREST Regulations**"). The Uncertificated Registered Notes are participating securities for the purposes of the CREST Regulations.

(b) *Title to Bearer Notes and Registered Notes other than Uncertificated Registered Notes*

Title to Bearer Notes, Coupons, Receipts and Talons (if any) passes by delivery. Title to Registered Notes (other than Uncertificated Registered Notes) passes by registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar.

In these Conditions, subject as provided below, including but not limited to Condition 1(c) (*Title of Uncertificated Registered Notes*) below, "**Noteholder**" and (in relation to a Note, Coupon, Receipt or Talon) "**holder**" and "**Holder**" means the bearer of any Bearer Note, Coupon, Receipt or Talon (as the case may be) or the person in whose name a Registered Note is registered, as the case may be. The expressions "**Noteholder**", "**holder**" and "**Holder**" include the holders of instalment receipts (the "**Receipts**") appertaining to the payment of principal by instalments (if any) attached to such Notes (the "**Receiptholders**") and the holders of the coupons (the "**Coupons**") (if any) appertaining to interest bearing Notes in bearer form (the

"**Couponholders**"), which expression includes the holders of talons (the "**Talons**") (if any) for further coupons attached to such Notes (the "**Talonholders**").

(c) *Title to Uncertificated Registered Notes*

Notwithstanding the above, title to the Uncertificated Registered Notes is recorded on the relevant Operator register of corporate securities. The CREST Registrar on behalf of the Issuer shall maintain a record of uncertified corporate securities (the "**Record**") in relation to the Uncertificated Registered Notes of each Series and shall procure that the Record is regularly updated to reflect the Operator register of corporate securities in accordance with the rules of the Operator. Subject to this requirement, (i) each person who is for the time being shown in the Record as the holder of a particular principal amount of Uncertificated Registered Notes shall be treated by the Issuer, the CREST Registrar, the Trustee and any other person as the holder of such principal amount of Uncertificated Registered Notes for all purposes (and the expressions "**Noteholder**" and "**holder of Uncertificated Registered Notes**" and related expressions shall be construed accordingly), and (ii) none of the Issuer, the Trustee and the CREST Registrar shall be liable in respect of any act or thing done or omitted to be done by it or on its behalf in reliance upon the assumption that the particulars entered in the Record which the CREST Registrar maintains are in accordance with particulars entered in the Operator register of corporate securities relating to the Uncertificated Registered Notes.

Title to Uncertificated Registered Notes will pass upon registration of the transfer in the Operator register of corporate securities. All transactions in relation to Uncertificated Registered Notes (including transfers of Uncertificated Registered Notes) in the open market or otherwise must be effected through an account at the Operator subject to and in accordance with the rules and procedures for the time being of the Operator.

No provisions of these Conditions as amended in accordance with the Applicable Supplement shall (notwithstanding anything contained therein) apply or have effect to the extent that it is in any respect inconsistent with (I) the holding of title to Uncertificated Registered Notes in uncertificated form, (II) the transfer of title to Uncertificated Registered Notes by means of a relevant system or (III) the CREST Regulations. Without prejudice to the generality of the preceding sentence and notwithstanding anything contained in these Conditions or the Applicable Supplement so long as the Uncertificated Registered Notes are participating securities (for the purposes of the CREST Regulations), (A) the Operator register of corporate securities relating to the Uncertificated Registered Notes shall be maintained at all times in the Channel Islands, (B) the Uncertificated Registered Notes may be issued in uncertificated form in accordance with and subject as provided in the CREST Regulations, and (C) for the avoidance of doubt, the Conditions and the Applicable Supplement in relation to any Uncertificated Registered Note shall remain applicable notwithstanding that they are not endorsed on any certificate for such Uncertificated Registered Note.

In relation to each Series of Uncertificated Registered Notes, if at any time the Uncertificated Registered Notes cease for any reason to be a participating security capable of being held in CREST, then the Issuer shall, in accordance with the rules and procedures governing CREST, ensure that Registered Note Certificates are issued in exchange for such Series of Uncertificated Registered Notes and that such Registered Note Certificates are registered in such names as the Operator shall notify to the Issuer. The Issuer will notify the Trustee of such exchange. The provisions of these Conditions relating to Registered Notes (other than Uncertificated Registered Notes) shall apply to each Series of Uncertificated Registered Notes upon such exchange.

As used herein each of "**Operator register of corporate securities**", "**participating securities**", "**record of uncertificated corporate securities**" and "**relevant system**" is as defined in the CREST Regulations and the relevant Operator (as such term is used in the Regulations) is CRESTCo. or any additional or alternative operator from time to time approved by the Issuer and the CREST Registrar in relation to the Uncertificated Registered Notes and in accordance with the CREST Regulations and the Computershare Agency Agreement. Any reference herein to the "**Operator**" shall, whenever the context so permits, be deemed to include a reference to any such additional or alternative Operator from time to time and notified to the holders of the Uncertificated Registered Notes in accordance with Condition 15 (*Notices*).

(d) *Title to Nordic Notes*

Title to the Nordic Notes shall pass by registration in the NCSD Register. In respect of the Nordic Notes, "**Noteholder**" and "**holder of Nordic Notes**" shall mean the person in whose name a Nordic Note is registered in the NCSD Register and the reference to a person in whose name a Nordic Note is registered shall include any person duly authorised to act as a nominee and so registered for the Nordic Note.

Except as ordered by a court of competent jurisdiction or as required by law, the holder of a Nordic Note shall be deemed to be and may be treated as the absolute owner for all purposes, whether or not such Nordic Note is overdue and regardless of any notice of ownership, trust or an interest in such Note and no person shall be liable for so treating the holder.

The Issuer shall be entitled to obtain information from the NCSD Register in accordance with the NCSD Rules.

The Conditions as amended by the Applicable Supplement in relation to a Nordic Note shall apply to such Nordic Note notwithstanding that they are not endorsed on any certificate for such Nordic Note.

No physical global or definitive notes or certificates will be issued in respect of Nordic Notes and the provisions in these Conditions relating to presentation, surrender or replacement of bearer instruments or certificated registered notes shall not apply to Nordic Notes.

In relation to each Series of Nordic Notes, if at any time, Nordic Notes cease for any reason to be a security capable of being held in the relevant NCSD, then the Issuer shall, in accordance with the applicable NCSD Rules, ensure that Registered Note Certificates are issued in exchange for such Series of Nordic Notes and that such Registered Note Certificates are registered in such names as the applicable NCSD shall notify to the Issuer. The Issuer will notify the Trustee of such exchange. The provisions of these Conditions relating to Registered Notes (other than Uncertificated Registered Notes) shall apply to each Series of Nordic Notes upon such exchange.

For the purposes of these Conditions, "**NCSD Rules**" means any Finnish or, as applicable, Swedish legislation, regulations, rules and operating procedures applicable to and/or issued by the relevant NCSD (including but not limited to, the Finnish Act on Book-Entry Securities System (Fi.: *laki arvo-osuujärjestelmästä 17.5.1991/826*) and the Swedish Financial Instruments Accounts Act (Sw.: *lag (1998:1479) om kontoföring av finansiella instrument*)).

(e) *Entitlement to treat holder as absolute owner*

The holder of any Note, Coupon, Receipt or Talon will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on the relevant Bearer Note or Registered Note Certificate, or its theft or loss or any express or constructive notice of any claim by any other person of any interest therein other than, in the case of a Registered Note, a duly executed transfer of such Note in the form endorsed on the Registered Note Certificate in respect thereof) and no person will be liable for so treating the holder.

(f) *Fungible Tranches of Notes comprising a Series*

A Series of Notes may comprise a number of tranches (each a "**Tranche**"), which will be issued on identical terms save for the Issue Date and, as the case may be, the first interest payment. Notes of different Tranches of the same Series will be consolidated with each other and form a single Series, except as set forth in the Applicable Supplement. If a further Tranche (a "**Further Tranche**") is issued in respect of a Series under which a Tranche or Tranches of Notes have already been issued (an "**Original Tranche**" or "**Original Tranches**"), the pool of assets (the "**Further Underlying Assets**") relating to such Further Tranche will be consolidated with or otherwise equivalent to the Underlying Assets for the Original Tranche or Original Tranches and the Related Agreement for the Original Tranche or Original Tranches will be amended to apply to both the Original Tranche or Original Tranches and such Further Tranche.

2. **Exchanges of Bearer Notes for Registered Notes and Transfers of Registered Notes**

(a) *Exchange of Bearer Notes*

Subject as provided in Condition 2(e) but only if so specified in the Applicable Supplement, Bearer Notes may be exchanged, at the expense of the transferor Noteholder, for the same aggregate principal amount of Registered Notes at the written request of the relevant Noteholder and upon surrender of the Bearer Note to be exchanged together with all unmatured Coupons, Receipts and Talons relating to it (if any) at the specified office of the Registrar or any Paying Agent *provided, however*, that Bearer Notes that are Dual Currency Notes, Variable Coupon Amount Notes or Variable Redemption Amount Notes may be exchanged for Registered Notes only with the prior written approval of the Issuer. Where, however, a Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8(b)) for any payment of interest or Interest Amount (as defined in Condition 6(m)), the Coupon in respect of that payment of interest or Interest Amount need not be surrendered with it.

Registered Notes may not be exchanged for Bearer Notes.

(b) *Transfer of Registered Notes (other than Uncertificated Registered Notes)*

Subject to Condition 2(f), a Registered Note (other than an Uncertificated Registered Note) may be transferred upon the surrender of the relevant Registered Note Certificate, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar *provided, however*, that any such Registered Note may not be transferred unless the principal amount of Registered Notes proposed to be transferred and the principal amount of the balance of Registered Notes proposed to be retained by the relevant transferor is each in an Authorised Denomination or a multiple thereof. In the case of a transfer of part only of a holding of Registered Notes represented by a Registered Note Certificate, a new Registered Note Certificate in respect of the balance not transferred will be issued to the transferor.

(c) *Delivery of new Registered Note Certificates*

Each new Registered Note Certificate to be issued upon exchange of Bearer Notes or transfer of Registered Notes will, within three business days (in the place of the specified office of the Registrar) of receipt of such request for exchange or form of transfer, be available for delivery at the specified office of the Registrar stipulated in the request for exchange or form of transfer, or be mailed at the risk of the Noteholder entitled to the Registered Note Certificate to such address as may be specified in such request or form of transfer. For these purposes, a form of transfer or request for exchange received by the Registrar after the Record Date in respect of any payment due in respect of Registered Notes shall be deemed not to be effectively received by the Registrar until the business day following the due date for such payment.

(d) *Exchange at the expense of Transferor Noteholder*

Registration of Notes on exchange or transfer will be effected at the expense of the transferor Noteholder by or on behalf of the Issuer or the Registrar, and upon payment of (or the giving of such indemnity as the Registrar may require in respect of) any tax or other governmental charges which may be imposed in relation to it.

(e) *Closed periods*

No transfer of a Registered Note to be registered, a Bearer Note to be exchanged for a Registered Note nor a Temporary Global Note to be exchanged for a Permanent Global Note may occur during the period of 15 days ending on the due date for any payment of principal, interest or Redemption Amount (as defined below) on that Note.

3. **Status and Instructing Creditor**

(a) *Unsubordinated Notes*

This Condition 3(a) is applicable only in relation to Notes which are specified as being Unsubordinated Notes.

The Notes, Coupons and Receipts (if any) are secured, limited recourse obligations of the Issuer, secured in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 11 and will rank *pari passu* without any preference among themselves.

(b) *Subordinated Notes*

This Condition 3(b) is applicable only in relation to Notes which are specified as being Subordinated Notes.

The Notes, Coupons and Receipts (if any) are subordinated and ranked as provided in the Supplemental Trust Deed and described in the Applicable Supplement; save that each class of Subordinated Notes shall rank *pari passu* without any preference among themselves.

(c) *Prioritised Tranches*

In the case of Prioritised Tranches of Notes, details of the relationship of the Notes with other Tranches of Notes of the same Series will be set out in full in the Applicable Supplement.

If so specified in the Applicable Supplement, prior to the security granted pursuant to the Trust Deed becoming enforceable as described in Condition 10, certain amounts received by the Issuer in connection with the Underlying Assets and/or any Related Agreement and/or Credit Support Document or otherwise, will be applied in accordance with the order or orders of priority (the "**Pre-enforcement Waterfall**") (if any) specified in the Applicable Supplement.

(d) *Instructing Creditor*

The Applicable Supplement and Supplemental Trust Deed will specify in relation to that Series of Notes whether the Instructing Creditor is:

- (a) the Counterparty only; or
- (b) the Noteholders only.

Where the Instructing Creditor is the Noteholders, the Noteholders can (where specified) request the Trustee to take actions contemplated in the Conditions by means of a request in writing of the holders of at least one fifth in principal amount of the Notes of such Series then outstanding or by means of an Extraordinary Resolution of such Noteholders.

Where the Instructing Creditor is the Counterparty, the Counterparty may (where specified) request the Trustee to take actions contemplated in the Conditions by means of a written request. Having received such a request from the Instructing Creditor, the Trustee shall be entitled to act in accordance with such request and shall not be obliged to consider the interests of any other Secured Creditors. Where the Instructing Creditor is the Counterparty, the Trustee is not required to have any regard to the interests of the Noteholders in the exercise of any of its powers, duties or discretions.

The security in relation to any Series of Notes will become enforceable upon the Trustee giving an Enforcement Notice (as defined in Condition 10) to the Issuer in respect of that Series subsequent to the occurrence of an Event of Default or as otherwise provided in the Trust Deed.

The Trustee shall not be bound to give any Enforcement Notice in respect of any Series of Notes, to take any steps or institute any proceedings to enforce the security for any Series or to enforce payment of any amount due and payable under or pursuant to the Notes of any Series or the Related Agreement unless it shall have been so requested by the Instructing Creditor in relation to such Series and has been secured and/or pre-funded and/or indemnified to its satisfaction.

If the Trustee is of the opinion that there is a conflict between the interests of the Secured Creditors (as defined in Condition 4(b)) in respect of any one Series, the Trustee will act only at and in accordance with the directions of the Instructing Creditor in respect of such Series, and shall not incur any Liability in so doing.

4. **Related Agreements and Security**

(a) *Related Agreements*

In connection with the issue of the Notes of any Series, the Issuer will, if so specified in the Applicable Supplement, enter into a swap agreement, swap transaction or other hedging agreement or option agreement or any letter of credit, guarantee or other credit support or credit enhancement document or other financial arrangement (each a "**Related Agreement**") with one or more counterparties (each a "**Counterparty**").

(b) *Security*

The Trust Deed will provide that the obligations of the Issuer under the Notes, Coupons and Receipts (if any) of a Series appertaining thereto to the Trustee on its own behalf and on behalf of the Noteholders and to those persons referred to in the Applicable Supplement (collectively, the "**Secured Creditors**") are secured by security interests (governed by English law and/or the law of any other specified relevant jurisdiction) over certain Underlying Assets as specified in the relevant Supplemental Trust Deed (the "**Underlying Assets**" which expression shall include any substitute Underlying Assets and exclude any replaced Underlying Assets pursuant to a substitution in accordance with Condition 4(e)), any relevant Related Agreement and such other assets as are specified in the Applicable Supplement.

The security created by the Supplemental Trust Deed may be supplemented by such further security documents (each a "**Supplementary Security Document**" and, together with the Supplemental Trust Deed, the "**Security Documents**") as may, from time to time, be required in respect of each Series and as specified in the Applicable Supplement (together, the "**Security**").

The assets (including the Underlying Assets) on which the Notes of a Series are secured are referred to as the "**Charged Assets**".

To the extent that an obligor under the Underlying Assets fails to make payments to the Issuer on the due date therefor, the Issuer may be unable to meet its obligations (a) under the Related Agreement(s) (if any) and/or (b) in respect of the Notes, the Coupons or the Receipts (if any) as and when they fall due. In addition, to the extent that a Related Agreement is terminated, or the Counterparty fails to make any payment under a Related Agreement, the Issuer may also be unable to meet such obligations. In any such event, and subject to Condition 7(b)(i) (A) or (B) and Condition 10, the Notes will become repayable in accordance with the Conditions. In any such event, following a mandatory redemption of the Notes the amount received may be insufficient to pay all amounts due to the Secured Creditors (including the Noteholders).

The Notes are also capable of being declared immediately due and repayable prior to their stated date of maturity or other date or dates for their redemption following the occurrence of any of the Events of Default more particularly specified in Condition 10. On notice having been given to the Issuer by the Trustee following any such occurrence (and the Instructing Creditor may direct the Trustee to give such notice subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction), the Notes will become repayable in accordance with the Conditions and the security therefor will become enforceable in accordance with and subject to the provisions of Condition 11. On any such enforcement, the amount received may be insufficient to pay all amounts due to the Secured Creditors (including the Noteholders).

(c) *Realisation of the Underlying Assets upon enforcement or Underlying Disposal Event*

Subject to the Applicable Supplement in respect of a Series of Notes, in the event of:

- (i) the security created by the Security Documents becoming enforceable as provided in Condition 10, the Trustee shall have the right to enforce its rights under the Security Documents in relation to the relevant Charged Assets only;
- (ii) an Underlying Disposal Event (as defined in Condition 7(b)), the Custodian shall arrange for and administer the sale of the relevant Underlying Assets,

but in each case without any liability as to the consequence of such action and without having regard to the effect thereof on, or being required to account for such action to, any Secured Creditor, provided that the Trustee shall not be required to take any action that would involve the Trustee in any liability or expense unless previously indemnified and/or secured and/or pre-funded to its satisfaction.

(d) *Application of Proceeds*

All monies received by the Trustee on an enforcement of the Security in respect of a Series of Notes or otherwise received by the Trustee in respect of a Series of Notes shall be held on trust to be applied in accordance with the application of proceeds provisions in the Principal Trust Deed and the relevant Supplemental Trust Deed.

(e) *Substitution of Underlying Assets*

If specified in the Applicable Supplement, the Issuer may from time to time, upon approval by an Extraordinary Resolution of the Noteholders but subject (in the case of Notes which are rated by any Rating Agency or Rating Agencies) to the Issuer having obtained prior written confirmation from each such Rating Agency that the credit rating of the Notes will not be adversely affected, substitute alternative assets for such of the Underlying Assets as the Issuer may deem appropriate. Any such alternative assets will become Underlying Assets and will be subject to the security interests created in favour of the Trustee as set out or contemplated in the Supplemental Trust Deed. The Issuer (in the case of a Series admitted to listing on the Irish Stock Exchange or such other stock exchange (as the case may be)) shall prepare such documents as may be required (if any) which shall be lodged with such stock exchange, setting out details of such substitution (including, without limitation, the alternative Underlying Assets) to the extent that such is required pursuant to the rules of the relevant listing authority or stock exchange and, in any event, shall notify the Noteholders thereof (and other Secured Creditors) in accordance with Condition 15.

For the purposes of the Conditions, "**Rating Agencies**" means Moody's and/or Standard & Poor's and/or Fitch and/or such other rating agency as may be appointed in relation to a Series, and "**Rating Agency**" shall mean any one of the above.

5. **Restrictions**

So long as any of the Notes remain outstanding, the Issuer will not, save to the extent permitted or contemplated by the Transaction Documents:

- (a) engage in any business (other than acquiring and holding the Underlying Assets (which shall include the making of loans or otherwise providing credit), issuing the Notes, entering into Related Agreements, entering into the Transaction Documents, acquiring and holding other assets which impose no obligations on the Issuer (*provided that* they are "qualifying assets" for the purposes of Section 110 of the Taxes Consolidation Act 1997 of Ireland and *provided that* the Issuer shall not purchase, acquire or hold any asset that would cause the Issuer to be engaged in a U.S. trade or business or to be otherwise subject to tax on a net income basis), issuing further Series of Notes on terms substantially similar to these Conditions, performing its obligations and exercising its rights thereunder and under the other agreements entered into by it in connection with the issue of the Notes and the Transaction Documents and such further Series and matters reasonably incidental thereto);
- (b) have any employees or premises;
- (c) declare or pay any dividend (except for dividends not exceeding an aggregate of EUR 5,000 per annum payable to its shareholders from time to time) or make any distribution in respect of its share capital or issue any additional shares;
- (d) incur or permit to subsist any other indebtedness for borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness other than issuing Notes pursuant to the Trust Deed, provided that the Trustee is satisfied that such Notes are:

- (i) secured on assets of the Issuer other than:
 - (A) the assets securing any other Series of Notes (save in the case of a Fungible Tranche of such Notes forming a single Series with the Tranche of Notes already issued, subject to Condition 1(c));
 - (B) any other assets of the Issuer on which any other obligations of the Issuer are secured; and
 - (C) the Issuer's share capital;
- (ii) issued on terms in substantially the form contained in these Conditions which provide for the extinguishment of all claims in respect of such further Notes and obligations after application of the proceeds of sale or redemption of the assets on which such Notes and obligations are secured; and
- (iii) in the case of a Further Tranche forming a single Series with an Original Tranche, secured *pari passu* on the assets for such Original Tranche and on the Further Underlying Assets upon which such Further Tranche and such Original Tranche are secured, subject to Conditions 1(c) and 4;
- (e) sell or otherwise dispose of the Underlying Assets or any interest therein or agree or purport to do so;
- (f) create or permit to exist upon or affect any of the Underlying Assets relating to any Series any security interest whatsoever other than as contemplated by the Security Documents in relation to such Series;
- (g) consolidate or merge with any other person or convey or transfer its properties or assets substantially in their entirety to any person;
- (h) permit the validity or effectiveness of the Trust Deed, any other Security Document, any guarantee arrangements executed in relation to the issue of Notes or the priority of the security created thereby to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security to be released from such obligations;
- (i) release any party to any Related Agreement from any executory obligation thereunder;
- (j) have any subsidiaries;
- (k) issue a Series of Notes which would cause the Issuer to breach the Programme Limit;
- (l) fail to comply with its respective obligations under the Custody Agreement and/or Sub-Custodian Agreement executed in relation to such Series, the Agency Agreement, the Programme Dealer Agreement, the Corporate Services Agreement, the other Transaction Documents or Related Agreements (in each case, with respect to such Series) in respect of the Underlying Assets relating to such Series if any and, without prejudice to the generality of the foregoing, shall at all times maintain any Agents in any jurisdiction, place or city required by the Conditions relating to any outstanding Notes of such Series in accordance with the terms of the Notes of such Series; or
- (m) make or consent to any amendment to any Transaction Document in respect of such Series or any Underlying Asset and Charged Assets in respect of any Series without the prior written consent of the Trustee.

The Trustee shall be entitled to rely absolutely on a certificate of any director of the Issuer in relation to any matter relating to such restrictions and to accept without liability any such certificate as sufficient evidence of the relevant fact or matter in question.

6. **Calculation of Interest Amount and Redemption Amount and provisions relating to Equity-Linked Notes and Inflation-Linked Notes**

(a) *Interest on Fixed Rate Notes*

This Condition 6(a) is applicable only if the Applicable Supplement specifies the Notes as Fixed Rate Notes.

Each Fixed Rate Note bears interest on its Principal Amount (or as otherwise specified in the Applicable Supplement) from and including the Interest Commencement Date at the Interest Rate, such interest being payable in arrear (unless otherwise specified in the Applicable Supplement) on each Interest Payment Date (as defined in Condition 6(m)).

If a Fixed Coupon Amount or a Broken Amount is specified in the Applicable Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified, and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Applicable Supplement.

(b) *Business Day Convention*

If any date referred to in these Conditions or the Applicable Supplement is specified to be subject to adjustment in accordance with a Business Day Convention and would otherwise fall on a day which is not a Business Day, then if the Business Day Convention specified in the Applicable Supplement is:

- (i) the "Following Business Day Convention", such date shall be postponed to the next day which is a Business Day;
- (ii) the "Modified Following Business Day Convention", such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
- (iii) the "Preceding Business Day Convention", such date shall be brought forward to the immediately preceding Business Day;
- (iv) the "FRN Convention", the "Floating Rate Convention" or the "Eurodollar Convention" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Applicable Supplement as the Specified Period (as defined in the relevant Applicable Supplement) after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; or
- (v) "No Adjustment" means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

(c) *Interest Rate on Floating Rate Notes*

This Condition 6(c) is applicable only if the Applicable Supplement specifies the Notes as Floating Rate Notes.

Each Floating Rate Note bears interest on its Principal Amount (or as otherwise specified in the Applicable Supplement) from and including the Interest Commencement Date at the Interest Rate (as determined in accordance with this Condition 6(c)) (unless otherwise specified in the Applicable Supplement) on each Interest Payment Date (as defined in Condition 6(m)).

If "Screen Rate Determination" is specified in the Applicable Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Page displays a rate which is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Relevant Rate which appears on the Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Relevant Rates which appear on the Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Page is unavailable, the Calculation Agent will:
 - (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Relevant Rate at approximately the Relevant Time on the relevant Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Relevant Rate, as determined by the Calculation Agent) quoted by three major banks in the Relevant Financial Centre of the Relevant Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Relevant Financial Centre of the Relevant Currency) on the first day of the relevant Interest Period for loans in the Relevant Currency to leading European banks for a period equal to the relevant Interest Period and in the Representative Amount,

and the Interest Rate for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Interest Rate applicable to the Notes during such Interest Period will be the sum of the Margin and the rate (or as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

If "ISDA Determination" is specified in the Applicable Supplement as the manner in which the Interest Rate(s) is/are to be determined, the Interest Rate(s) applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction as if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the Applicable Supplement;
- (ii) the Designated Maturity is the Specified Duration; and

- (iii) the relevant Reset Date is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the Applicable Supplement.

For the purposes of this paragraph 6(c) "Floating Rate", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to them in the ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA") and as amended and updated as of the first date of issue of Notes of the relevant Series.

(d) *Interest on Equity-Linked Notes or Inflation-Linked Notes:*

If the Applicable Supplement specifies that the interest payable will be Equity-Linked and/or Inflation-Linked, the Interest Rate applicable to the Notes for each Interest Period and/or the applicable Interest Amount will be determined in the manner specified in the Applicable Supplement.

(e) *Maximum or Minimum Interest Rates*

If any Maximum Interest Rate or Minimum Interest Rate is specified in the Applicable Supplement, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Interest Rate on Zero Coupon Notes*

The Interest Rate for any overdue principal in respect of a Zero Coupon Note shall be a rate per annum (expressed as a percentage) equal to the figure expressed to be the amortisation yield (the "**Amortisation Yield**") shown on the face of the Note or in the Applicable Supplement (as well after as before judgment) up to the Relevant Date.

(g) *Accrual of Interest*

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused by the Issuer, any Paying Agent the CREST Registrar or the relevant NCSD Issuing and Paying Agent (as applicable) (acting on behalf of the Issuer), in which event interest will continue to accrue (as well after as before judgment) at the Interest Rate in the manner provided in this Condition 6 to the Relevant Date (as defined in Condition 7(d)).

(h) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified):

- (i) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up);
- (ii) all figures will be rounded to seven significant figures (with halves being rounded up); and
- (iii) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes, "unit" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(i) *Calculations*

The amount of interest payable in respect of any Note for each Interest Period shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate and the Principal Amount outstanding of such Note during that Interest Period by the Day Count Fraction, unless an Interest Amount is specified in respect of such period in the Applicable Supplement, in which

case the amount of interest payable in respect of such Note for such Interest Period will equal such Interest Amount.

(j) *Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent or the Determination Agent, as applicable may be required to calculate any Redemption Amount or Instalment Amount, obtain any quote or make any determination or calculation, the Calculation Agent or the Determination Agent, as applicable will (A) determine the Interest Rate and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Authorised Denomination of Notes for the relevant Interest Period, calculate the Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and (B) cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Redemption Amount or any Instalment Amount to be notified to the Principal Paying Agent, the Trustee, the Issuer, each Paying Agent, the Noteholders and, if the Notes are listed on a stock exchange and the rules of such stock exchange so requires, such exchange as soon as possible after their determination but in no event later than (i) (in case of notification to such stock exchange) the commencement of the relevant Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Interest Rate or the Interest Amount so calculated need be made unless otherwise required by the Trustee. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent or the Determination Agent, as applicable or, as the case may be, the Trustee pursuant to Condition 6(o), shall (in the absence of manifest error) be final and binding upon all parties.

(k) *Provisions relating to Equity-Linked Notes*

This Condition 6(k) (*Provisions relating to Equity-Linked Notes*) is applicable only in relation to Notes specified in the Applicable Supplement as being Single Share Notes, Share Basket Notes, Single Index Notes or Index Basket Notes and where "Equity-Linked" Interest and/or "Equity-Linked" Redemption is specified as "Applicable" in the Applicable Supplement.

(i) Valuation, Market Disruption and Averaging Dates:

(A) If any Valuation Date, Observation Date or Determination Date (as applicable) is a Disrupted Day, then:

(a) in the case of a Single Index Note or Single Share Note, the Valuation Date, Observation Date or Determination Date (as applicable) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable) is a Disrupted Day. In that case, (1) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, Observation Date or Determination Date (as applicable), notwithstanding the fact that such day is a Disrupted Day, and (2) the Determination Agent shall determine in its sole and absolute discretion:

(I) in respect of a Single Index Note, the level of the Index as of the Determination Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating

the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Determination Time on that eighth Scheduled Trading Day of each security or other property comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Determination Time on that eighth Scheduled Trading Day); and

(II) in respect of a Single Share Note, its good faith estimate of the value for the Underlying Share as of the Determination Time on that eighth Scheduled Trading Day;

(b) in the case of an Index Basket Note, the Valuation Date, Observation Date or Determination Date (as applicable) for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable), and for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable) is a Disrupted Day relating to that Index. In that case, (1) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, Observation Date or Determination Date (as applicable) for the relevant Index, notwithstanding the fact that such day is a Disrupted Day, and (2) the Determination Agent shall determine, in its sole and absolute discretion, the level of that Index as of the Determination Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Determination Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Determination Time on that eighth Scheduled Trading Day); and

(c) in the case of a Share Basket Note, the Valuation Date, Observation Date or Determination Date (as applicable) for each Underlying Share not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable), and for each Underlying Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Underlying Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable) is a Disrupted Day relating to that Underlying Share. In that case, (1) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Underlying Share, notwithstanding the fact that such day is a Disrupted Day, and (2) the Determination Agent shall determine, in its sole and absolute discretion, its good faith estimate of the value for that Underlying Share as of the Determination Time on that eighth Scheduled Trading Day.

(B) For the purposes hereof:

"Scheduled Determination Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Determination Date;

"Scheduled Observation Date" means any original date that, but for the occurrence of an event causing a Disruption Day would have been an Observation Date; and

"Scheduled Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

(C) If Averaging Dates are specified in the Applicable Supplement as being applicable, then, notwithstanding any other provisions of these Conditions, the following provisions will apply to the valuation of the relevant Index, Underlying Share, Basket of Indices or Basket of Shares in relation to a Valuation Date:

(a) **"Averaging Date"** means, in respect of each Valuation Date, Observation Date or Determination Date (as applicable), each date specified or otherwise determined as provided in the Applicable Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day).

(b) For purposes of determining the Settlement Price in relation to a Valuation Date, the Settlement Price will be:

(I) in respect of a Single Index Note or a Single Share Note, the arithmetic mean of the Relevant Prices of the Index or the Underlying Shares (as the case may be) on each Averaging Date;

(II) in respect of an Index Basket Note, the arithmetic mean of the amounts for the Basket of Indices determined by the Determination Agent in its sole and absolute discretion as provided in the Applicable Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price are so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the Relevant Prices of each Index comprised in the Basket (weighted or adjusted in relation to each Index as provided in the Applicable Supplement); and

(III) in respect of a Share Basket Note, the arithmetic mean of the amounts for the Basket of Shares determined by the Determination Agent in its sole and absolute discretion as provided in the Applicable Supplement as of the relevant Determination Time(s) on each Averaging Date or, if no means for determining the Settlement Price is so provided, the arithmetic mean of the amounts for the Basket calculated on each Averaging Date as the sum of the values calculated for the Underlying Shares of each Underlying Issuer as the product of (1) the Relevant Price of such Underlying Share and (2) the number of such Underlying Shares comprised in the Basket.

(c) If an Averaging Date is a Disrupted Day, then if, in relation to "Averaging Date Disruption", the consequence specified in the Applicable Supplement is:

- (I) **"Omission"**, then such Averaging Date will be deemed not to be a relevant Averaging Date for the purposes of determining the relevant Settlement Price provided that, if through the operation of this provision no Averaging Date would occur with respect to the relevant Valuation Date, Observation Date or Determination Date (as applicable), then Condition 6(k)(i)(A) will apply for purposes of determining the relevant level, price or amount on the final Averaging Date in respect of that Valuation Date, Observation Date or Determination Date (as applicable) as if such final Averaging Date were a Valuation Date, Observation Date or Determination Date (as applicable) that was a Disrupted Day;
- (II) **"Postponement"**, then Condition 6(k)(i)(A) will apply for the purposes of determining the relevant level, price or amount on that Averaging Date, Observation Date or Determination Date (as applicable) as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date for the relevant Notes; or
- (III) **"Modified Postponement"**, then:
 - (1) in the case of a Single Index Note or a Single Share Note, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Determination Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable), then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (B) the Determination Agent shall determine, in its sole and absolute discretion, the relevant level or price for that Averaging Date in accordance with (x) in the case of a Single Index Note, Condition 6(k)(i)(A)(a)(I) and (y) in the case of a Single Share Note, Condition 6(k)(i)(A)(a)(II);
 - (2) in the case of an Index Basket Note or a Share Basket Note, the Averaging Date for each Index or Underlying Share (as the case may be) not affected by the occurrence of a Disrupted Day shall be the date specified in the Applicable Supplement as an Averaging Date in relation to the relevant Valuation Date, Observation Date or Determination Date (as applicable), and the Averaging Date for an Index or Underlying Share (as the case may be) affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or Underlying Share (as the case may be). If the first succeeding Valid Date in relation to such Index or Underlying Share (as the case may be) has not occurred as of the Determination Time on the eighth Scheduled Trading Day immediately following the

original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, Scheduled Observation Date or Scheduled Determination Date (as applicable), then (A) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in relation to such Index or Underlying Share (as the case may be), and (B) the Determination Agent shall determine, in its sole and absolute discretion, the relevant level or amount for that Averaging Date in accordance with (x) in the case of an Index Basket Note, Condition 6(k)(i)(A)(b) and (y) in the case of a Share Basket Note, Condition 6(k)(i)(A)(c); and

- (3) "**Valid Date**" shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date, Observation Date or Determination Date (as applicable) does not, or is not deemed to, occur.

- (d) If any Averaging Dates in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Maturity Date or (ii) the occurrence of an Extraordinary Event, an Index Adjustment Event, a Potential Adjustment Event or an Additional Disruption Event shall be determined by the Determination Agent by reference to the last such Averaging Date as though it were that Valuation Date.

- (ii) Adjustments to Indices:

This Condition 6(k)(ii) (*Adjustments to Indices*) is applicable only in relation to Notes specified in the Applicable Supplement as being Single Index Notes or Index Basket Notes.

- (A) *Successor Index:*

If a relevant Index is (a) not calculated and announced by the Index Sponsor, but is calculated and announced by a successor sponsor acceptable to the Determination Agent in its sole and absolute discretion or (b) replaced by a Successor Index using, in the determination of the Determination Agent (such determination to be at the Determination Agent's sole and absolute discretion), the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

- (B) *Index Adjustment Events:*

If (i) on or prior to any Valuation Date, Observation Date or Determination Date (as applicable), or any Averaging Date, a relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent securities and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Valuation Date, Observation Date or Determination Date (as applicable), or any Averaging Date, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**") and together with an Index Modification and an Index

Cancellation, each an "**Index Adjustment Event**"), then (A) in the case of an Index Modification or an Index Disruption, the Determination Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate in its sole and absolute discretion the relevant Settlement Price or Relevant Price (as applicable) using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date, Observation Date or Determination Date (as applicable) or, as the case may be, that Averaging Date as determined by the Determination Agent in its sole and absolute discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event and (B) in the case of an Index Cancellation, the Issuer (or the Determination Agent on its behalf) may, at any time thereafter and in its sole and absolute discretion, determine that the Notes shall be redeemed as of any later date. If the Issuer (or the Determination Agent on its behalf) so determines that the Notes shall be redeemed, then the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (as (in the case of Nordic Notes)) to redeem the Notes and upon redemption the Issuer will pay in respect of each Note an amount equal to the Redemption Amount. Without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount. If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to the formula for the Redemption Amount, the Settlement Price or the Relevant Price (as applicable) set out in the Applicable Supplement and any other variable relevant to the settlement or payment terms of the Notes, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(C) *Correction of Index Levels:*

If the level of an Index published by the Index Sponsor and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Notes is subsequently corrected and the correction (the "**Corrected Value**") is published by the Index Sponsor by such time as may be specified in the Applicable Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Maturity Date), then the Determination Agent will notify the Issuer, the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes) of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered

Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(D) *Currency Inconvertibility:*

If the Issuer (or the Determination Agent, on its behalf) in good faith determines that a Currency Inconvertibility Event has occurred, the Issuer may at any time thereafter, in its sole discretion give notice to the holders stating whether the Issuer's obligations under the Notes will be suspended or whether the Notes shall be redeemed (any election to suspend shall not preclude the Issuer at any time thereafter giving notice to redeem the Notes), all as more fully set out in Condition 15 (*Notices*). If the Issuer elects to redeem the Notes the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) to redeem the Notes and upon redemption the Issuer will pay in respect of each Note, an amount equal to the Redemption Amount. Without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of such amount.

If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue following an election to suspend the Issuer's obligations under the Notes, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to the formula for the Redemption Amount, the Settlement Price or the Relevant Price (as applicable) set out in the Applicable Supplement and any other variable relevant to the settlement or payment terms of the Notes, which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

Upon the occurrence of any event that constitutes both a Currency Inconvertibility Event and a Market Disruption Event or an event causing a Disrupted Day, it will be deemed to be a Market Disruption Event or an event causing a Disrupted Day and will not constitute a Currency Inconvertibility Event.

(iii) *Adjustments affecting Underlying Shares:*

This Condition 6(k)(iii) (*Adjustments affecting Underlying Shares*) is applicable only in relation to Single Share Notes and Share Basket Notes.

(A) *Adjustments for Potential Adjustment Events:*

Following the declaration by the Underlying Issuer of the terms of a Potential Adjustment Event, the Determination Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares and, if so, will (i) make such adjustment as it in its sole and absolute discretion considers appropriate, if any, to the formula for the Redemption Amount and/or the Settlement Price and/or the Relevant Price set out in the Applicable Supplement, the number of Underlying Shares to which each Note relates, the number of Underlying Shares comprised in a Basket of Shares, the amount, the number of or type of shares or other securities which may be delivered in respect of such Notes and/or any other adjustment and, in any case, any other variable relevant to the settlement,

payment or other terms of the relevant Notes as the Determination Agent determines, in its sole and absolute discretion, to be appropriate to account for that diluting or concentrative effect and (ii) determine, in its sole and absolute discretion, the effective date(s) of such adjustment(s). The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(B) *Correction of Underlying Share Prices:*

If any price published on the Exchange and which is utilised by the Determination Agent for any calculation or determination (the "**Original Determination**") under the Notes is subsequently corrected and the correction (the "**Corrected Value**") is published by the Exchange by such time as may be specified in the Applicable Supplement (or, if none is so specified, within one Settlement Cycle after the original publication and prior to the Maturity Date), then the Determination Agent will notify the Issuer, the Trustee, and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes) of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary and practicable, the Determination Agent may adjust any relevant terms accordingly. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(iv) *Extraordinary Events:*

This Condition 6(k)(iv) (*Extraordinary Events*) is applicable only in relation to Notes specified in the Applicable Supplement as being Single Share Notes or Share Basket Notes.

(A) *Merger Event or Tender Offer:*

- (a) Following the occurrence of any Merger Event or Tender Offer, the Issuer will, in its sole and absolute discretion, determine whether the relevant Notes shall continue or shall be redeemed early.
- (b) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to the formula for the Redemption Amount and/or the Settlement Price and/or the Relevant Price set out in the Applicable Supplement, the number of Underlying Shares to which each Note relates, the number of Underlying Shares comprised in a Basket of Shares, the amount, the number of or type of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the settlement, or payment terms of the relevant Notes and/or any other adjustment (including, without limitation, in relation to Share Basket Notes, the cancellation of terms applicable in respect of Underlying Shares affected by the relevant Merger Event or Tender Offer) which adjustment shall be effective on such date as the Determination Agent

shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

- (c) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) to redeem the Notes and, without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of the Merger Event Settlement Amount (as defined below) (in the case of a Merger Event) or Tender Offer Settlement Amount (in the case of a Tender Offer).

- (d) For the purposes hereof:

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Determination Agent, in its sole discretion;

"Merger Event" means, in respect of any relevant Underlying Shares, as determined by the Determination Agent, acting in a commercially reasonable manner, any: (i) reclassification or change of such Underlying Shares that results in a transfer of or an irrevocable commitment to transfer all of such Underlying Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Underlying Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Underlying Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Shares of the Underlying Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Shares (other than such Underlying Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Underlying Issuer or its subsidiaries or with or into another entity in which the Underlying Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding but results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the final Valuation Date, Observation Date or Determination Date (as applicable).

"Merger Event Settlement Amount" means in respect of each Note, an amount equal to the Redemption Amount.

"Tender Offer" means, in respect of any Underlying Shares, as determined by the Determination Agent, acting in a commercially reasonable manner, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Underlying Issuer, as determined by the Determination Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Determination Agent deems relevant.

"Tender Offer Settlement Amount" means, in respect of each Note, an amount equal to the Redemption Amount.

(B) *Nationalisation, Insolvency and Delisting:*

(a) If in the determination of the Determination Agent, acting in a commercially reasonable manner:

- (I) all the Underlying Shares or all or substantially all the assets of an Underlying Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof ("**Nationalisation**"); or
- (II) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding up of, or any analogous proceeding affecting, an Underlying Issuer (1) all the Underlying Shares of that Underlying Issuer are required to be transferred to a trustee, liquidator or other similar official or (2) holders of the Underlying Shares of that Underlying Issuer become legally prohibited from transferring them ("**Insolvency**"); or
- (III) the Exchange announces that pursuant to the rules of such Exchange, the Underlying Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re listed, re traded or re quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union) ("**Delisting**"),

then the Issuer (or the Determination Agent on its behalf) will, in its sole and absolute discretion, determine whether or not the Notes shall continue.

(b) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to the formula for the Redemption Amount and/or the Settlement Price and/or the Relevant Price set out in the Applicable Supplement, the number of Underlying Shares to which each Note relates, the number of Underlying Shares comprised in a Basket of Shares, the amount, the number of or type of shares or other securities which may be delivered under such Notes and, in any case, any other variable relevant to the settlement or payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Share Basket Notes, the cancellation of terms applicable in respect of Underlying Shares

affected by the relevant Extraordinary Event) which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

- (c) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) to redeem the Notes. Without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment of, in respect of each Note, an amount equal to the Redemption Amount.

(v) Additional Disruption Events:

- (A) Following the occurrence of an Additional Disruption Event, the Issuer (or the Determination Agent on its behalf) will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue or be redeemed early.
- (B) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to the formula for the Redemption Amount and/or the Settlement Price and/or Relevant Price set out in the Applicable Supplement, the number of Underlying Shares to which each Note relates, the number of Underlying Shares comprised in a Basket of Shares the amount, and, in any case, any other variable relevant to the settlement, or payment terms of the relevant Notes and/or any other adjustment (including without limitation, in relation to Share Basket Notes or Index Basket Notes, the cancellation of terms applicable in respect of any Underlying Shares or Index, as the case may be, affected by the relevant Additional Disruption Event) which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.
- (C) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of) Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) to redeem the Notes and, without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Redemption Amount.
- (D) The Issuer (or the Determination Agent on its behalf) shall as soon as reasonably practicable under the circumstances notify the Trustee and the

Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes) of the occurrence of an Additional Disruption Event.

(E) For the purposes hereof:

"Additional Disruption Event" means, with respect to any Series of Notes (unless otherwise specified in the Applicable Supplement), a Change in Law, Hedging Disruption, Increased Cost of Hedging and Loss of Stock Borrow, and any further event or events as may be specified in the Applicable Supplement as an Additional Disruption Event with respect to such Notes.

(vi) Definitions applicable to Equity-Linked Notes:

In relation to Equity-Linked Notes, the following expressions have the meanings set out below:

"Basket" means, in relation to any Share Basket Notes, the Underlying Shares specified in the Applicable Supplement as comprising the Basket and in relation to Index Basket Notes, the Indices specified in the Applicable Supplement as comprising the Basket in each case in the relative proportions specified in such Applicable Supplement;

"Basket of Indices" means, in relation to a particular Series of Notes, a basket comprising the Indices specified in the Applicable Supplement in the relative proportions specified in such Applicable Supplement;

"Basket of Shares" means, in relation to a particular Series of Notes, a basket comprising Underlying Shares of each Underlying Issuer specified in the Applicable Supplement in the relative proportions or number of Underlying Shares of each Underlying Issuer specified in such Applicable Supplement;

"Change in Law" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer (or the Determination Agent on its behalf) determines that (x), in the case of Single Share Notes, Single Index Notes, Share Basket Notes or Index Basket Notes, it has become illegal to hold, acquire or dispose of any relevant Underlying Shares or of any financial instrument or contract providing exposure to the Underlying Shares, Index or Indices (as the case may be), or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Component" means in relation to an Index, any security which comprises such Index;

"Currency Inconvertibility Event" means it has become impracticable, illegal or impossible: (i) for the Determination Agent to determine a rate at which any Local Currency (defined below) can be lawfully exchanged for U.S. dollars; or (ii) to convert the currency in which any of the Underlying Shares or the securities which comprise the Index is denominated (a **"Local Currency"**) into U.S. dollars; or (iii) to exchange or repatriate any funds outside of any jurisdiction in which any of the securities which comprise the Index or the Underlying Shares is issued due to the adoption of or any change in any applicable law, regulation, directive or decree of any Governmental Authority or otherwise; or (iv) for the Issuer or the Counterparty to hold, purchase, sell or otherwise deal in any Notes or any other property in order for the Issuer or the Counterparty to perform, or for the purposes of the Issuer or the Counterparty performing its obligations in respect of any Notes or in respect of any related hedging arrangements. For the purposes hereof, **"Governmental Authority"** means any governmental, administrative, legislative or judicial authority or power;

"Determination Date" has the meaning given to it in the Applicable Supplement;

"Determination Time" means the time specified as such in the Applicable Supplement, or if no such time is specified, (a) save with respect to a Multi-exchange Index, the Scheduled Closing Time on the relevant Exchange in relation to each Index or Underlying Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Determination Time is after the actual closing time for its regular trading session, then the Determination Time shall be such actual closing time; and (b) with respect to any Multi-exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component, the Scheduled Closing Time on the Exchange in respect of such Component and (y) in respect of any option contracts or futures contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor;

"Disrupted Day" means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred, and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred;

"Early Closure" means (a) except with respect to a Multi-exchange Index, the closure on any Exchange Business Day of the relevant Exchange (or in the case of a Single Index Note or Index Basket Note, any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Determination Time on such Exchange Business Day and (b) with respect to any Multi-exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the relevant Determination Time on such Exchange Business Day;

"Exchange" means:

- (a) in respect of an Index relating to Single Index Notes or Index Basket Notes other than a Multi-exchange Index, each exchange or quotation system specified as such for such Index in the Applicable Supplement or, if none is specified, the principal exchange or quotation system for trading in such Index, as determined by the Determination Agent, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying such Index has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange, and (ii) with respect to any Multi-exchange Index, and in respect of each Component, the principal stock exchange on which such Component is principally traded, as determined by the Determination Agent; and
- (b) in respect of an Underlying Share relating to Single Share Notes or Share Basket Notes, each exchange or quotation system specified as such for such Underlying Share in the Applicable Supplement or, if none is specified, the

principal exchange or quotation system for trading in such Underlying Share, as determined by the Determination Agent, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Share has temporarily relocated, provided that the Determination Agent has determined that there is comparable liquidity relative to such Underlying Share on such temporary substitute exchange or quotation system as on the original Exchange;

"Exchange Business Day" means (a) except with respect to a Multi-exchange Index, any Scheduled Trading Day on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time and (b) with respect to any Multi-exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption" means (a) except with respect to a Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Underlying Shares on the Exchange (or in the case of Single Index Notes or Index Basket Notes, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index), or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Underlying Shares or the relevant Index (as the case may be) on any relevant Related Exchange and (b) with respect to any Multi-exchange Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Determination Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) any Component on the Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the Related Exchange;

"Extraordinary Dividend" means the dividend per Underlying Share, or portion thereof, to be characterised as an Extraordinary Dividend as determined by the Determination Agent;

"Extraordinary Event" means a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting;

"Hedging Disruption" means that the Issuer or the Counterparty (in each case, as determined by the Determination Agent in its sole and absolute discretion) is unable, after using commercially reasonable efforts, to (A) acquire, establish, re establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"Increased Cost of Hedging" means that the Issuer or the Counterparty (in each case as determined by the Determination Agent in its sole and absolute discretion) would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that**, in each case, any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or the Counterparty shall not be deemed an Increased Cost of Hedging;

"Index" means any index specified as such in the Applicable Supplement, subject to Condition 6(k)(ii) (*Adjustments to Indices*);

"Index Sponsor" means, in respect of an Index, the entity specified as such in the Applicable Supplement or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Index;

"Loss of Stock Borrow" means that the Issuer or the Counterparty is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) the Underlying Shares with respect to the Notes in an amount which the Issuer deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes (not to exceed the number of shares underlying the Notes) at a rate determined by the Issuer (or the Determination Agent on its behalf);

"Market Disruption Event" means (a) in respect of an Underlying Share or an Index other than a Multi-exchange Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time, or (iii) an Early Closure. For the purpose of determining whether a Market Disruption Event exists in respect of an Index at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the Market Disruption Event occurred; and (b) with respect to any Multi-exchange Index either (i)(A) the occurrence or existence, in respect of any Component, of (1) a Trading Disruption, (2) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Exchange on which such Component is principally traded, OR (3) an Early Closure; AND (B) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR (ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Determination Agent determines is material, at any time during the one hour period that ends at the relevant Determination Time in respect of the Related Exchange; or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component at any time, if a Market Disruption Event occurs in respect of such Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data";

"Multi-exchange Index" means any Index specified as such in the Applicable Supplement;

"Observation Date" has the meaning given in the Applicable Supplement;

"Potential Adjustment Event" means, in respect of Single Share Notes or Share Basket Notes (in each case, as determined by the Determination Agent in its sole and absolute discretion):

- (i) a subdivision, consolidation or reclassification of an Underlying Share (unless resulting in a Merger Event), or a free distribution or dividend of Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Underlying Shares of (A) such Underlying Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Issuer equally or proportionately with such payments to holders of such an Underlying Shares, or (C) share capital or other securities of another

issuer acquired or owned (directly or indirectly) by the Underlying Issuer as a result of a spin off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Determination Agent;

- (iii) an Extraordinary Dividend;
- (iv) a call by the Underlying Issuer in respect of relevant Underlying Shares that are not fully paid;
- (v) a repurchase by an Underlying Issuer (as the case may be) or any of its subsidiaries of Underlying Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of an Underlying Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Underlying Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Determination Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Underlying Shares;

"Related Exchange", in respect of an Index relating to Single Index Notes or Index Basket Notes, an Underlying Share relating to Single Share Notes or Share Basket Notes means the Exchange specified as the Relevant Exchange in the Applicable Supplement, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures and options contracts relating to such Index or Underlying Shares has temporarily relocated (provided that the Determination Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or Underlying Shares on such temporary substitute exchange or quotation system as on the original Related Exchange) or, if none is specified, each exchange or quotation system where trading has a material effect (as determined by the Determination Agent) on the overall market for futures or options contracts relating to such Index or Underlying Shares, as the case may be;

"Relevant Price" on any day means:

- (i) in respect of an Underlying Share to which a Single Share Note or a Share Basket Note relates, the price per Underlying Share determined by the Determination Agent in the manner provided in the Applicable Supplement as of the Determination Time on the relevant day, or, if no means for determining the Relevant Price are so provided: (a) in respect of any Underlying Share for which the Exchange is an auction or **"open outcry"** exchange that has a price as of the Determination Time at which any trade can be submitted for execution, the Relevant Price shall be the price per Underlying Share as of the Determination Time on the relevant day, as reported in the official real time price dissemination mechanism for such Exchange; and (b) in respect of any Underlying Share for which the Exchange is a dealer exchange or dealer quotation system, the Relevant Price shall be the mid point of the highest bid and lowest ask prices quoted as of the Determination Time on the relevant day (or the last such prices quoted immediately before the Determination Time) without regard to quotations that **"lock"** or **"cross"** the dealer exchange or dealer quotation system; and

- (ii) in respect of an Index to which a Single Index Note or an Index Basket Note relates, the level of such Index determined by the Determination Agent as provided in the Applicable Supplement as of the Determination Time on the relevant day or, if no method for determining the Relevant Price is so provided, the level of the Index as of the Determination Time on the relevant day;

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of regular trading session hours;

"Scheduled Trading Day" means (a) except with respect to a Multi-exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading session, and (b) with respect to any Multi-exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session;

"Settlement Cycle" means, in respect of an Underlying Share or Index, the period of Settlement Cycle Days following a trade in such Underlying Share or the securities underlying such Index, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such exchange (or, in respect of any Multi exchange Index, the longest such period) and for this purpose **"Settlement Cycle Day"** means, in relation to a clearing system any day on which such clearing system is (or but for the occurrence of a Settlement Disruption Event would have been) open for acceptance and executions of settlement instructions;

"Settlement Price" means, in respect of a Single Share Note, a Share Basket Note, an Index Note or an Index Basket Note, the price, level or amount as determined by the Determination Agent, in its sole and absolute discretion, in accordance with the Applicable Supplement;

"Trading Disruption" means (a) except with respect to a Multi-exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange, Related Exchange or otherwise (i) relating to the Underlying Share on the Exchange, or, in the case of a Single Index Note or Index Basket Note, on any relevant Exchange(s) relating to securities that comprise 20 per cent. or more of the level of the relevant Index or (ii) in futures or options contracts relating to the Underlying Share or the relevant Index or Indices Interest on any relevant Related Exchange, and (b) with respect to any Multi-exchange Index, any suspension of or limitation imposed on trading by the Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

"Underlying Issuer" means the entity that is the issuer of the Underlying Share specified in the Applicable Supplement;

"Underlying Share" means, in relation to a particular Series of Notes, a share specified as such in the Applicable Supplement, or, in the case of a Share Basket Note, a share forming part of a basket of shares to which such Note relates; and

"Valuation Date" means each date specified as such in the Applicable Supplement (or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day), subject to the provisions of Condition 6(k)(i)(B).

(l) *Provisions relating to Inflation-Linked Notes*

This Condition 6(l) (*Inflation-Linked Notes*) is applicable only in relation to Notes specified in the Applicable Supplement as being Inflation-Linked Notes and where "Inflation-Linked"

Interest and/or "Inflation-Linked" Redemption is specified as "Applicable" in the Applicable Supplement.

(i) Delay of Publication:

If any level of an Index for a Reference Month which is relevant to the calculation of a payment under the Notes (a "**Relevant Level**") has not been published or announced by the day that is five Business Days prior to the next Interest Payment Date, Instalment Date, the Maturity Date or any other date on which any payment in respect of the Notes is due (as applicable) (each a "**Specified Payment Date**") under the Notes or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes, the Determination Agent shall determine a Substitute Index Level (in place of such Relevant Level) in a commercially reasonable manner in its sole discretion. If a Relevant Level is published or announced at any time after the day that is five Business Days prior to the next Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to this Condition 6(l)(i) (*Delay in Publication*), will be the definitive level for that Reference Month.

(ii) Cessation of Publication:

If a level for the Index has not been published or announced for two consecutive months or the Index Sponsor announces that it will no longer continue to publish or announce the Index then the Determination Agent shall determine a successor index (a "**Successor Index**") (in lieu of any previously applicable Index) for the purposes of the Notes by using the following methodology:

- (A) If at any time a Successor Index has been designated by the Determination Agent pursuant to the terms and conditions of the Related Bond, such Successor Index shall be designated a "Successor Index" for the purposes of all subsequent Specified Payment Dates or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes, notwithstanding that any other Successor Index may previously have been determined under Conditions 6(l)(i)(B), 6(l)(i)(C) or 6(l)(i)(D) below; or
- (B) If a Successor Index has not been determined under Condition 6(l)(i)(A) above and a notice has been given or an announcement has been made by the Index Sponsor, specifying that the Index will be superseded by a replacement index specified by the Index Sponsor, and the Determination Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of the Notes from the date that such replacement index comes into effect; or
- (C) If a Successor Index has not been determined under Condition 6(l)(i)(A) or 6(l)(i)(B) above, the Determination Agent shall ask five leading independent dealers to state what the replacement Index for the Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same Index, this Index will be deemed the "Successor Index". If three responses are received, and two or more leading independent dealers state the same Index, this Index will be deemed the "Successor Index". If fewer than three responses are received, the Determination Agent will proceed to Condition 6(l)(i)(D) below; or
- (D) If no Successor Index has been deemed under Condition 6(l)(i)(A), 6(l)(i)(B) or Condition 6(l)(i)(C) above by the fifth Business Day prior to the next Affected Payment Date the Determination Agent will determine an appropriate alternative index for such Affected Payment Date, and such index will be deemed a "Successor Index" and provided that the Determination Agent shall determine the method of determining the Relevant Level if no such alternative Index is available.

(E) The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any determination pursuant to this Condition 6(l)(ii).

(iii) Rebasing of the Index:

If the Determination Agent determines that an Index has been or will be rebased at any time, the Index as so rebased (the "**Rebased Index**") will be used for purposes of determining the level of such Index from the date of such rebasing; **provided, however, that** the Determination Agent shall make such adjustments as are made by the Determination Agent pursuant to the terms and conditions of the Related Bond, if any, to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. If there is no Related Bond, the Determination Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments made under the Notes. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(iv) Material Modification Prior to Payment Date:

If, on or prior to the day that is five Business Days before a Specified Payment Date under the Notes or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes, an Index Sponsor announces that it will make a material change to an Index then the Determination Agent shall make any such adjustments to the Index consistent with adjustments made to the Related Bond, or, if there is no Related Bond, only those adjustments necessary for the modified Index to continue as the Index. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.

(v) Manifest Error in Publication:

If, within thirty days of publication and prior to the redemption of the Notes or payments in respect of any relevant Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes, the Determination Agent determines that the Index Sponsor has corrected the level of the Index to remedy a manifest error in its original publication, the Determination Agent will notify the holders of the Notes (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) in accordance with Condition 15 (*Notices*) of (i) that correction, (ii) the adjusted amount that is then payable under the Notes as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction, **provided that** any amount payable pursuant to sub paragraph (ii) above shall be paid (with no interest accruing thereon) (a) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes has occurred, within five Business Days after notice of such amount payable by the Determination Agent, (b) in connection with an Index Sponsor's correction to remedy a manifest error in the level of an Index for a Reference Month for which the Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes has not

occurred, as an adjustment to the payment obligation on the next Specified Payment Date or (c) if there is no further Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes, within five Business Days after notice of such amount payable by the Determination Agent.

(vi) Additional Disruption Events:

- (i) Following the occurrence of an Additional Disruption Event, the Issuer (or the Determination Agent on its behalf) will, in its sole and absolute discretion, determine whether or not the relevant Notes shall continue or be redeemed early.
- (ii) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall continue, the Determination Agent may make such adjustment as the Determination Agent, in its sole and absolute discretion, considers appropriate, if any, to any variable relevant to the settlement, or payment terms of the relevant Notes and/or any other adjustment which change or adjustment shall be effective on such date as the Determination Agent shall determine. The Determination Agent shall, as soon as reasonably practicable under the circumstances, notify the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment.
- (iii) If the Issuer (or the Determination Agent on its behalf) determines that the relevant Notes shall be redeemed early, then the Issuer shall give not less than five Business Days' notice to the Noteholders (copied to the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes)) of any such adjustment. to redeem the Notes and, without prejudice to Condition 11 (*Limited Recourse Enforcement*), the Issuer's obligations under the Notes shall be satisfied in full upon payment in respect of each Note of an amount equal to the Redemption Amount.
- (iv) The Issuer shall as soon as reasonably practicable under the circumstances notify the Trustee and the Principal Paying Agent (in the case of Bearer Notes and Registered Notes), the CREST Registrar (in the case of Uncertified Registered Notes) or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (in the case of Nordic Notes) of the occurrence of an Additional Disruption Event.
- (v) For the purposes hereof:

"Additional Disruption Event" means, if specified as applicable in the Applicable Supplement, with respect to any Series of Notes, a Change in Law, Hedging Disruption, Increased Cost of Hedging, and any further event or events as may be specified in the Applicable Supplement as an Additional Disruption Event with respect to such Notes.

(vii) Definitions Applicable to Inflation-Linked Notes

In relation to Inflation-Linked Notes, the following expressions have the meanings set out below:

"Affected Payment Date" means each Specified Payment Date or other relevant payment date as may be specified in the Applicable Supplement in relation to the Notes in respect of which an Index has not been published or announced;

"Change in Law" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax

law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer (or the Determination Agent, on its behalf) determines that (x) it has become illegal to hold, acquire or dispose of Hedge Positions or (y) it will incur a materially increased cost in performing its obligations with respect to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

"Fallback Bond" means an inflation-linked bond selected by the Determination Agent that is a debt obligation of one of the governments (but not any government agency) of France, Italy, Germany or Spain and which pays a coupon or redemption amount which is calculated by reference to the level of inflation in the European Monetary Union. In each case, the Determination Agent will select the Fallback Bond from those inflation-linked bonds issued on or before the Specified Payment Date and, if there is more than one inflation-linked bond maturing on the same date, the Fallback Bond shall be selected by the Determination Agent from those bonds. If the Fallback Bond redeems the Determination Agent will select a new Fallback Bond on the same basis, but selected from all eligible bonds in issue at the time the original Fallback Bond redeems (including any bond for which the redeemed bond is exchanged);

"Hedge Positions" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Notes;

"Hedging Disruption" means that the Issuer or the Counterparty (in each case, as determined by the Determination Agent in its sole and absolute discretion) is unable, after using commercially reasonable efforts, to (A) acquire, establish, re establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations under the Notes, or (B) realise, recover or remit the proceeds of any such transactions or asset(s);

"Increased Cost of Hedging" means that the Issuer or the Counterparty (in each case, as determined by the Determination Agent in its sole and absolute discretion) would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of entering into and performing its obligations with respect to the Notes or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s) **provided that** any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or the Counterparty shall not be deemed an Increased Cost of Hedging;

"Index" means any index specified as such in the Applicable Supplement;

"Index Sponsor" means, in respect of an Index, the entity specified as such in the Applicable Supplement or, if no entity is specified, the entity that publishes or announces (directly or through an agent) the level of the relevant Index;

"Reference Month" means the calendar month for which the level of the relevant Index was reported, regardless of when this information is published or announced. If the period for which the Index level was reported is a period other than a month, the Reference Month will be the period for which the Index level was reported;

"Related Bond" means the bond specified in the Applicable Supplement, or if no bond is so specified, the Fallback Bond. If the Related Bond is "Fallback Bond", then for any Related Bond determination under these Conditions, the Determination Agent shall use the Fallback Bond (as that is defined in this Condition 6(l)(vii) (*Definitions Applicable to Inflation-Linked Notes*) herein). If no bond is specified in the Applicable Supplement as

the Related Bond and "Fallback Bond: Not applicable" is specified in the Applicable Supplement there will be no Related Bond. If a bond is selected as the Related Bond in the Applicable Supplement, and that bond redeems or matures before the relevant Maturity Date, unless "Fallback Bond: Not applicable" is specified in the Applicable Supplement, the Determination Agent shall use the Fallback Bond for any Related Bond determination;

"Substitute Index Level" means an Index level, determined by the Determination Agent pursuant to the provisions of Condition 6(l)(i) (*Delay of Publication*), in respect of an Affected Payment Date; and

"Successor Index" has the meaning specified in Condition 6(l)(ii) (*Cessation of Publication*).

(m) *General Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below.

"Business Day" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) additional city or cities specified in the Applicable Supplement; and
- (a) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in the principal financial centre of the Relevant Currency and in any additional city or cities specified in the Applicable Supplement;

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the **"Calculation Period"**):

- (a) if **"Actual/365"** or **"Actual/Actual"** is specified, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **"Actual/365(Fixed)"** is specified, the actual number of days in the Calculation Period divided by 365;
- (c) if **"Actual/360"** is specified, the actual number of days in the Calculation Period divided by 360;
- (d) if **"30/360"**, **"360/360"** or **"Bond Basis"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

- (e) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (f) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**euro**" means the lawful single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the Applicable Supplement;

"**Interest Determination Date**" means, with respect to an Interest Rate and an Interest Period, the date specified as such in the Applicable Supplement or, if none is so specified, the day falling two Business Days in London prior to the first day of such Interest Period (or (i) if the specified currency is British pound sterling, the first day of such Interest Period and (ii) if the specified currency is Euro, the day falling two TARGET Settlement Days prior to the first day of such Interest Period);

"**Interest Payment Date**" means the date(s) specified as such in the Applicable Supplement and, if a Business Day Convention is specified in the relevant Applicable Supplement, as the same may be adjusted in accordance with the relevant Business Day Convention, or if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Applicable Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date;

"**Interest Period End Date**" means the date(s) specified as such in the Applicable Supplement, and if no such date(s) are specified, each Interest Payment Date;

"**Interest Rate**" means the rate of interest payable from time to time in respect of the Note and which is either specified in, or calculated in accordance with the provisions of, these Conditions and/or the Applicable Supplement;

"**ISDA Definitions**" means, in respect of a Series of Notes, the 2006 ISDA Definitions (as may be amended and updated as at the date of issue of the relevant Notes (as specified in the relevant Applicable Supplement)) as published by the International Swaps and Derivatives Association, Inc.;

"**Issue Date**" means the date of issue of the Notes;

"**Margin**" means the rate per annum (expressed as a percentage) specified in the Applicable Supplement;

"Order of Priority" means, in relation to any Series, the order of priority for application of all monies received by the Trustee pursuant to Clause 13 of the Principal Trust Deed (as amended by the relevant Supplemental Trust Deed);

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters service) as may be specified in the Applicable Supplement, or such other page, section, caption, column or other part as may replace the same on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying comparable rates or prices;

"Principal Amount" means in relation to a Note or Series, the original face value thereof less any repayments of principal made to the holder(s) thereof in respect of such Note or Series;

"Redemption Amount" means, unless otherwise specified in the Applicable Supplement, in relation to a Note or Series (other than any Equity-Linked Note or Inflation-Linked Note), the amount of the original face value thereof less any repayment of principal made to the Holder(s) thereof in respect of such Note or Series and, in relation to any Equity-Linked Note or Inflation Linked Note, (i) in the case of redemption on the Maturity Date, the amount calculated as set out in the Applicable Supplement and (ii) in circumstances where a Note is redeemed prior to the Maturity Date, an amount equal to the fair market value of such Note, on such day as is selected by the Determination Agent in its sole and absolute discretion (provided that such day is not more than 15 days before the date fixed for redemption of the Note), less the proportion attributable to that Note of the reasonable cost to the Issuer and/or the Counterparty of, or the loss realised by the Issuer and/or the Counterparty on, unwinding any related hedging arrangements, all as calculated by the Determination Agent in its sole and absolute discretion;

"Reference Banks" means the institutions specified as such or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money market) which is most closely connected with the Relevant Rate as determined by the Calculation Agent in its sole and absolute discretion;

"Relevant Currency" means the currency specified as such or, if none is specified, the currency in which the Notes are denominated;

"Relevant Financial Centre" means, with respect to any Note, the financial centre as may be specified as such or, if none is so specified, the financial centre with which the Relevant Rate is most closely connected as determined by the Calculation Agent;

"Relevant Rate" means the offered rate for a Representative Amount of the Relevant Currency for a period (if applicable) equal to the Specified Duration (or such other rate as shall be specified in the Applicable Supplement);

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the Applicable Supplement or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the relevant currency in the interbank market in the Relevant Financial Centre;

"Representative Amount" means, with respect to any rate to be determined on an Interest Determination Date, the amount specified in the Applicable Supplement as such or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time;

"Specified Duration" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the period or duration specified in the Applicable Supplement or, if none is specified, a period of time equal to the relative Interest Period;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro; and

"Treaty" means the Treaty establishing the European Communities, as amended by the Treaty of the European Union.

(n) *Calculation Agent and Reference Banks*

The Issuer will procure that there shall at all times be four Reference Banks selected by the Issuer acting through the Calculation Agent with offices in the Relevant Financial Centre and a Calculation Agent if provision is made for them in the Conditions applicable to any Series of Notes and for so long as any such Series is outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer acting through the Calculation Agent will select another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate the Interest Amounts or any other requirements, the Issuer will appoint (with the prior written consent of the Trustee) a successor to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(o) *Determination or Calculation by Trustee*

If the Calculation Agent does not at any time for any reason determine any Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or any other amount to be determined or calculated by it, the Trustee shall determine such Interest Rate, Interest Amount, Redemption Amount, Instalment Amount or other amount as aforesaid at such rate or in such amount as in its absolute discretion (having regard as it shall think fit to the procedures described above, but subject to the terms of the Trust Deed) it shall deem fair and reasonable in all the circumstances or, subject as aforesaid, apply the foregoing provisions of this Condition, with any consequential amendments, to the extent that, in its sole opinion, it can do so and in all other respects it shall do so in such manner as it shall, in its absolute discretion, deem fair and reasonable in the circumstances, and each such determination or calculation shall be deemed to have been made by the Calculation Agent.

(p) *Interest on Swedish Notes*

For the purposes of calculation of any amount of interest on Swedish Notes, the provisions of this Condition 6 (*Interest and other calculations*) shall be amended so that all periods shall consist of the period from (but excluding) the first day of the relevant period up to (and including) the last day of the relevant period.

7. **Redemption, Purchase and Exchange**

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled as provided below or, unless such Note is stated in the Applicable Supplement as having no fixed maturity date, each Note will be redeemed at its Redemption Amount (as defined in Condition 6(m)) on the date or dates (or, in the case of Floating Rate Notes, on the date or dates upon which interest is payable) specified in the Applicable Supplement.

(b) *Mandatory Redemption*

(i) *Underlying Disposal Event*

If any of the following events (each an **"Underlying Disposal Event"**) occurs:

- (A) there has been a payment default on the due date therefor (without, unless otherwise specified in the Applicable Supplement, regard to any grace period) in respect of the Underlying Assets; or

- (B) any Related Agreement is terminated in whole and is not replaced on or prior to such termination to the satisfaction, and with the prior written approval, of the Trustee; or
- (C) unless otherwise specified in the Applicable Supplement and subject to Condition 14(c),
 - (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 (including pursuant to an agreement entered into by the Issuer or any such Paying Agent following sections 1471 through 1474 of the U.S. Internal Revenue Code, any agreement with the United States regarding these rules and any legislation, regulations or rules adopted by another jurisdiction pursuant to an intergovernmental agreement regarding the implementation of these rules ("FATCA")), or
 - (y) the Issuer would suffer tax, including pursuant to FATCA, 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, including pursuant to FATCA, 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 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
- (D) there is any restructuring of the terms and conditions of the Underlying Assets which, in the sole determination of the Determination Agent, is material in the context of the Notes and/or any agreements relating to the Notes,

on first becoming aware of the occurrence of any Underlying Disposal Event, the Determination Agent (acting on behalf of the Issuer) shall give notice thereof (the "**Underlying Disposal Event Notice**") to the Trustee, the Counterparty, the Issuer, the Custodian, the Principal Paying Agent (in the case of Bearer Notes or Registered Notes) or, as the case may be, the Registrar (in the case of Registered Notes), the CREST Registrar (in the case of Uncertificated Registered Notes) or the applicable NCSD Issuing and Paying Agent and NCSD (in the case of Nordic Notes) and the Issuer shall give notice to the Noteholders in accordance with Condition 15. The Determination Agent (acting on behalf of the Issuer), shall arrange for the sale of the Underlying Assets in accordance with any agreed procedure for this purpose. Upon receipt of the sale proceeds thereof, the Issuer shall give not more than 30 days' notice (or such other number of days as may be provided in the relevant Applicable Supplement or agreed by the Trustee) 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 relevant Order of Priority.

Prior to giving any notice of redemption in respect of the circumstance set out in Condition 7(b)(i)(C) 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)(C)(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)(C)(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, Coupon or Receipt or receiving principal, Redemption Amount, Amortised Face Amount, interest or Interest 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, reduction or refund from such tax (including any failure by a holder or any third party having an interest in the Notes, Coupons or Receipts to comply with any request made pursuant to Condition 9(b)); or
- (c) by reason of any holder or any third party being unable to receive payments free from withholding tax under FATCA or an intergovernmental agreement implementing or entered into in connection with FATCA; or
- (d) 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
- (e) 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.

(ii) *Early Redemption of Underlying Assets*

If the Underlying Assets are redeemed pursuant to an early redemption of such Underlying Assets (an "**Underlying Early Redemption**") prior to their stated date of maturity (other than by reason of payment default, as referred to in Condition 7(b)(i)(A) or as contemplated in the Applicable Supplement) the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (or such other number of days as may be provided in the Applicable Supplement or agreed by the Trustee) to the Trustee and the Secured Creditors of the date on which the net proceeds of such redemption shall be applied as specified in Condition 4(d).

(iii) *Credit Event*

If the Applicable Supplement so provides, if there has been, in the opinion of the Determination Agent (as specified in the Applicable Supplement), a Credit Event (as specified and defined in the Applicable Supplement), the Determination Agent shall give written notice thereof to the Trustee, the Issuer, each Paying Agent and the Counterparty. No further payment should be made in respect of the Notes (other than as provided in

this Condition 7(b)(iii)). The Applicable Supplement shall specify the basis for calculation of the amount (the "**Credit Event Redemption Amount**") payable upon redemption of the Notes in accordance with this Condition 7(b)(iii) which shall be determined by the Determination Agent. The Issuer shall give not more than 30 nor less than 15 days' notice (or such other number of days as may be provided in the Applicable Supplement or agreed by the Trustee) to the Secured Creditors (which notice shall be irrevocable) of the date on which payment of the Credit Event Redemption Amount will be made to the Noteholders or delivery will be made to the Noteholders of the Reference Securities (as defined in the Applicable Supplement), as the case may be. The Applicable Supplement will also specify all other additional terms and conditions which will apply in relation to such Credit Event.

(iv) *Definition*

In these Conditions, each of an Underlying Disposal Event, an Underlying Early Redemption and a Credit Event is referred to as a "**Mandatory Redemption Event**".

(v) *Redemption of Notes*

Upon expiry of the relevant notice under Condition 7(b)(i), (ii) or (iii) above and subject to the conditions of such notice, the Issuer shall (unless, in the case of Condition 7(b)(i)(C) only, the Trustee has required the substitution of another company as principal obligor in respect of the Notes or the establishment of a branch as contemplated in Condition 14(c) or such substitution is otherwise requested by the Instructing Creditor) redeem each Note in whole or, as the case may be, in part on a pro rata basis having applied all monies received in respect of a Series of Notes (whether by enforcement of the Security relating to that Series or otherwise) in accordance with Condition 4(d), or delivered the Reference Securities or paid the Credit Event Redemption Amount in accordance with Condition 7(b)(iii) (or as specified in the Applicable Supplement). The provisions of Clause 18 (*Limited Recourse and Non-petition*) of the Principal Trust Deed shall apply in respect of such redemption of Notes.

The date on which monies received in respect of a Series of Notes (whether by enforcement of the Security relating to that Series or otherwise) shall be applied in redemption of the Notes in accordance with the above paragraph of this Condition 7(b)(v) shall be at any time in accordance with the notice provisions contained in the relevant Condition and any relevant provisions in the Applicable Supplement.

(c) *Purchase*

If a purchase option is specified in the Applicable Supplement, the Issuer may, provided that no Event of Default or Mandatory Redemption Event has occurred and is continuing, purchase Notes or any of them (provided that all unmatured Receipts and Coupons and unexchanged Talons, if any, appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

The Related Agreement will provide that on such purchase such Related Agreement (or a proportionate part thereof which corresponds to the Notes to be purchased) will terminate.

The Applicable Supplement will set out all the terms of such termination, which will reflect the terms of the Related Agreement. The Applicable Supplement will also set out the terms on which the security over the Underlying Assets or part thereof may be released to provide funds for such purpose, which will reflect the terms of the relevant Supplemental Trust Deed. No interest will be payable with respect to a Note (subject as provided below in relation to Nordic Notes) to be purchased pursuant to this Condition in respect of the period from the Issue Date or, if later, the most recent date for the payment of interest on such Note, as the case may be, to the date of such purchase and thereafter. In the case of Nordic Notes, any payments in respect of Notes purchased pursuant to this Condition shall be made in accordance with the applicable NCSD Rules.

If not all the Notes held by a Noteholder are to be purchased, upon surrender of the existing Registered Note Certificate in respect of Registered Notes, the Registrar shall, forthwith upon the written request of the Noteholder concerned, issue a new Registered Note Certificate in respect of such Notes which are not to be purchased and despatch such Registered Note Certificate to the Noteholder (at the risk of the Noteholder and to such address as the Noteholder may specify in such request).

Whilst the Notes are represented by a Global Note, the relevant Global Note will be endorsed to reflect the principal amount of Notes to be so redeemed or purchased.

(d) *Early Redemption of Zero Coupon Notes*

- (i) In respect of any Note which does not bear interest prior to the Maturity Date and the Redemption Amount of which is not linked to an index and/or a formula, the amount payable upon redemption of such Note pursuant to Condition 7(b) or, if applicable, Conditions 7(f), (g) or (h) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note. References in the Conditions to "**principal**" in the case of Zero Coupon Notes, shall be deemed to include references to "**Amortised Face Amount**" where the context permits.
- (ii) Subject to the provisions of (iii) below and as provided in the Applicable Supplement, the Amortised Face Amount of any Zero Coupon Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield shown in the Applicable Supplement compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the Applicable Supplement.
- (iii) If the amount payable in respect of any such Note upon its redemption pursuant to Condition 7(b) or, if applicable, Conditions 7(f), (g) or (h) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 7(d)(i), except that such Condition shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the date (the "**Relevant Date**") which is the earlier of:
 - (A) the date on which all amounts due in respect of the Note have been paid; or
 - (B) the date on which the full amount of the monies payable on the Notes has been received by the Principal Paying Agent or, in relation to Uncertificated Registered Notes, the CREST Registrar or, in relation to the Nordic Notes, the relevant NCSD Issuing and Paying Agent, as the case may be, and notice to that effect has been given to holders in accordance with the provisions of Condition 15.

The calculation of the Amortised Face Amount will continue to be made (as well after as before judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the principal amount of such Note together with any interest which may accrue in accordance with Condition 6.

(e) *Redemption of Variable Redemption Amount Notes*

The Applicable Supplement in respect of a Series of Variable Redemption Amount Notes shall specify the basis for calculation of the Redemption Amount payable upon redemption of the relevant Notes on maturity or under Condition 7(b) or, if applicable, Conditions 7(f), (g) or (h) or upon them becoming due and payable as provided in Condition 10 and the name of the Calculation Agent appointed to determine such Redemption Amount.

(f) *Redemption at the Option of the Issuer and Exercise of Issuer's Option*

If so specified in the Applicable Supplement, the Issuer may, subject to compliance with all relevant laws, regulations and directives, on giving at least 5 Business Days' irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period (as specified in the Applicable Supplement), redeem or exercise any Issuer's option in relation to, all or, if so provided, some only of the Notes in the manner and on the date or dates specified in the Applicable Supplement at their Redemption Amount or at their Amortised Face Amount (in the case of Zero Coupon Notes), together with interest accrued to, or Interest Amount payable on, the date fixed for redemption.

Notice having been given by the Issuer to redeem Note(s) pursuant to this Condition may not be withdrawn (save with the prior written consent of the Trustee) and the Issuer shall be bound to redeem the Note(s) in accordance with the notice, this Condition and the Applicable Supplement.

In the case of a partial redemption of Notes or a partial exercise of an Issuer's option (if permitted as specified in the Applicable Supplement):

- (A) when the Notes are in definitive form or are represented by Registered Note Certificates, the Notes to be redeemed will be selected in the manner indicated in the Applicable Supplement and notice of the Notes called for redemption will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption;
- (B) when the Notes are represented by a Global Note or in the case of Uncertificated Registered Notes or in the case of the Nordic Notes, if a partial redemption is to be effected by selection of whole Notes as indicated in the Applicable Supplement, the Notes to be redeemed will be selected in accordance with the rules and procedures of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other relevant clearing system (as the case may be).

The Applicable Supplement will specify the terms on which the security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption or for the exercise of the Issuer's option.

The Related Agreement will provide that on the redemption of Notes by the Issuer and/or the exercise of the Issuer's option in relation to the Notes such Related Agreement (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Issuer pursuant to the exercise of such option) will terminate. The Applicable Supplement will set out the terms of such termination.

(g) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

- (A) If so specified in the Applicable Supplement the Issuer shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any such Note, redeem such Note on the date or dates specified in the Applicable Supplement at its Redemption Amount or at its Amortised Face Amount (in the case of Zero Coupon Notes), together with interest accrued to, or the Interest Amount payable on, the date fixed for redemption.

To exercise such Noteholder's option which may be specified in the Applicable Supplement, the holder must deposit the relevant Note (together with all unmatured Coupons) with any Paying Agent (in the case of Bearer Notes) or, as the case may be, the relevant Registered Note Certificate with the Registrar or any Paying Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent (in the case of Bearer Notes) or from the Registrar or any Paying Agent (in the case of Registered Notes) not more than 30 days nor less than 10 days (or such other number of days as may be specified in the relevant Applicable Supplement) prior to the relevant date for redemption or exercise of any option.

The Applicable Supplement will specify the terms on which the security over the relevant Underlying Assets or part thereof may be released to provide funds for such redemption or for the exercise of the Noteholder's Option.

The Related Agreement will provide that on the redemption of Notes by the Noteholders pursuant to the exercise of the Noteholders' Option in relation to the Notes such Related Agreement (or a proportionate part thereof which corresponds to the Notes to be redeemed by the Issuer pursuant to the exercise of such option) will terminate. The Applicable Supplement will set out the terms of such termination.

In the case of any Note represented by a Global Note, the Noteholder must deliver the Exercise Notice together with an authority to Euroclear or, as the case may be, Clearstream, Luxembourg to debit such Noteholder's account or an account designated by such Noteholder accordingly. In the case of any Note which is an Uncertificated Registered Note or a Nordic Note, the Noteholder must deliver the Exercise Notice together with an authority to the CREST Registrar or the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (as the case may be) to debit such Noteholder's account or an account designated by such Noteholder accordingly. In respect of the Nordic Notes, the Exercise Notice shall not take effect against the Issuer before the date on which the relevant Nordic Notes have been transferred to the account designated by the relevant NCSD Issuing and Paying Agent and blocked for transfer by the relevant NCSD Issuing and Paying Agent. No Note (or authority) so deposited may be withdrawn (except as provided in the Applicable Supplement) without the prior consent of the Issuer.

- (B) If so specified in the Applicable Supplement, Morgan Stanley & Co. International plc and each of its Affiliates (each such person a "**Morgan Stanley Noteholder**") shall have the option, exercisable at any time and from time to time, to require the Issuer to redeem all or some only of the Notes held by it (or beneficially owned by it) (the "**Morgan Stanley Noteholder Option**"). The Morgan Stanley Noteholder Option shall be exercised by the relevant Morgan Stanley Noteholder giving at least 5 Business Days' notice (such notice, the "**Morgan Stanley Noteholder Option Exercise Notice**") to the Issuer specifying the Notes to be redeemed and the Issuer shall be obliged to redeem such Notes on the date specified in such notice (the "**Morgan Stanley Noteholder Optional Redemption Date**") in exchange for and against delivery to the Morgan Stanley Noteholder of the Required Proportion in principal amount of the Underlying Assets (as defined below) (less any principal amount of Underlying Assets required to be liquidated in order to satisfy a pro rata amount of any claims ranking in priority to the claims of Noteholders which have fallen due but remain unpaid as at the Morgan Stanley Noteholder Optional Redemption Date).

No interest will be payable in respect of a Note to be redeemed pursuant to an exercise of the Morgan Stanley Noteholder Option in respect of the period since the last date on which interest was payable (or, if there is no such date, the Issue Date).

Upon an exercise of the Morgan Stanley Noteholder Option (at no cost to either the Issuer or the Counterparty):

- (a) the Required Proportion of the Swap Agreement will terminate (at no cost to either the Issuer or the Counterparty);
- (b) the Determination Agent will arrange for the delivery of the relevant principal amount of Underlying Assets to, or to the order of, the relevant Morgan Stanley Noteholder (whereupon such Underlying Assets shall be released from the security constituted by the Security Documents); and
- (c) the Determination Agent will identify any changes to the terms and conditions of the Notes and the Transaction Documents which the Determination Agent considers are required in order to reflect and account for the redemption pursuant to the exercise of the Morgan Stanley Noteholder Option and to ensure that the amounts payable on those Notes which are not redeemed are the same (in all material respects) as the amounts which would have been payable on those Notes but for that redemption. Upon identification by the Determination Agent of any such changes, the terms and conditions of the Notes and the Transaction Documents shall be deemed to be amended without any further action required by, or consent required from, any other party.

For this purpose and in respect of any exercise of a Morgan Stanley Noteholder Option "**Required Proportion**" means, in relation to the Related Agreement or the Underlying Assets, a

share thereof corresponding to the proportion which the Principal Amount of the Notes to be redeemed upon the exercise of such Morgan Stanley Noteholder Option bears to the Principal Amount of all of the then outstanding Notes of that Series (including the Notes to be redeemed pursuant to the exercise of such option).

In the case of any Note which is a Nordic Note, the Morgan Stanley Noteholder must deliver the Morgan Stanley Noteholder Exercise Notice together with an authority to the relevant NCSD Issuing and Paying Agent or NCSD (as applicable) (as the case may be) to debit such Morgan Stanley Noteholder's account accordingly. The Morgan Stanley Noteholder Exercise Notice delivered in respect of a Nordic Note shall not take effect against the Issuer before the date on which the relevant Nordic Notes have been transferred to the account designated by the relevant NCSD Issuing and Paying Agent and blocked for transfer by the relevant NCSD Issuing and Paying Agent.

(h) *Redemption by Instalments*

Unless previously redeemed, purchased and cancelled as provided in this Condition 7, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding Principal Amount of such Note shall be reduced by the Instalment Amount for all purposes and the notional amount(s) of principal under any Related Agreement upon which payments under the Series of Notes of which such Note forms part are calculated shall be reduced in a proportion equal to the proportion which the Instalment Amount bears to the original notional amount(s) of such Related Agreement.

(i) *Cancellation*

In respect of all Notes purchased by or on behalf of the Issuer, the Bearer Notes or the Registered Note Certificates shall be surrendered to or to the order of the Principal Paying Agent (in respect of such Bearer Notes) or the Registrar (in respect of the Registered Notes Certificates of such Registered Notes) for cancellation and, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together, in the case of Bearer Notes, with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) *Exchange of Notes for Underlying Assets*

If specified in the Applicable Supplement, a Noteholder may request the Issuer to exchange any Note held by it for a corresponding principal amount of the Underlying Assets upon terms that will be more fully set out in the Applicable Supplement.

(k) *Exchange of Series*

If specified in the Applicable Supplement and subject to the conditions specified in such Applicable Supplement, the Issuer may from time to time, with the consent of the Counterparty under the Related Agreement (if any) with respect to such Series, substitute a new Series of Notes (the "**New Series**") for that existing Series of Notes (the "**Existing Series**") as it may deem appropriate. Any substitution of a Series may occur with or without the consent of the Noteholders, as specified in the relevant Applicable Supplement. The exchange procedure and means by which Noteholders consent to such exchange (if any) shall be specified in the relevant Applicable Supplement at the time of issue.

8. **Payments**

(a) *Bearer Notes*

Payments of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) and interest (or, as the case may be, Interest Amounts) in respect of Bearer Notes (other than Dual Currency Notes) will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payment of Instalment Amounts, other than on the due date for final redemption on which the Receipt shall be presented for payment

together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 8(f)(iv)) or Coupons (in the case of interest, save as specified in Condition 8(f)(iv)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions by transfer to an account denominated in the currency in which such payment is due with, or (in the case of Definitive Notes only) a cheque payable in that currency drawn on, a bank in (a) the principal financial centre of that currency provided that such currency is not euro, or (b) the principal financial centre of any Member State of the European Community if that currency is euro.

(b) *Registered Notes (other than Uncertificated Registered Notes)*

- (A) Payments of principal (or, as the case may be, Redemption Amounts or Instalment Amounts) by any Paying Agent in respect of a Registered Note Certificate (subject to (B) below) (other than Dual Currency Notes) will be made against presentation and surrender (other than in the case of payments of any Instalment Amounts) of the relevant Registered Note Certificate at the specified office of any Paying Agent and, in the case of payment of any Instalment Amounts, annotation of such payment on the Register by the Registrar and the relevant Registered Note Certificate.

Payments of principal or instalments (or, as the case may be, Redemption Amounts or Instalment Amounts) will be paid by any Paying Agent to the persons shown on the Register on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Upon application by the Noteholder to the specified office of any Paying Agent at least 10 calendar days before the relevant Record Date, the payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Member State of the European Community if that currency is euro.

- (B) Payments of principal (or, as the case may be, Redemption Amounts or Instalment Amounts) by any Paying Agent in respect of Registered Global Notes (other than Dual Currency Notes) will be made to the person shown as the Holder in the Register at the close of business on the Clearing System Business Day (as defined below) before the due date for such payment (which shall be the principal).
- (C) Interest (or, as the case may be, Interest Amounts) on Notes represented by a Registered Note Certificate (subject to (D) below) payable on any Interest Payment Date will be paid by any Paying Agent to the persons shown on the Register on the Record Date. Upon application by the Noteholder to the specified office of any Paying Agent at least 10 calendar days before the relevant Record Date, the payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in (a) the principal financial centre of the country of that currency provided that such currency is not euro, or (b) the principal financial centre of any Member State of the European Community if that currency is euro.
- (D) Each payment of Interest by any Paying Agent (or, as the case may be, Interest Amounts) in respect of Notes represented by a Registered Global Note payable on any Interest Payment Date will be made, in accordance with the prevailing systems and procedures for payments of the relevant Clearing System(s) in which such Registered Global Note is being held, to the person shown as the Holder in the Register at the close of business on the Clearing System Business Day before the due date for such payment (which shall be the record date for such payment of interest) where "Clearing System Business Day" means a day on which each Clearing System for which the Registered Global Note is being held is open for business.

(c) *Uncertificated Registered Notes*

Payments of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) by the CREST Registrar in respect of Uncertificated Registered Notes will be made to the relevant Noteholder's cash memorandum account (as shown in the records of the Operator)

for value on the relevant date due for payment, as the case may be, such payment to be made in accordance with the rules of the Operator.

Payments of interest (if any) or instalments in respect of Uncertificated Registered Notes will be discharged by payment (as shown in the records of the Operator) to the cash memorandum account of the relevant Noteholder. Each of the persons shown in the Operator register of corporate securities as the holder of a particular principal amount of Uncertificated Registered Notes must look solely to the settlement bank or institution at which its cash memorandum account is held for its share of each such payment so made by or on behalf of the Issuer.

(d) *Nordic Notes*

Payments of principal (or, as the case may be, Redemption Amounts or other amounts payable on redemption) by any NCSD Issuing and Paying Agent or any NCSD (as applicable), interest or instalments in respect of the Nordic Notes shall be made to the Noteholders recorded as such on the fifth business day (as defined by the then applicable NCSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then stipulated in the applicable NCSD Rules) (such date, the record date in respect of the Nordic Notes).

(e) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if:

- (i) the Issuer shall have appointed one or more Paying Agent with specified offices outside the United States with the reasonable expectation that such Paying Agent would be able to make payment of the amounts on the Notes in the manner provided above when due;
- (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts; and
- (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer and the Dealer, adverse tax consequences to the Issuer.

(f) *Payments subject to fiscal laws; payments on Global Notes and Registered Notes*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders, Couponholders or Receiptholders (if any) in respect of such payments.

Payments of principal (or Redemption Amounts) and interest (or Interest Amounts) in respect of the Bearer Notes when represented by a Permanent Global Note will be made against presentation and surrender or, as the case may be, presentation of the Permanent Global Note at the specified office of the Principal Paying Agent, subject in all cases to any fiscal or other laws, regulations and directives applicable in the place of payment to the Issuer, the Principal Paying Agent or the bearer of the Permanent Global Note. A record of each payment so made will be endorsed on the schedule to the Permanent Global Note by or on behalf of the Principal Paying Agent which endorsement shall be prima facie evidence that such payment has been made.

The holder of a Permanent Global Note or Registered Note shall be the only person entitled to receive payments of principal (or Redemption Amounts) and interest (or Interest Amounts) on the Permanent Global Note or such Registered Note (as the case may be) and the Issuer will be discharged by payment to, or to the order of, the holder of such Permanent Global Note or Registered Note in respect of each amount paid.

(g) *Appointment of the Agents*

The Principal Paying Agent, any other Paying Agent, the Issue Agent, the Determination Agent, the Calculation Agent and the Registrar (the "**Agents**") appointed by the Issuer and their

respective specified offices are listed below or as otherwise appointed pursuant to the Agency Agreement and with specified offices as set out in the Applicable Supplement. The Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent, and to appoint additional or other Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent, (ii) a Calculation Agent (where the Conditions so require one), (iii) while any Registered Notes (other than any Uncertificated Registered Notes) remain outstanding, a Registrar in Luxembourg, and (iv) a paying agent in Ireland (if the notes are issued in definitive form and held outside the Clearing Systems), each Agent (other than the Registrar) having a specified office in a European city which, if the Notes are admitted to listing on a listing authority, stock exchange and/or quotation system and the rules of such listing authority, stock exchange and/or quotation system require the appointment of the Principal Paying Agent in a particular place, shall be such place. For Registered Notes (other than any Uncertificated Registered Notes), the Issuer will at all times maintain a Registrar and the Register in Luxembourg (or such other place as the Trustee may approve).

The Issuer will ensure that it maintains the Principal Paying Agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced to conform to, such Directive.

For as long as any Finnish or Swedish Note is outstanding the Issuer will at all times maintain a Finnish CSD and/or, as applicable, Swedish CSD and a Finnish Issuing and Paying Agent and/or, as applicable, Swedish Issuing and Paying Agent appointed in respect of the relevant Nordic Note.

Notice of any change in any Paying Agent or in its specified office or any NCSD or NCSD Issuing and Paying Agent shall promptly be given to the Noteholders.

(h) *Unmatured Coupons and Receipts and unexchanged Talons*

- (i) Subject to the provisions of the Applicable Supplement, upon the due date for redemption of any Note which is a Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (ii) Upon the date for redemption of any Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iii) Upon the due date for redemption of any Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iv) Where any Note which is a Bearer Note, is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Note is not a due date for payment of interest or an Interest Amount, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be or, in the case of a Variable Coupon Amount Note, the Interest Amount payable on such date for redemption shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation thereof.

(i) *Non Business Days*

Subject as provided in the Applicable Supplement, if any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) on which banks are open for presentation and payment of debt securities and for dealings in foreign currency in London and in the relevant place of presentation and in the cities referred to in the definition of Business Days set out in the Applicable Supplement and:

- (1) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which dealings may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (2) (in the case of a payment in euro) on a day which is a TARGET Settlement Day.

Notwithstanding the paragraph above, in respect of any Note represented by a Global Note, if any date for payment in respect of any Note, Receipt or Coupon is not a Business Day, the holder shall not be entitled to payment until the following Business Day nor to any interest or other sum in respect of such postponed payment.

(j) *Dual Currency Notes*

The Applicable Supplement in respect of Dual Currency Notes shall specify the currency in which each payment in respect of the relevant Notes shall be made, the terms relating to any option relating to the currency in which any payment is to be made and the basis for calculating the amount of any relevant payment and the manner of payment thereof.

(k) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a coupon sheet issued in respect of any Note, the Talon forming part of such coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further coupon sheet (and if necessary another Talon for a further coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 12).

9. **Taxation**

- (a) All payments in respect of the Notes, Receipts or Coupons will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature unless the Issuer, or any Paying Agent or, where applicable, the Trustee is required by applicable law, regulation, rule or agreement with a taxing authority to make any payment in respect of the Notes, Receipts or Coupons subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature (including withholding taxes imposed pursuant to FATCA, or any similar or successor legislation or any agreement entered into pursuant to any such legislation, or any law implementing an intergovernmental approach thereto). In that event, the Issuer, any Paying Agent, or the Trustee (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant taxing authorities or other governmental agencies for the amount so required to be withheld or deducted. Neither the Issuer, nor any Paying Agent, nor the Trustee will be obliged to make any additional payments to the Noteholders, Receiptholders or the Couponholders in respect of such withholding or deduction, but Condition 7(b)(i)(C) will apply. The Issuer or any Paying Agent may require Holders to provide such certification and other documents as required by applicable law or reasonably requested pursuant to Condition 9(b) below in order to qualify for exemption, reduction or refund of any withholding taxes or other taxes imposed by any taxing authority or governmental agency.
- (b) Each Holder or any third party having an interest in the Notes, Coupons or Receipts shall furnish (including by way of updates in such form and at such time as is reasonably requested) any information, representations and forms as shall reasonably be requested to assist in obtaining any exemption, reduction or refund of any withholding or other taxes imposed by any taxing

authority or other governmental agency (including withholding taxes imposed pursuant to FATCA, or any similar or successor legislation or any agreement entered into pursuant to any such legislation, or any law implementing an intergovernmental approach thereto) upon the Issuer, amounts paid to the Issuer, or amounts distributable by the Issuer to such Holder.

10. **Events of Default**

- (a) Subject to Condition 10(c), the Trustee at its discretion may, and, if so requested in writing by the Instructing Creditor, shall, (subject in either case to the Trustee being secured and/or indemnified and/or pre-funded to its satisfaction against any Liability which it may incur) give notice (an "**Enforcement Notice**") to the Issuer that the Notes of such Series are due and repayable at their Redemption Amount together with accrued interest to the date of payment (or, in the case of Zero Coupon Notes, at their Amortised Face Amount) or as otherwise specified in the Applicable Supplement and the Notes of such Series shall accordingly immediately become due and repayable (save to the extent that they had already become due and repayable at the time the Enforcement Notice was given) and the Security constituted by the Security Documents shall become enforceable (as provided in the Trust Deed) and the net proceeds of enforcement of the Security shall be applied as specified in Condition 4(d) upon the occurrence of any of the following events (each an "**Event of Default**"):
- (i) if default is made for a period of 14 days or more in the case of interest payments or 7 days or more in the case of principal in the payment of any sum due in respect of such Notes or any of them; or
 - (ii) if the Issuer of such Series fails to perform or observe any of its other obligations under the Notes or the Trust Deed and, where the Trustee considers, in its absolute discretion that such default can be remedied, such failure continues for a period of 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or
 - (iii) if any order shall be made by any competent court or any resolution passed for the winding up or dissolution of the Issuer or an order is made for the Issuer's bankruptcy or examination (or any analogous proceedings) save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms approved by the Trustee; or
 - (iv) if (a) any other proceedings are initiated against the Issuer under any applicable liquidation, examination, bankruptcy, insolvency, composition, reorganisation, readjustment or other similar proceedings under any laws (but excluding the presentation of any application for an administration order) and such proceedings are not being disputed in good faith, or (b) an examiner or other receiver, administrator or other similar official (not being a receiver or manager appointed by the Trustee pursuant to the Principal Trust Deed) is appointed in relation to the Issuer or in relation to the whole or any substantial part of the undertaking or assets of the Issuer or (c) an encumbrancer (not being the Trustee or any Receiver or manager appointed by the Trustee) shall take possession of the whole or any substantial part of the undertaking or assets of the Issuer or (d) a distress or execution or other process shall be levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of the Issuer (other than, in any such case, by the Trustee or pursuant to any of the Transaction Documents) and in any of the foregoing cases (other than in relation to the circumstances described in (b) where no grace period shall apply) such order, appointment, possession or process (as the case may be) is not discharged or stayed or does not cease to apply within 14 days; or
 - (v) if the Issuer initiates or consents to judicial proceedings relating to itself (except in accordance with paragraph (iii) above) under any applicable liquidation, examination, bankruptcy, insolvency, composition, reorganisation, readjustment

or other similar proceedings under any laws or makes a conveyance or assignment for the benefit of its creditors generally;

- (vi) if the Issuer becomes insolvent or is adjudicated or found bankrupt; or
 - (vii) if, other than in circumstances constituting a Mandatory Redemption Event, such Underlying Assets become due and payable, or become capable of being declared due and payable, prior to their date of maturity or other scheduled date or dates for their repayment or payment.
- (b) The Issuer shall provide written confirmation to the Trustee, on an annual basis, that no Event of Default or Potential Event of Default or other matter which is required to be brought to the Trustee's attention has occurred.
- (c) In the event of the security constituted by the Security Documents becoming enforceable following acceleration of the Notes as provided in this Condition 10, the Trustee shall (but without any liability as to the consequence of such action and without having regard to the effect of, or being required to account for, such action to the Secured Creditors) have the right to enforce its rights under the Transaction Documents, in relation to the relevant Charged Assets in relation to such Series only, provided that the Trustee shall not be required to take any action that would involve the Trustee in any liability or expense unless previously secured and/or pre-funded and/or indemnified to its satisfaction.

The provisions of the Trust Deed are expressed to apply separately to each Series. Accordingly, the occurrence of an Event of Default under one Series does not per se constitute an Event of Default under any other Series.

The Events of Default may be varied or amended in respect of any Series of Notes as set out in the Applicable Supplement.

11. Limited Recourse Enforcement

If the amounts realised from the Charged Assets in respect of any Series (including, without limitation, a realisation of the Security or a sale or redemption of the Underlying Assets and termination of any Related Agreement in accordance with these Conditions) are not sufficient (after meeting any Liabilities or remuneration of the Trustee, the Agents, the Corporate Services Provider, the Custodian and any Receiver, and any other amounts that rank in priority to the Notes of such Series as specified in the Supplemental Trust Deed and/or identified in the Applicable Supplement) to make payment of all amounts due in respect of the Notes of such Series and all other Secured Obligations with respect to that Series including, without limitation any amount due to the Counterparty as a result of the termination of any Related Agreement, no other assets of the Issuer will be available to meet that shortfall. Any such shortfall shall be borne in accordance with the relevant Order of Priority (applied in reverse order) specified in the Supplemental Trust Deed and/or stated in the Applicable Supplement. Any claim of the Holders of the relevant Series remaining after such application shall be extinguished and such Holders will have no further recourse to the Issuer and any failure to make any payment in respect of such shortfall shall in no circumstances constitute an Event of Default under Condition 10.

Only the Trustee may pursue the remedies available under the Trust Deed, the Conditions and the Transaction Documents and enforce the rights of the Secured Creditors in relation to the Underlying Assets of the relevant Series. No Secured Creditor is entitled to proceed directly against the Issuer or any assets of the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed and the Security Documents, fails or neglects to do so within a reasonable period and such failure or neglect is continuing. However, the Trustee shall not be bound to enforce the security or pursue the remedies available under the Trust Deed, the Conditions or any of the Transaction Documents unless it is indemnified and/or secured and/or pre-funded to its satisfaction against any Liability which it may incur and has, if so required by the Conditions, been requested to do so by the Instructing Creditor.

After realisation of the Security in respect of the Notes which has become enforceable and distribution of the net proceeds thereof, neither the Trustee nor any Secured Creditor (if any) may take any further steps against the Issuer or any of its assets to recover any sums due but unpaid in respect of the Notes and all claims against the Issuer in respect of each such sum unpaid shall be extinguished.

No Noteholder, Couponholder or Receiptholder may institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, examination, re-organisation, arrangement, insolvency or liquidation proceeding (except for the appointment of a receiver and manager pursuant to the terms of the Trust Deed) or other similar proceeding under any law for so long any Notes are outstanding. The Noteholders, Couponholders and Receiptholders (if any) accept and agree that the only remedy of the Trustee against the Issuer after any of the Notes of that Series have become due and payable pursuant to Condition 10 is to enforce the security for the Notes for the relevant Series created by the Security Documents relating to such Series.

The net proceeds of enforcement of the security or realisation of the Charged Assets for the relevant Series may be insufficient to pay all amounts due to the Secured Creditors in respect of such Series in which event claims in respect of all such amounts will be extinguished.

12. Prescription

Claims against the Issuer for payment in respect of the Notes (other than the Nordic Notes), Receipts or Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7(d)) in respect thereof.

Claims for principal in respect of the Swedish Notes shall become void unless made within a period of ten years after the applicable due date. Claims for interest in respect of the Swedish Notes shall become void unless made within a period of five years after the applicable due date. Claims for principal and/or interest in respect of Finnish Notes shall become void unless made within a period of three years after the applicable due date.

13. Replacement of Notes, Coupons, Receipts and Talons

If any Bearer Note, Registered Note Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws and stock exchange requirements, at the specified office of the Principal Paying Agent in London or, in the case of Registered Note Certificates, the Registrar in Luxembourg upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. Meetings of Noteholders, Modification, Waiver, Authorisation and Substitution

(a) Meetings of Noteholders, Modifications and Waiver

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider matters affecting their interests, including the modification by Extraordinary Resolution of the Conditions or the provisions of the Trust Deed. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than one quarter of the Principal Amount of the Notes of the relevant Series for the time being outstanding, or, at any adjourned such meeting, two or more persons being or representing Noteholders of the relevant Series, whatever the Principal Amount of the Notes so held or represented, except that, *inter alia*, the terms of the security and certain terms concerning the amount and currency and the postponement of the due dates of payment of the Notes and the Coupons or Receipts (if any) may be modified only by resolutions passed at a meeting the quorum at which shall be two or more persons holding or representing three quarters, or at any adjourned such meeting, not less than one quarter, in Principal Amount of the Notes of the relevant Series for the time being outstanding. In addition, a Written Resolution will take effect as if it were an Extraordinary Resolution. An Extraordinary Resolution passed at any meeting of

the Noteholders will be binding on all Noteholders (and any Couponholders and Receiptholders) of the relevant Series, whether or not they were present at such meeting.

The Holder of a Global Note will be treated as two persons for the purposes of any quorum requirement of a Meeting of Noteholders.

The Trustee, may without the consent of the Secured Creditors of any Series, (without prejudice to its rights in respect of any subsequent breach, condition, event or act) at any time, but only if and in so far as in its opinion the interests of the Instructing Creditor in respect of the relevant Series will not be materially prejudiced thereby (i) waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Transaction Documents in relation to such Series or (ii) determine that any Event of Default or Potential Event of Default in relation to such Series shall not be treated as an Event of Default or, as the case may be, Potential Event of Default in relation to such Series, *provided that* the Trustee shall not exercise such powers in contravention of any express request given by the Instructing Creditor. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions as may seem fit and proper to the Trustee, shall be binding on the Secured Creditors of the relevant Series and, if but only if the Trustee so requires, shall be notified by the Issuer to the relevant Secured Creditors of such Series in accordance with the terms of the Notes as soon as practicable thereafter.

The Trustee may, with the prior written confirmation from any Rating Agency which has assigned a credit rating to a Series of Notes that such rating will not be adversely affected but without the consent of the Secured Creditors of such Series, concur with the Issuer in making:

- (a) any modification to any Transaction Document if in the opinion of the Trustee such modification is of a formal, minor or technical nature or to correct a manifest error; or
- (b) any other modification to the Trust Deed (except as mentioned therein) or any other Transaction Document which in the opinion of the Trustee it is proper to make, *provided that* the Trustee is of the opinion that such modification will not be materially prejudicial to the interests of the Instructing Creditor of such Series.

Any such modification may be made on such terms and subject to such conditions as may seem fit and proper to the Trustee, shall be binding upon the Holders of such Series and any other Secured Creditor relating to such Series and, unless the Trustee agrees otherwise, shall be notified by the Issuer to the relevant Holders in accordance with the terms of the relevant Notes and the other Secured Creditors as soon as practicable thereafter.

(b) *Authorisation*

The Issuer will not, except as specified in the Applicable Supplement, exercise any rights in its capacity as a holder of, or person beneficially entitled to or participating in the Underlying Assets, unless directed to do so by the Trustee and, if such direction is given, the Issuer will act only in accordance with such directions. In particular, the Issuer will not attend or vote at any meeting of holders of, or other persons interested or participating in, or entitled to the rights or benefits (or a part thereof) under, the Underlying Assets or give any consent, waiver, indulgence, time or notification or make any declaration in relation to such Underlying Assets unless it shall have been so directed by the Trustee in writing.

(c) *Substitution*

- (i) The Trust Deed contains provisions permitting the Trustee to agree:
 - (a) without the consent of the Secured Creditors; but
 - (b) if any Notes are rated by a Rating Agency or Rating Agencies, subject to the prior receipt of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected; and/or

- (c) in respect of any Nordic Note, the relevant NCSD has given its consent (which consent shall not be unreasonably withheld or delayed),

to the substitution in place of the Issuer as principal debtor under the Trust Deed and the Notes of any other company (incorporated in any jurisdiction);

- (ii) In connection with any proposed substitution or change of jurisdiction of the Issuer, the Trustee may:

- (a) without the consent of the Secured Creditors; but
- (b) if any Notes are rated by a Rating Agency or Rating Agencies, subject to the prior receipt of written confirmation from such Rating Agency or Rating Agencies that the credit rating of such Notes will not be adversely affected; and/or
- (c) in respect of any Nordic Note, the relevant NCSD has given its consent (which consent shall not be unreasonably withheld or delayed),

agree to a change of the law governing the Trust Deed, the Supplemental Trust Deed, any other Security Document, the Notes, the Receipts, the Coupons, the Talons (if any) provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the relevant Noteholders or the Counterparty.

- (d) *Entitlement of the Trustee*

In connection with the exercise of its powers, trusts, authorities or discretions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution as aforesaid) the Trustee shall not have regard to the consequences of such exercise for individual Secured Creditors or of holders of any other notes or bonds, resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Secured Creditor be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Secured Creditors.

- (e) *Prioritised Tranches*

The Supplemental Trust Deed will contain certain provisions relating to meetings, modification, waiver and substitution for Prioritised Tranches.

15. **Notices**

- (a) *Notices in respect of Bearer Notes and Registered Notes (other than Uncertificated Registered Notes)*

Notices to holders of Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper in Dublin and in a leading English language daily newspaper in London (expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having daily circulation in general circulation in Europe.

Notices to holders of Registered Notes (other than Uncertificated Registered Notes) will be deemed to be validly given if posted to them at their respective addresses in the Register and deemed to have been given on the date of posting or, if so agreed with the relevant Noteholder, will be given to them by fax or email.

The Issuer shall also ensure that all notices to holders of Bearer Notes and Registered Notes are, so long as such Notes are listed on the Irish Stock Exchange and the guidelines of that exchange so require, filed with the Companies Announcements Office of the Irish Stock Exchange and otherwise duly published in a manner which complies with the rules, regulations and guidelines of the Irish Stock Exchange or any other listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed.

Any such notice to holder of Bearer Notes shall be deemed to have been given on the date of first publication or if earlier, the date that such notice is filed with the Companies Announcements Office of the Irish Stock Exchange. Couponholders and Receiptholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

Until such time as any Definitive Notes are issued, and so long as Global Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or such other relevant clearing system, for communication by them to the holders of the Notes (and the provisions of the paragraph above shall not apply) and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange or other relevant authority so require, such notice will be filed with the Companies Announcements Office of the Irish Stock Exchange. Any such notice will be deemed to have been given on the date of delivery to Euroclear and/or Clearstream, Luxembourg or such other relevant clearing system or, if filing with the Companies Announcements Office of the Irish Stock Exchange is required, on the date such notice is filed with the Companies Announcements Office of the Irish Stock Exchange.

(b) *Notices in respect of Uncertificated Registered Notes*

All notices regarding Uncertificated Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing in the Record and will be deemed to have been given on the date of posting and for so long as the Notes are listed on the Irish Stock Exchange and the guidelines of that exchange so require, such Notice will be filed with the Companies Announcements Office of the Irish Stock Exchange. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules, regulations and guidelines of any listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date that such notice is filed with the Companies Announcements Office of the Irish Stock Exchange, or if earlier, the date on which such notice is posted.

(c) *Notices in respect of Nordic Notes*

All notices regarding Nordic Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders at their respective addresses appearing on the relevant NCSD Register and will be deemed to have been given on the date of posting and, so long as the Notes are listed on the Irish Stock Exchange and the guidelines of that exchange so require, filed with the Companies Announcements Office of the Irish Stock Exchange. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules, regulations and guidelines of any listing authority, stock exchange and/or quotation system on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date that such notice is filed with the Companies Announcements Office of the Irish Stock Exchange, or if earlier, the date on which such notice is posted.

16. **Trustee's Indemnification, Retirement and Removal**

The Trust Deed contains provisions for indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action including taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trustee or any of its affiliates is entitled to enter into business transactions with the Issuer, any issuer or guarantor of (or other obligor in respect of) any of the securities or other assets, rights and/or benefits comprising the Charged Assets or the Secured Creditors or any of their respective subsidiaries or associated companies without accounting to the Secured Creditors for any profit resulting therefrom.

The Trustee, in the absence of negligence, wilful default or fraud, is exempted from any liability in respect of any loss, diminution in value or theft of all or any part of the Charged Assets, from any obligation to insure all or any part of the Charged Assets (including, in either such case, any

documents evidencing, constituting or representing the same or transferring any rights, benefits and/or obligations thereunder) or to procure the same to be insured or monitoring the adequacy of any insurance arrangements and from any claim arising if all or any part of the Underlying Assets (or any such document aforesaid) are held in an account with Euroclear, Clearstream, Luxembourg or any similar clearing system in accordance with that system's rules or otherwise held in safe custody by the Custodian or a bank or other custodian selected by the Trustee. The Trustee will incur no liability, vicarious or otherwise, for any actions or inactions of the Custodian.

The Trustee was appointed trustee in respect of notes to be issued by the Issuer under the Programme pursuant to the terms of the Principal Trust Deed. Pursuant to the terms of the Principal Trust Deed, the Trustee may retire upon the giving of three months' notice to the Issuer and each Secured Creditor or may be removed by an Extraordinary Resolution of the Holders of the relevant Series of Notes. Following notice of retirement or removal of the Trustee being duly given, the Issuer shall procure the appointment of a new trustee as soon as reasonably practicable and such retirement or removal shall not become effective until a successor trustee has been appointed in accordance with the terms of the Principal Trust Deed. If, in such circumstances, no appointment of such new trustee has become effective within three months of the date of such notice or Extraordinary Resolution, the Trustee shall be entitled to appoint a Trust Corporation as trustee of the Principal Trust Deed, but no such appointment shall take effect unless previously approved by an Extraordinary Resolution of the Holders of the relevant Series, where "**Trust Corporation**" means a corporation entitled by rules made under the Public Trustee Act 1906 or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of custodian trustee.

The Trustee is only required to have regard to the interests of the Instructing Creditor or to act on the instructions of the Instructing Creditor when exercising any of its powers, duties or discretions in relation to a particular Series of Notes, and the Trustee is not obliged to consider the interests of any other Secured Creditors for such Series. The Trustee is not liable for any loss that may be suffered by any Secured Creditors when it is acting on the instructions of the Instructing Creditor.

Irrespective of whether the Instructing Creditor for a particular Series of Notes is the Counterparty or the Noteholders, the Trustee is not required to take any action unless it has been indemnified and/or secured and/or pre-funded to its satisfaction against any Liability which it may incur in so acting.

17. **Governing Law**

(a) *Governing Law*

The Principal Trust Deed, the Supplemental Trust Deed, the Notes, the Coupons, the Receipts and the Talons (if any) and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by English law. Any Supplementary Security Document and any non-contractual obligations arising out of or in connection with it will be governed by the law specified therein.

(b) *Submission to jurisdiction*

The Issuer has, in the Trust Deed, 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 (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) *Waiver*

The Issuer has, in the Trust Deed, irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

(d) *Process agent*

The Issuer has, in the Trust Deed, agreed that the process by which any Proceedings in England are begun may be served on it by being delivered to Morgan Stanley & Co. International plc at 25 Cabot Square, Canary Wharf, London, E14 4QA or its other registered office for the time being. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall, on the written demand of the Trustee, appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Trustee shall be entitled to appoint such a person by written notice to the Issuer. Nothing contained herein shall affect the right of any Secured Creditor to serve process in any other manner permitted by law.

(e) *Non-exclusivity*

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of the Secured Creditors to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by applicable law.

(f) *Third Party Rights*

No person shall have any right to enforce any term or condition of the Notes or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

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